



Department of Planning & Community & Economic Development

## **Economic Development Division**

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**Office of Business Resources**  
**Office of Economic Revitalization**  
**Office of Real Estate Services**

**To: Economic Development Committee (EDC)**

**From: Economic Development Division (EDD) Staff**

**Date: December 18, 2013**

**Subject: Energy Benchmarking (Legistar #32255) Referral**

On December 3, 2013 an ordinance (Legistar #32255) was introduced at Common Council that will require certain commercial building owners to record their energy usage, release their energy usage information to the public, and verify the accuracy of their information by a certified third-party. The ordinance was prepared by the Sustainable Madison Committee, which serves as the lead referral body. The Economic Development Committee (EDC) is a secondary referral body, and the EDC is being asked to make a recommendation regarding this proposed ordinance.

Economic Development Division staff is aware of concern on the part of the business community regarding this ordinance. The concern can generally be divided into two areas. The first is a question about whether or not this ordinance is the most effective way of promoting energy efficiency-related improvements within commercial buildings. Individuals expressing this concern would suggest that a voluntary program may be more effective.

The second general area of concern centers on the operational aspects of this ordinance if it is adopted as currently presented. In this area, individuals have expressed concern about who and how property owners will be educated about the ordinance and trained in entering the required information? Further, how will the City monitor compliance with the ordinance over time? Individuals expressing these concerns would suggest that additional due diligence is needed in preparing program guidelines for this ordinance before it is enacted.

Economic Development Division (EDD) staff has prepared this memo to provide the EDC with guidance on some of the actions that it could take at its December 18, 2013 meeting. EDD staff has identified the following as potential options for EDC consideration:

- Option A: The EDC could pass a motion recommending adoption of the ordinance as currently presented.
- Option B: The EDC could pass a motion recommending adoption of the ordinance with incorporation of certain changes specified by the EDC.
- Option C: The EDC could recommend re-referral to the January EDC meeting pending a request for additional information from City staff or the Sustainable Madison Committee. The EDC should specify the information desired that would help it

make a decision with regard to the ordinance. As the lead referral, the Sustainable Madison Committee could forward the resolution for adoption to the Common Council without granting this re-referral back to EDC.

- Option D: The EDC could refer the ordinance directly back to the Sustainable Madison Committee with a request that it reconsider the ordinance as currently drafted. Under this option, the EDC should provide guidance as to what its concerns with the ordinance may be. The assumption would be that the Sustainable Madison Committee would consider the EDC's position and forward a revised ordinance or resolution back to the EDC for additional consideration. As the lead referral, the Sustainable Madison Committee could chose to forward to the Common Council a recommendation for adoption without additional EDC input.
- Option E: The EDC could recommend that the ordinance be "placed on file," with a recommendation for an alternative approach. This is effectively a recommendation to not adopt the ordinance as presented, but that would provide guidance with regard to what might be acceptable to the EDC.
- Option F: The EDC could recommend that the ordinance be "placed on file," with no further guidance provided. This is effectively a recommendation to not adopt the ordinance as presented, and to not entertain any further discussion on the matter.