

Testimony of the Rockville Environment Commission

Proposed Amendment to Allow Building Energy Benchmarking for Non-Residential Buildings

Submitted by

Clark Reed, Rockville Environment Commissioner, June 13, 2016

Madam Mayor and members of the Council,

My name is Clark Reed and I live in the Twinbrook neighborhood on Crawford Drive. Thank you for the opportunity to provide testimony regarding the proposed adoption of Montgomery County's energy benchmarking ordinance in Rockville.

The Environment Commission unanimously supports the proposal because benchmarking the energy use is a critical first step to improving the energy efficiency of buildings in the City and will help deliver important environmental benefits for Rockville residents.

Energy efficiency offers one of the lowest-cost solutions for improving energy reliability and security, reducing our energy bills, and addressing the important issue of global climate change—all while helping to grow the economy. Since 1992, American families and businesses have saved \$300 billion on utility bills, while preventing two billion metric tons of greenhouse gas emissions.

I am in a unique position tonight to describe these benefits because I work at the U.S. Environmental Protection Agency's ENERGY STAR program. Over the past 18 years, I have not only helped create the benchmarking tool this ordinance will require, I also work with hundreds of commercial businesses that use it daily.

The cornerstone of the ENERGY STAR program for buildings is energy benchmarking; this is because, simply put, you can't manage what you don't measure. Our experience has shown that many building owners and operators simply don't have a true understanding of just how much money they are

spending on energy bills, and don't know if their energy use is high or low for their type of building and operation. Our experience also has shown that, once people are armed with the information uncovered by benchmarking, many will act on that information. In Rockville, this desire to act leads people to seek assistance from utility programs and others in implementing energy efficiency projects. In a recent study, EPA found that buildings that were benchmarked consistently reduced energy use by an average of 2.4 percent per year, for a total savings of 7 percent over three years. This study also revealed that more than one-third of the 28,000 buildings that have earned ENERGY STAR certification for top performance were built in or prior to 1980, showing that buildings of all ages can become top energy performers.

Portfolio Manager is the benchmarking tool developed by EPA and would be the mechanism by which building owners in Rockville would benchmark their energy performance. Portfolio Manager is well-suited for this type of use. It is available to users at no cost, and allows them to assess and track energy for a single building, or across an entire portfolio of buildings, in a secure on-line environment. Once a building owner or operator has collected 12 months of utility bill data, and a few other pieces of information about its operations, benchmarking in Portfolio Manager takes as little as 15 minutes. A little time spent entering basic data into Portfolio Manager allows owners to:

- assess energy and water performance based on actual utility bills,
- identify under-performing and top-performing buildings in order to prioritize energy efficiency efforts,
- measure the carbon emissions attributed to building energy use,
- set a baseline and measure improvements,
- apply for ENERGY STAR certification,
- obtain data to support mortgage, sale, and/or lease transactions, and
- communicate energy performance with tenants, customers, and the community.

Organizations of all types have used Portfolio Manager to benchmark the energy performance of more than 400,000 buildings representing over 35 billion square feet of commercial space across the country.

ENERGY STAR Partners such as Choice Hotels, Food Lion, Target and many others are benchmarking their buildings as a key first step in their efforts to reduce energy use and their carbon footprint.

The popularity and success of benchmarking with ENERGY STAR continues to grow dramatically. We believe this growth is due to several factors, including: growing concerns about climate risk; increasing energy prices; increased consumer awareness of ENERGY STAR; recognition of EPA as a trusted and unbiased authority on energy efficiency; and EPA's commitment to continually upgrading Portfolio Manager.

With the passage of the proposed ordinance, Rockville will join a growing number of governments leveraging Portfolio Manager to reduce energy use in buildings within their jurisdictions. In addition to becoming the industry standard for voluntary benchmarking, Portfolio Manager has been the tool of choice in all building energy disclosure policies in the U.S. The cities of Austin, New York, Seattle, San Francisco, Philadelphia, Boston, Chicago, the District of Columbia, Montgomery County, and others all require the use of Portfolio Manager to assess energy use in both public and private sector buildings.

In closing, benchmarking the energy use of commercial buildings is a critical first step on the path to improving our building stock, and the City is to be commended for identifying existing buildings as a major opportunity to reduce energy consumption and greenhouse gas emissions. The commission appreciates the opportunity to provide our perspective, and we thank you for your leadership on energy issues to benefit the people of Rockville and our region.



