

**BY AUTHORITY**

ORDINANCE NO. \_\_\_\_\_  
SERIES OF 2016

COUNCIL BILL NO. CB16-1231  
COMMITTEE OF REFERENCE:  
Safety, Housing, Education & Homelessness

**A BILL**

**For an ordinance amending Article I and adding a new Article V to Chapter 4 of the Revised Municipal Code of the City and County of Denver regarding energy efficiency in commercial and multifamily buildings.**

**WHEREAS**, the City and County of Denver adopted a goal to reduce its greenhouse gas emissions to 1990 levels by 2020 and to reduce its greenhouse gas emissions to 80 percent below 2005 levels by 2050, to create a more sustainable future for the City and County of Denver; and

**WHEREAS**, the energy used in commercial and multifamily buildings constitutes the largest source of greenhouse gas emissions in the City and County of Denver; and

**WHEREAS**, in order to achieve its greenhouse gas emissions reduction goal, the City and County of Denver has set a target to reduce the energy consumption of commercial and multifamily buildings by 3.8 million MMBTUs by the end of 2020 (the equivalent of ten percent of the energy used in 2012) and 7.6 million MMBTUs by the end of 2030; and

**WHEREAS**, increasing energy efficiency can also have significant benefits for the economy by reducing operating costs for building owners and tenants and increasing the value of buildings.

**NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:**

**Section 1.** Chapter 4, Article I, Section 2, entitled "Definitions," of the Denver Revised Municipal Code shall be amended by adding the language underlined as follows:

**Sec. 4-2. Definitions**

The following definitions shall apply in the interpretation and enforcement of this chapter and all rules and regulations adopted hereunder:

- (1) *Air Contaminant or Air Pollutant:*** Any fume, odor, smoke, particulate matter, vapor, gas or any combination thereof but not including water vapor or steam condensate.
- (2) *Air Contaminant Source:*** Any source whatsoever at, from or by reason of which there is emitted or discharged into the atmosphere any air contaminant.
- (3) *Air Pollution:*** The presence in the outdoor atmosphere of one (1) or more air contaminants.

- 1 (4) ***Air Quality Review***: A review of facilities to be performed by the department in  
2 accordance with rules and regulations adopted by the board and promulgated by the  
3 manager pursuant to this chapter.
- 4 (5) ***Ambient Air***: The surrounding or outside air.
- 5 (6) ***Atmosphere***: The gaseous envelope that surrounds the earth.
- 6 (7) ***Benchmarking***: Measuring a Covered Building's energy performance using the  
7 ENERGY STAR Portfolio Manager tool.
- 8 (8) ***Board***: the Board of Environmental Health of the City.
- 9 (9) ***Clean-Burning Fuels***: Compressed natural gas, liquefied natural gas, liquefied  
10 petroleum gas or hydrogen; multifuels, such as diesel/compressed natural gas  
11 fumigations; fuels containing not less than eighty-five (85) percent ethanol or methanol;  
12 electricity or any other alternative fuel that the board determines to be clean-burning.
- 13 (10) ***Covered Building***: Any individual building in the City and County of Denver with a  
14 Gross Floor Area of twenty-five thousand (25,000) square feet or larger except the  
15 following:
- 16 (a) A building that was not occupied and did not have a certificate of occupancy or  
17 temporary certificate of occupancy for all twelve (12) months of the calendar  
18 year for which benchmarking is required;
- 19 (b) A building that was not occupied, due to renovation, for all twelve (12) months of  
20 the calendar year for which benchmarking is required;
- 21 (c) A building for which a demolition permit for the entire building has been issued  
22 and for which demolition work has commenced on or before the date the  
23 benchmarking report is due;
- 24 (d) A building that is presently experiencing qualifying financial distress, as defined  
25 by any of the following: (1) the building is the subject of a qualified tax lien sale  
26 or public auction due to property tax arrearages; (2) the building is controlled by  
27 a court appointed receiver; or (3) the building has been acquired by a deed in  
28 lieu of foreclosure;
- 29 (e) A building that had an average physical occupancy of less than sixty (60)  
30 percent throughout the calendar year for which benchmarking is required;
- 31 (f) A building that is used primarily for industrial or agricultural processes; and  
32 (g) A building for which the Owner can demonstrate that its energy performance is  
33 a confidential business practice that includes trade secrets, privileged, or

1 confidential commercial information. In order to qualify for this exemption, the  
2 Owner shall specifically identify the information it believes is confidential and  
3 provide a written statement describing the manner in which public disclosure  
4 would cause substantial harm to the Owner's competitive position. Inefficient  
5 energy usage alone will not be considered confidential commercial information.

