

# Commercial Building Energy Rating & Disclosure Ordinance

City of Minneapolis  
Regulatory, Energy, & Environment Committee  
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# What is the Commercial Building Energy Rating and Disclosure Ordinance?

## Two parts:

1. Requirement that large city-owned and commercial buildings measure (benchmark) and report to the City energy and water performance annually
  - Energy performance is measured through the **Energy Star Portfolio Manager** system
2. The City discloses results annually after a one year grace period

# What is the intent of the ordinance?

- Use market forces, not performance or design mandates, to increase the energy efficiency of existing commercial buildings.
- Provide consistent and transparent reporting of energy and water use data to current and potential owners, managers, and tenants, and the general public.

# Meeting City Goals and Targets

- **Eco-Focused:**
  - Clean, renewable energy sources successfully integrated
  - Use less energy, produce less waste
- **Jobs & Economic Vitality:**
  - Epicenter for the new green jobs economy
  - Proactive business development in key growth areas
- **Sustainability Indicators & Targets:**
  - Grow Green Jobs
  - Reduce citywide greenhouse gas emissions
  - Reduce greenhouse gas emissions from municipal operations

# Promote local jobs in the building and manufacturing industries

Energy service companies in Cities with similar policies in place are seeing a 30% increase in business in response to benchmarking laws.



# Build value through energy efficiency

Studies show that benchmarking promotes action, and that energy efficient buildings are more profitable and more valuable at resale.

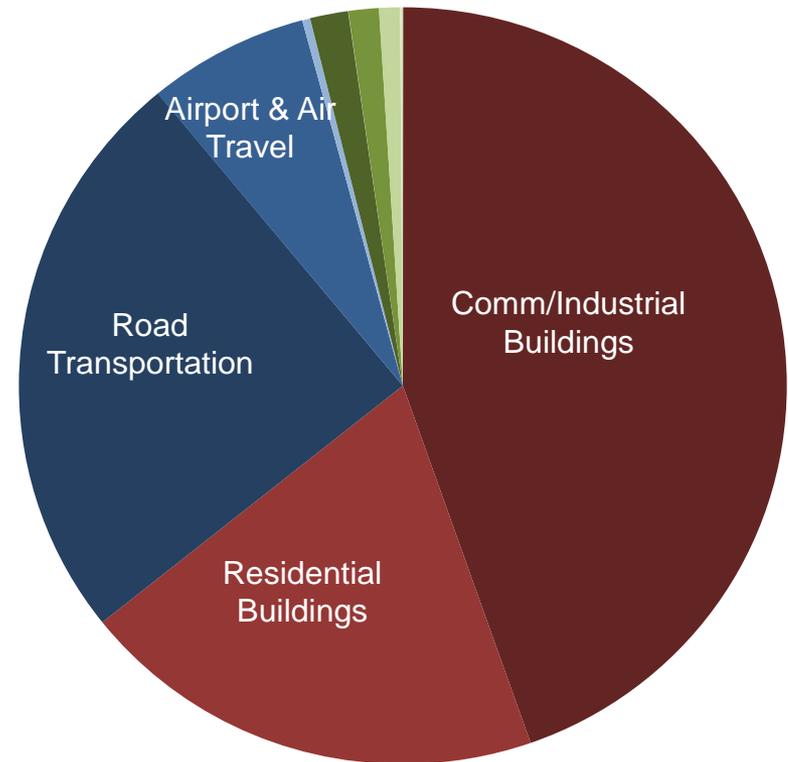


# Reduce greenhouse gas pollution

Commercial buildings account for 50% of US building energy use and 20% of total energy use and greenhouse gases.

Commercial buildings account for roughly 35% of greenhouse gas emissions in Minneapolis.

