

City of Madison Energy Benchmarking Ordinance

In 2011, the City of Madison passed the **Madison Sustainability Plan**. A central goal of the plan is to reduce carbon emissions 80% by 2050. This ordinance is a key step toward realizing that goal. Buildings are the major source of greenhouse gases. Reduction of energy use, even by a small percent, realizes major savings for Madison building owners and the community as a whole. Benchmarking, measuring a building's annual energy performance, is a way to begin to understand a building's energy use and to compare it to other similar buildings. This ordinance leverages market forces- rather than performance and design mandates- to increase energy performance awareness and to motivate investments in energy efficiency in commercial buildings. Buildings that participated in this program nationally have realized a 2.4% per year energy savings (EPA, Data Manager, 10/12). The State, UW System and the City already benchmark their buildings as do many of Madison's largest businesses. New York, Chicago, Austin and Minneapolis are among cities that have enacted similar benchmarking ordinances.

How does it work?

Benchmarking & Reporting

Owners of commercial buildings would be required to benchmark energy performance annually and report the results to the City of Madison (from American Family Insurance to Willy Street Coop). Owners, operators or energy professionals will enter energy and water use data into US EPA's free software, Energy Star Portfolio Manager. Every 3 years, data must be verified by a certified energy professional. Portfolio manager provides a score from 1-100 based on energy performance compared to buildings of similar size, type and region. Benchmarking and reporting of energy use will be phased in beginning with City buildings:

- City owned buildings, starting May 1, 2014
- Buildings 50,000 SF and larger: benchmark by May 1, 2015
- Buildings 15,000SF and larger: benchmark by May 1, 2016
- Multifamily residential rental buildings greater than 35 units: benchmark by May 1, 2017

Disclosure

The City will report energy trends to the public annually. The ordinance builds in a one-year grace period to increase familiarity with the tool and provide an opportunity to improve scores prior to disclosure. After this grace period, the City will publicly disclose commercial buildings' performance metrics. This will be in a report, and could appear in property information searches and Web-based maps. City-owned buildings energy scores will be disclosed one year prior to that of private buildings according to a schedule:

- City owned buildings, starting July 30, 2014
- Buildings 50,000 SF and larger: by July 30, 2016
- Buildings 15,000SF and larger: disclosure by July 30, 2017
- Multifamily residential rental buildings greater than 35 units: by July 30, 2018

The experience of other cities that have enacted this measure is that after getting their energy efficiency scores, building owners often seek to make improvements. Energy efficiency increased by over 7% in three years in the 35,000 buildings for which data was collected by the Portfolio Manager from 2008-2011.

Assistance and Resources

Madison will work with partners to provide trainings and help property owners identify technical assistance, financial incentives, and other resources to assist in uploading data and to improve the energy efficiency of their buildings. Partners include: MGE, Alliant, Mpower Business Champion Program, WI Green Building Alliance, UW-Extension, US EPA, Institute for Market Transformation and the Midwest Energy Efficiency Alliance.

How to find a certified energy service professional?

The City will maintain a list of certified energy service professionals that meet certain minimum qualification criteria to perform the verification requirements. The City will use a Request For Qualifications process to select these service providers.

What are the benefits?

To the building owner: You can't manage what you don't measure. Owners will get support to learn about their building's energy use and how to improve operational efficiency and save money. Owners can gain recognition in the marketplace for improvements. Energy efficient buildings are more profitable and valuable at resale.

To the local economy: Markets work most efficiently when buyers and sellers have the most complete information. This program provides uniform data on an important attribute of property value. - Creates good paying green and local jobs in the energy industry. This will keep money in the community rather than sending it out to purchase energy.

To the Madison community: - Provides transparent energy use information to potential owners, managers, tenants and the public so they can make more informed decisions. Allows the city to more efficiency target programs and incentives for energy efficiency improvements. - Creates a more efficient building stock that spends less \$\$ on energy. - Reduces city-wide greenhouse gas emissions which, in turn, improves air quality and safeguards water resources. This will help make Madison more sustainable, competitive and livable now and for future generations.

What do Madison businesses that benchmark their properties think about the practice?

Urban Land Interests

"Urban Land Interests benchmarked the US Bank Plaza before and after strategic renovations. We cut energy usage by 35-40% for an estimated annual saving of \$250,000, dropped water usage 85% from 32 million to 3.9 million gallons per year, and moved from an Energy Star rating of 41 to Energy Star certified status to a score of 91 out of 100. We earned LEED Gold certification for Existing Buildings Operations and Maintenance as a result, and currently, have a vacancy under 10%. We believe that benchmarking is the necessary first step to improve building energy performance. As an ongoing tool, it allows us to verify energy use reductions and ensure that our buildings are performing as well as possible. Benchmarking is good business practice." - Matt Darga, Director of Commercial Property Management

American Family Insurance

At American Family Insurance, we benchmark all our buildings across the US with EPA's Portfolio Manager. The primary benefit we have seen is a consistent platform for comparing our energy consumption within our portfolio as well as with other buildings across the nation. Through a series of energy conservation projects since benchmarking began in 2007, American Family has recognized more than \$1.7 million in savings in our Madison buildings alone. The awareness that the ordinance would create amongst businesses of their own energy consumption compared to others could aid in motivating them toward similar benefits to those we have recognized." - Sean W. Hyland, Facilities Program Administrator

UW Hospital and Clinics

"UW Hospital & Clinics benchmarks our energy performance and set strategic energy goals using the Energy Star Ratings or EUI's for each building. We share similar goals with the City of Madison in terms of increasing building energy performance awareness and investing in energy efficiency improvements." - John Mulcahey, Director of Plant Engineering