6 **(11) Covered Municipal Building:** A Covered Building that is owned or operated by the  
7 City and County of Denver.

8 **(12) Criteria Pollutants:** Those pollutants for which national ambient air standards have  
9 been established pursuant to the federal Clean Air Act as amended, i.e., particulate  
10 matter, sulfur oxides, nitrogen dioxide, ozone, carbon monoxide and lead.

11 **(13) Department:** The Department of Environmental Health for the City.

12 **(14) Device:** Any machine, equipment, fabrication or contrivance the use of which causes  
13 the release of air contaminants, or that alters, contains, controls, prevents or removes  
14 air pollution from any air contamination source.

15 **(15) Emergency Vehicle:** Any surface or airborne vehicle used for the official business of  
16 the police and fire departments and any emergency medical vehicle as defined in  
17 Chapter 17 of this Code.

18 **(16) Emission or Emit:** To discharge, release or to permit or cause the discharge or  
19 release of one (1) or more air contaminants into the atmosphere.

20 **(17) Emission Offset:** A net reduction in total emissions of a regulated air pollutant so that  
21 emissions of the regulated air pollutant are less than were emitted prior to instituting  
22 the offset. An offset can be accomplished by the installation of air pollution control  
23 devices or by the elimination of or changes in the method or process of manufacture in  
24 existing stationary or mobile sources or in any other way approved by the board.

25 **(18) Energy Efficiency Program:** The administrative program implemented by the  
26 Department requiring the benchmarking and reporting of energy consumption in  
27 commercial and multifamily buildings that are twenty-five thousand (25,000) gross  
28 square feet or larger within the City and County of Denver.

29 **(19) ENERGY STAR Portfolio Manager:** The online tool created by the U.S.  
30 Environmental Protection Agency used to measure and track a building's energy use,  
31 water consumption, and greenhouse gas emissions.

- 1       **(20) Engine:** Any internal combustion machine, such as found in motor vehicles, aircraft,  
2       locomotives and stationary power units, that utilizes gas or liquid fuel for combustion  
3       energy.
- 4       **(21) Existing Facilities:** Facilities for which application for all applicable permits and  
5       approvals required from the city have been submitted prior to the effective date of this  
6       article.
- 7       **(22) Fireplace:** An opening made in a chimney and surrounded with brick, stone, metal or  
8       like material to hold a fire, and that has no specific method for recirculating heat or  
9       reducing emissions.
- 10      **(23) Fuel:** Any combustible substance or material or any combination of such.
- 11      **(24) Fuel-Burning Equipment:** Any furnace, boiler apparatus, stack or appurtenance  
12      thereto used in the process of burning fuel for the primary purpose of producing heat or  
13      power by indirect heat transfer.
- 14      **(25) Fugitive Particulates:** Particulate matter that cannot be readily captured and routed  
15      through a stack or air pollution control equipment that is entrained in the ambient air  
16      and is caused by human or natural activities or both, including, without limitation,  
17      construction, demolition, earth moving, grading, sandblasting, materials handling,  
18      vehicular traffic on unpaved haul roads, and wind.
- 19      **(26) Fugitive Particulate Control Plan:** The plan submitted for activities that could emit  
20      particulate matter into the atmosphere beyond the lot line of the property on which the  
21      emissions originate.
- 22      **(27) Gas:** An aeroform fluid having neither independent shape nor volume but tending to  
23      expand indefinitely.
- 24      **(28) Gaseous Fuel:** A fuel that exists as a gas at atmospheric temperature and pressure.
- 25      **(29) Gross Floor Area:** The total property square footage, measured between the principal  
26      exterior surfaces of the enclosing fixed walls of a building, as defined in the ENERGY  
27      STAR Portfolio Manager definitions.
- 28      **(30) Hazardous Air Pollutant:** An air pollutant to which no national ambient air quality  
29      standard is applicable and that, in the judgment of the Colorado Air Quality Control  
30      Commission, causes or contributes to air pollution that may reasonably be anticipated  
31      to result in an increase in mortality or an increase in serious, irreversible or  
32      incapacitating reversible illness or injury; and any air pollutant listed by the state or  
33      federal government as a hazardous air pollutant.

