



Building Energy Efficiency Rating and Data Disclosure

The Issue

The purpose of building energy efficiency rating and data disclosure is to increase demand for energy efficient buildings among owners and tenants, therefore creating increased incentive for investment in building energy efficiency. While the specifics of disclosure laws vary, by making information about building energy use more available, consumers will be more informed about the true cost of owning or operating a building. For the first time, the true energy cost will be valued appropriately thereby creating a rationale for investment. In addition, disclosure laws compel many building owners who don't currently understand their building energy use to track it. Becoming educated about their building's energy use allows building owners to make informed decisions about how to improve their building's energy performance. Unlocking the economic potential of Greater Philadelphia's commercial building stock could create significant investment and job creation activity in the region.



Cliff Majersik of the Institute for Market Transformation, Chris Pyke of U.S. Green Building Council, David Hsu from University of Pennsylvania and Laurie Kerr from the City of New York at a Hub meeting on data disclosure

Benchmarking Becoming a Signature of 'Green Mayors'

Several cities and states have been early adopters of building energy benchmarking and data disclosure legislation including San Francisco, Austin, Washington, D.C., New York City, Seattle, California and Washington State. These states and municipalities have already created sustainability strategic plans and have focused on benchmarking as a key tool for driving implementation of their sustainability initiatives. The EEB Hub hosted a workshop in November of 2011 on data transparency and benchmarking to establish leadership on the issue and explore best practices and lessons learned from other places that have already adopted legislation. New York City currently is considered to have the best existing laws with the highest compliance rates among building owners. The chief strategist for NYC's effort, Laurie Kerr, along with other national and regional experts met at the Navy Yard to discuss how to implement potential legislation in Philadelphia. One major lesson shared is that early support and partnership with local utilities makes implementation of benchmarking legislation easier since they are the gatekeepers of building energy use data but they typically do not make it easy for building owners to access it. It was also discussed that while not all building owners support mandated benchmarking, they do tend to support easier access to building energy data. If utility behavior can be influenced through disclosure policies, it could be a valuable driver into the retrofit marketplace through

data access and transparency.

EEB Hub Partnership with Philadelphia

The EEB Hub established an early partnership with the Philadelphia Mayor's Office of Sustainability, whose staff is responsible for managing and implementing Mayor Michael A. Nutter's *Greenworks Philadelphia* sustainability plan. Greenworks established 15 sustainability targets to achieve by 2015 which included specific metrics for reducing building energy consumption and greenhouse gases in Philadelphia. Greenworks established the goals of reducing energy consumption in city owned buildings by 15 percent and reducing building energy consumption citywide by 10 percent. Given this, the Hub began exploring how other cities and states have used mandatory building benchmarking laws to accelerate the rate of investment in energy efficient building technologies and strategies and the role that better access to energy utility data can play in encouraging retrofit and energy efficient investments. The Hub established a close working relationship with the Institute for Market Transformation based in Washington, D.C., an organization that has become the national expert and technical advisor on benchmarking legislation and data access and transparency issues.

The EEB Hub Leads the Way with Utilities and Regulators

The EEB Hub realized the important role that PECO- the largest electric and natural gas utility in Pennsylvania - and other utilities could play in facilitating building owner access to their building energy use data. A series of meetings was initiated with PECO to discuss their willingness to provide automatic downloads of portfolio manager data to building owners. Currently, building owners have to transfer their monthly utility bills into the U.S. Environmental Protection Agency's free portfolio manager software in order to understand how their buildings are using energy. Some utilities have begun transferring this data directly for building owners and providing them with more frequent data so that they can more closely track how their buildings perform, which greatly helps inform any potential energy efficiency or retrofit investment. PECO became much more responsive to the request from the EEB Hub after they learned the Hub would convene state utility regulators from the Mid-Atlantic region to discuss common protocols for data access and transparency for building owners.

On March 22, 2012, Pennsylvania Public Utility Commission (PUC) Chairman Robert Powelson and the EEB Hub co-hosted a first-ever regional discussion on strategies to facilitate building owner access to their energy use data. The event brought together Public Utility Commissioners and their staff from Pennsylvania, New Jersey, Delaware, Maryland and Washington D.C., and regional energy efficiency building stakeholders, such as Mayor Michael Nutter, PA State Representative Chris Ross (R-Chester), and the CEOs of Liberty Property Trust and Brandywine Realty Trust.

During the event, an expert panel of public and private stakeholders explored the challenges and opportunities for building owners and technology companies related to access to whole building energy use information. Cliff Majersik, President of the Institute for Market Transformation, provided an overview of efforts across the country to provide building owners with easier access to whole building data. PECO's Vice President and General Counsel Romy Diaz reviewed their current energy efficiency initiatives, and committed the utility to working with the Hub on energy data issues. Jerry Sweeney,



EEB Hub Executive Director Hank Foley, Mayor Michael Nutter and PIDC President John Grady at the PUC discussion

CEO of Brandywine Realty Trust noted, “You can’t manage what you can’t measure,” as a way to highlight how much improved energy data access could contribute to accelerating the market for retrofit in Greater Philadelphia. The event raised the profile of these issues at a time when PA utility regulators are seeking ideas to drive the market for energy efficiency investments and are considering reauthorization of Act 129, the Commonwealth’s primary energy conservation and energy efficiency law.

Next Steps

The EEB Hub will be working closely with the City of Philadelphia and City Council to draft building benchmarking legislation which will be introduced in mid-April. In addition, the Hub is the technical advisor to the Coalition for an Energy Efficient Philadelphia, a group of public and private stakeholders who are advocating for the passage of the legislation. The Hub will play several important roles in the implementation of the legislation, including collecting and analyzing the benchmarking data and providing training and education to building owners in order to help them comply with the law. Finally, the EEB Hub has proposed that the Mid-Atlantic utility commissioners establish a working group to be coordinated by the Hub that will explore the best strategies for uniform data access and implementation by utilities so that a uniform market can be created for owners and vendors.