
ENERGIZE DENVER:

ENERGY EFFICIENCY IN COMMERCIAL AND MULTIFAMILY BUILDINGS

Summary of Energize Denver and the Energy Efficiency Ordinance

By improving the energy efficiency in buildings, we can create jobs, improve public health, and reduce our CO₂ footprint, all while making our businesses more financially stable and making Denver a more attractive market for business development. To reap these benefits, Mayor Hancock and the Department of Environmental Health propose to introduce an energy efficiency ordinance to require the largest buildings in Denver to benchmark and report their energy use on an annual basis and make that information available to the public.

This proposed ordinance is based on the recommendations of the Energize Denver Task Force. Mayor Hancock directed the Department of Environmental Health to create the Energize Denver Task Force to determine strategies to reduce energy consumption of commercial and multifamily buildings by 10% by the end of 2020 and double that in the following decade. The task force was comprised of property managers, building owners, investors, utility, energy efficiency contractors, affordable housing, hotels, and others.

Benchmarking: A Best Practice

Benchmarking is the critical first step to determine how best to reduce energy use in buildings. Buildings are responsible for 57 percent of carbon emissions in Denver. What's more, a relatively small number of large buildings make up most of that consumption. And according to the US EPA, on average about 30 percent of the energy consumed in buildings is wasted.

Benchmarking means measuring a building's energy use and comparing it to the average of similar buildings. By making more information available, it allows owners and occupants to understand their building's performance and identify opportunities to cut energy waste. The Denver Department of Environmental Health will implement and enforce the ordinance.

An owner, manager, or his/her staff can benchmark using the EPA's free software. The process can take 2-3 hours per building each year. The EPA provides many free benchmarking training tools. Denver will provide in-person trainings, a call center for benchmarking questions, a pro-bono benchmarking service for buildings in financial distress, low-income, affordable housing projects and nonprofits, and one-on-one follow-up with owners for help or corrections.

The Covered Buildings

Municipal buildings of at least 25,000 square feet and institutional, commercial, and multifamily residential buildings of at least 25,000 square feet must track and report their energy usage annually using Environmental Protection Agency's (EPA) free online tool ENERGY STAR® Portfolio Manager. This tool is already used by over 450,000 buildings nationwide of all types, covering about half of the commercial floorspace in the country. Appropriate exemptions are available for buildings that claim they are unable to benchmark their building.

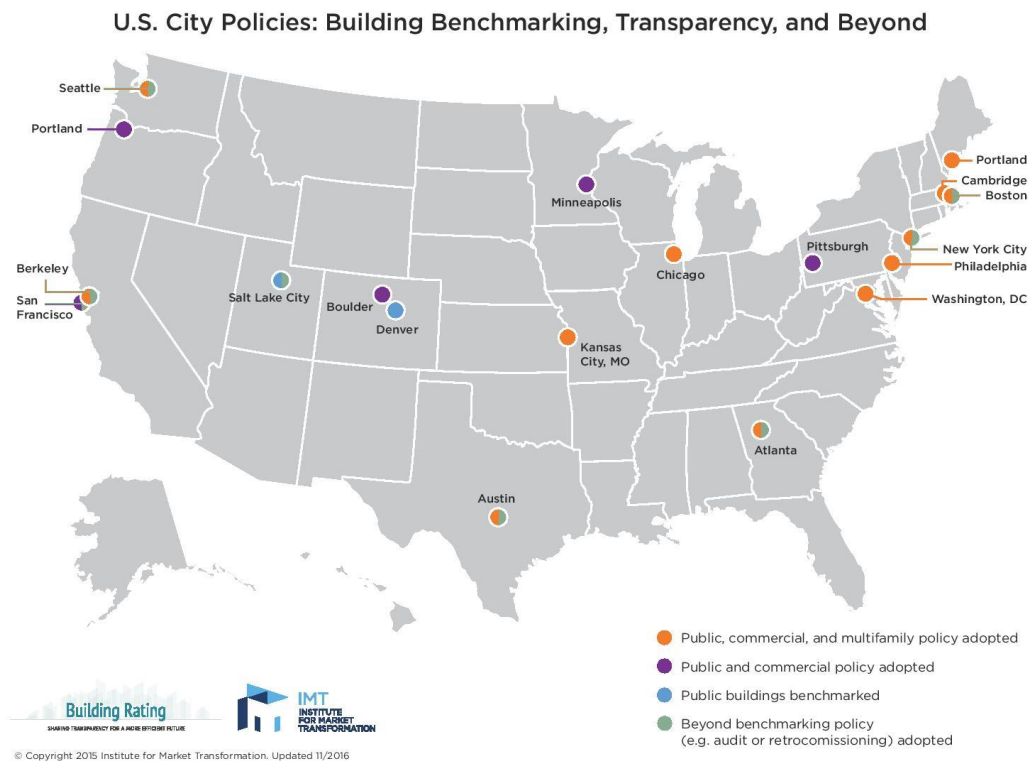
Timeline

The program is phased in by building ownership, type, and size in order to give more time to smaller buildings to prepare for the requirements, as is common in jurisdictions that have benchmarking laws:

- All municipal buildings of at least 25,000 square feet must comply no later than June 1, 2017, and each June 1 thereafter.
- Owners of non-municipal buildings (institutional, commercial, and multifamily residential) of at least 50,000 square feet must comply no later than June 1, 2017, and each June 1 thereafter.
- All non-municipal buildings (institutional, commercial, and multifamily residential) of at least 25,000 square feet must comply no later than June 1, 2018, and each June 1 thereafter.

Benefits of a Benchmarking and Transparency Policy

- **Building owners and managers** can lower their operational cost through on-going benchmarking and compare their performance to other buildings. Information is key. Studies have found that requiring benchmarking can lead to annual energy savings of 2-3%.
- **Policymakers and utilities** can better identify policies, programs and financial incentives to segments of the market wasting the most energy.
- **Citywide** there will be job creation, reduced pressure on the electricity grid, and improved air quality.
- **Denver should lead.** Eighteen cities and counties have already passed benchmarking and transparency requirements for the largest buildings in their city including Boulder, Portland OR, San Francisco, Kansas City MO, Chicago, Philadelphia, and Atlanta.



Additional Resources

Resources, guidance and further information on Denver’s benchmarking ordinance are available at <https://energizedenver.org/>. Please feel free to contact Elizabeth Babcock at Elizabeth.Babcock@denvergov.org.