- 1       **(31) Health Risk Assessment:** An assessment, based on accepted scientific standards  
2       and information from inventories, sampling, modeling and/or estimation techniques, of  
3       the potential human health risk from exposure to specified levels of identified  
4       hazardous air pollutants and criteria pollutants.
- 5       **(32) High-Pollution Day:** That period of time in which the Colorado Department of Public  
6       Health and Environment anticipates levels of carbon monoxide or particulates  
7       exceeding federal ambient air quality standards or when air pollution standards are  
8       exceeded for particulates, carbon monoxide or visibility.
- 9       **(33) Incinerator:** A container, device or other appliance, designed, used or intended to be  
10      used for the disposal or reduction of household, commercial or industrial waste  
11      material or any commercial or industrial material by burning.
- 12      **(34) Manager:** The manager of the Department of Environmental Health of the City.
- 13      **(35) Masonry Heater:** An appliance designed for or capable of burning wood, capable of  
14      and intended for domestic space heating or domestic water heating, and has been  
15      approved by the Colorado Department of Public Health and Environment by meeting  
16      all design criteria, and emissions standards set forth by that agency.
- 17      **(36) New Facilities:** Facilities and temporary facilities not exempted through regulation by  
18      the board that have not applied for all applicable permits prior to the effective date of  
19      this article.
- 20      **(37) Nuisance:** The doing of or the failure to do something that allows or permits air  
21      contaminants to escape into the open air that are or tend to be detrimental to the  
22      health, comfort, safety or welfare of the public or that causes or tends to cause injury or  
23      substantial annoyance or inconvenience to persons exposed thereto or causes or  
24      tends to cause damage to property.
- 25      **(38) Opacity:** The fraction of a beam of light that fails to pass through a plume of smoke or  
26      air contaminants, expressed in percentage.
- 27      **(39) Open Burning:** Fire or smoldering where any material is burned in the outdoor air or in  
28      an open container, receptacle, pit, vessel, chiminea, or other device designed or used  
29      for outdoor fires.
- 30      **(40) Owner:** The person or entity having a legal or equitable interest in real property and its  
31      fixtures and appurtenances.
- 32      **(41) Particulate Matter:** Any material, except water mist or spray, that exists in a finely  
33      divided form as a liquid or solid.

1       **(42) Pellet Stove:** A wood heater that meets the following criteria:

- 2               **(a)** The manufacturer makes no reference to burning cordwood in advertising or  
3               literature;  
4               **(b)** The unit is safety listed for pellet fuel only;  
5               **(c)** The unit's operating and other instruction manual states that the use of  
6               cordwood is prohibited by federal law; and  
7               **(d)** The unit must be manufactured and sold including a hopper and auger  
8               combination as integral parts.

9       **(43) Person:** Any person, firm, association, organization, partnership, business, trust,  
10       corporation, company, contractor, supplier, installer, user or owner and shall include any  
11       municipal corporation, state or federal governmental agency, district or any officer or  
12       employee thereof.

13       **(44) Phase II Wood Stove:** A wood-burning device that has been certified by the United  
14       States Environmental Protection Agency or the Colorado Department of Public Health  
15       and Environment.

16       **(45) Premises:** Any building, structure, land, utility or portion thereof, including all  
17       appurtenances, and shall include yards, lots, courts and properties without buildings.

18       **(46) Process:** Any individual action, operation or treatment involving chemical, industrial or  
19       manufacturing factors and all other methods or forms of manufacturing or processing  
20       that may emit air contaminants.

21       **(47) Reduction:** Any process utilizing heat, including but not limited to burning, rendering,  
22       drying, dehydrating, digesting, evaporating and protein concentrating that decreases the  
23       volume of material being processed.

24       **(48) Regulated Air Pollutant:** A pollutant that is a criteria air pollutant or hazardous air  
25       pollutant.

26       **(49) Smolder:** To burn and produce smoke without flame.

27       **(50) Solid-Fuel-Fired Device:** A device designed for the combustion of solid fuels including  
28       wood-burning devices, fireplaces, solid-fuel-fired stoves and combustion fuel furnaces  
29       that burn solid fuel. Solid-fuel-fired devices do not include natural gas-fired devices,  
30       commercial ovens or stoves used to prepare food for human consumption, public utility  
31       facilities generating steam or electricity, or solid-fuel-fired barbecue devices. The board  
32       may adopt and the manager may promulgate rules and regulations, as authorized in  
33       subsection 4-6(a), to further define solid-fuel-fired devices including exclusions to the

definition for fuels or classes of technology where the board determines that the excluded fuel or technology is reliably cleaner burning than a Phase II wood stove or where the board determines that no reasonable alternative to the burning of solid fuel exists. In no case shall such definitions or exclusions be inconsistent with the requirements of Chapter 24 of the Denver Revised Municipal Code.