Montgomery County Group

June 17, 2016

Dear Mayor Newton and City Council of Rockville,

My name is Stephanie Riddick and I am presenting this testimony as a member of the Montgomery County Sierra Club Executive Committee, representing the more than 5,000 Sierra Club members in Montgomery County, including many residents in the City of Rockville.

We thank you for the opportunity to provide this testimony regarding the city's proposed benchmarking ordinance (Ordinance to Amend Rockville City Code Section 1-8, Application of County Law, which will allow Montgomery County Code Chapter 18A, Environment Sustainability, Article 6, Building Energy Use Benchmarking, to apply in the City of Rockville).

We applaud the Rockville City Council for introducing this proposed ordinance to adopt Montgomery County's benchmarking law 2-14. The Rockville city staff's presentations on the merits of the ordinance have also been useful and effective. We support this effort because it demonstrates Rockville's commitment to the crucial goals of energy efficiency, climate mitigation and sustainability.

Our organization, the Sierra Club, has made averting climate change a core goal. Michael Brune, the Executive Director, said, "we are watching a global crisis unfold before our eyes, and to stand aside and let it happen – even though we know how to stop it – would be unconscionable." Climate change calls for national and international responses, but greenhouse gas emissions are generated locally. Some cities across the country are making aggressive efforts to improve energy efficiency and reduce their contribution to climate change.

Montgomery County's benchmarking law relies on the power of public information to reduce energy use and fossil fuel consumption. The law requires large building owners to measure the energy efficiency of their buildings and make that information public. Building owners and real estate companies will have the information they need to make cost-saving energy investments.

By taking this action and adopting the Montgomery County Benchmarking law, the City of Rockville can serve as a model for other cities in our region. The large number of eligible buildings in Rockville makes adoption of this ordinance crucial in the overall success of the county's benchmarking goals. In addition, we urge the City of Rockville to work with county officials to ensure that information on progress or lack of it is fully available to the public, both to ensure public accountability and to make private markets in energy consumption work better. Good data drives market energy choices and innovation.

The Chairman and CEO of a large real estate company, U.S. Equities, said "U.S. Equities includes benchmarking energy use of the buildings in our portfolio and using that data to drive results. Our buildings see better financial and leasing performance as their environmental performance improves."

A Chicago ordinance on benchmarking that serves as a model for this bill was backed by a coalition of more than 80 leading organizations from Chicago's real estate, energy, and environmental communities. More than 50 national, regional and local governments around the world have rating and disclosure policies for commercial buildings.

According to the U.S. Environment Protection Agency (EPA), benchmarking buildings have achieved an average energy savings of 7% over a recent three-year period. If all buildings in the U.S. followed this trend, over 18 million metric tons of carbon dioxide equivalents could be saved each year, the equivalent of eliminating car emissions from about 3 million cars each year. For these reasons the Montgomery County Sierra Club strongly supports this ordinance.

Establishing clear, quantifiable government goals is the way to reduce government emissions and can lead to reductions in non-governmental emissions as well. New York City set a goal to reduce its greenhouse gas emissions 30% by 2030. Its emissions dropped 19% between 2005 and 2013. But the effects of the city goal went beyond reduced city emissions. Mayor Bloomberg challenged the city's universities and hospitals to do better than the Government and reduce their emissions by 30% in 10 years. Seventeen of NYC's universities and 11 of its major hospital systems agreed to the challenge. Five of these institutions have already achieved the goal.

In Boston Mayor Menino set a goal to reduce greenhouse gases by 7% below 1990 levels by 2012. By 2011 Boston had reduced city emissions by 9%. In 2009 the City of Phoenix completed a Climate Action Plan to reduce city greenhouse gas emissions to 5% below the 2005 levels by 2015. The city exceeded this goal in four years.

The City of Rockville can achieve similar goals as well and Rockville property owners can take advantage of new cutting edge programs recently enacted by Montgomery County including extensive training opportunities, the Commercial Property Assessed Clean Energy Program (PACE) and the Montgomery County Green Bank, the first such county level organization of this type in the country.

The Montgomery County Sierra Club supports this ordinance. It demonstrates a recognition that the City of Rockville can do its part to mitigate climate change. We urge the Rockville City Council to enact this ordinance as soon as possible and we look forward to supporting the city's benchmarking efforts in the future.

Best Regards,

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