**(51) Solid Waste:** Refuse consisting of paper, wood, yard wastes, food wastes, plastic, leather, rubber and such other combustibles and noncombustible glass, rock, etc., that may be generated from residential and commercial operations and from industrial sites.

**(52) Stationary Source:** Any building, structure, facility, equipment or installation or any combination thereof belonging to the same facility that emits or may emit any air pollutant subject to regulation under the federal Clean Air Act, that is located on one (1) or more contiguous or adjacent properties and that is owned or operated by the same person or by persons under common control.

**(53) Traffic Operations:** Activities necessary to direct traffic, to repair, install or maintain traffic-control devices, to paint traffic-control lanes or to pave, maintain or repair streets and sidewalks or to accomplish similar activities.

**Section 2.** That a new Article V, entitled “Energy Efficiency in Commercial and Multifamily Buildings,” of Chapter 4 of the Denver Revised Municipal Code is added to read and be read as follows:

**Sec. 4-51. Purpose.**

The purpose of this article is to establish an Energy Efficiency Program that requires Covered Building Owners to benchmark building energy performance, and makes such energy performance information publically available in order to raise awareness and drive action.

**Sec. 4-52. Applicability.**

The Energy Efficiency Program shall apply to all commercial and multifamily buildings within the City and County of Denver with a Gross Floor Area of twenty-five thousand (25,000) square feet or larger.

**Sec. 4-53. Benchmarking and Reporting.**

**(1)** Each Owner of a Covered Building shall benchmark the building’s energy usage annually using the ENERGY STAR Portfolio Manager tool, and by June 1st each year,

1 shall accurately report energy performance information to the Department for the  
2 previous calendar year.

3 (a) Each Owner of a Covered Municipal Building shall begin reporting by June 1,  
4 2017.

5 (b) Each Owner of a Covered Building, other than a Covered Municipal Building, with  
6 a Gross Floor Area greater than fifty thousand (50,000) square feet shall begin  
7 reporting by June 1, 2017.

8 (c) Each Owner of a Covered Building with a Gross Floor Area between twenty-five  
9 thousand (25,000) and fifty thousand (50,000) square feet shall begin reporting by  
10 June 1, 2018.

11 (2) The energy performance information that must be reported to the Department shall  
12 include, at a minimum, a Covered Building's annual energy use intensity, ENERGY  
13 STAR Portfolio Manager score if eligible for a score, greenhouse gas emissions, and any  
14 other data fields needed to calculate the ENERGY STAR Portfolio Manager score for  
15 auditing and verification purposes. Owners of Covered Buildings shall not be required to  
16 report monthly energy bill data.

17 (3) Owners of Covered Buildings shall keep records of monthly energy consumption for a  
18 minimum of twenty-four (24) months. Such records shall be made available for the  
19 Department's inspection upon request.

20  
21 **Sec. 4-54. Board to Promulgate Rules.**

22 The Board shall promulgate rules for the Energy Efficiency Program.

23  
24 **Sec. 4-55. Enforcement.**

25 The Manager, or the Manager's designee, is empowered to enforce the provisions of this article  
26 and any rules and regulations adopted by the Board pursuant to this article.

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28 **BALANCE OF PAGE INTENTIONALLY LEFT BLANK**  
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1 COMMITTEE APPROVAL DATE: November 30, 2016  
2 MAYOR-COUNCIL DATE: December 6, 2016  
3 PASSED BY THE COUNCIL: \_\_\_\_\_  
4 \_\_\_\_\_ - PRESIDENT  
5 APPROVED: \_\_\_\_\_ - MAYOR \_\_\_\_\_  
6 ATTEST: \_\_\_\_\_ - CLERK AND RECORDER,  
7 EX-OFFICIO CLERK OF THE  
8 CITY AND COUNTY OF DENVER  
9 NOTICE PUBLISHED IN THE DAILY JOURNAL: \_\_\_\_\_, ; \_\_\_\_\_  
10 PREPARED BY: Lindsay Carder, Assistant City Attorney DATE: December 8, 2016  
11 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of  
12 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed  
13 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to  
14 § 3.2.6 of the Charter.  
15 Kristin Bronson, Denver City Attorney  
16 BY: \_\_\_\_\_, Assistant City Attorney DATE: \_\_\_\_\_, 2016