**Minneapolis 2010 Community GHG Inventory by Sector**

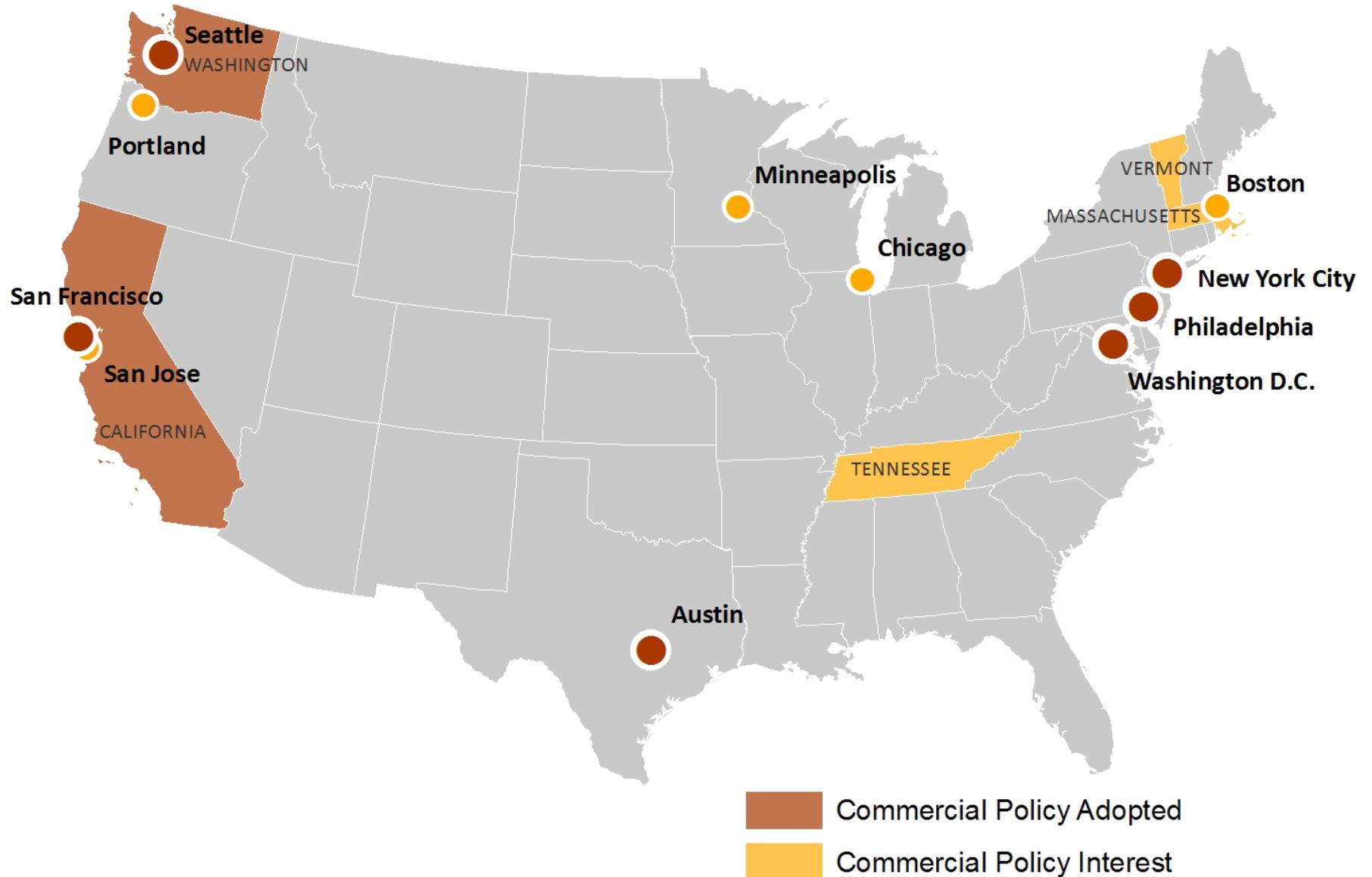


# How was the ordinance developed?



*“An economic-development partnership between the two cities, business, organized labor, nonprofits and government to retain, grow and attract green-manufacturing businesses and jobs in the Minneapolis–Saint Paul region.”*

# Commercial Building Benchmarking and Disclosure Policies



# ENERGY STAR® PortfolioManager™

- Management Tool – Helps organizations by offering a platform to:
  - Assess whole building energy and water consumption
  - Track changes in energy, water, greenhouse gas emissions, and cost over time
  - Track green power purchase
  - Share/report data with others
  - Create custom reports
  - Apply for ENERGY STAR certification
- Metrics Calculator – Provides key performance metrics to integrate into a strategic management plan
  - Energy consumption (source, site, weather normalized)
  - Water consumption (indoor, outdoor)
  - Greenhouse gas emissions (indirect, direct, total, avoided)
  - ENERGY STAR 1-to-100 score (available for certain building types) Accounts for climate and operational characteristics specific to each building type – e.g. size, number of employees, weekly operating hours

→ Accessible in a free, online platform: [www.energystar.gov/benchmark](http://www.energystar.gov/benchmark)

# ENERGY STAR® PortfolioManager™

- The standard national platform for benchmarking energy use in commercial buildings in the United States
  - Tens of thousands of active accounts
  - Used by more than 250,000 buildings, representing nearly 27 billion square feet of commercial and institutional building space in the U.S.
  - Adopted by leading commercial real estate, retail, healthcare, and educational organizations
  - Reporting tool adopted by state and local governments for mandatory benchmarking laws
  - Required for use in buildings owned and occupied by US Federal Agencies
- Selected by the Canadian Government as the platform for their national energy management program for existing commercial and institutional buildings

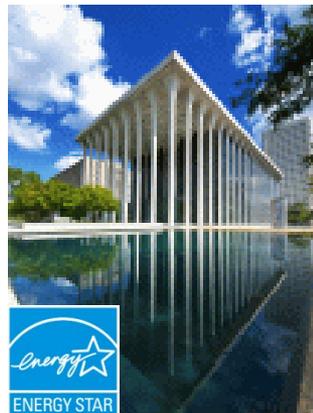


# ENERGY STAR Activity in Minneapolis

- ENERGY STAR Partners in Minneapolis include Target Corporation, Minneapolis Public Schools, U.S. Bank, United Properties, Ryan Companies, University of Minnesota, and many more.
- As of the end of 2011, over 4,300 buildings in the Minneapolis metro area were benchmarking in Portfolio Manager – up 35% from 2010.
- There are currently 52 ENERGY STAR Certified buildings in Minneapolis including properties owned or managed by Target, University of Minnesota, Ameriprise, Kmart, Accenture, and Wells Fargo.



**Fifth Street  
Towers**



**20 Washington  
Square**



**The AT&T  
Tower**

# Reporting and Disclosing

- Reporting information and disclosure only
- No requirement to make changes based on score
- Market approach of transparency
- Education and outreach before regulation

Training workshops (CEE/MPCA)

EPA training guides

City updates

Green Business Directory

[http://www.minneapolismn.gov/business/business\\_green](http://www.minneapolismn.gov/business/business_green)

# Benchmarking

Square footage and use type

Metered utility data

Water Use

Onsite renewable energy



**Portfolio Manager**

# Reporting



**Minneapolis  
PropertyInfo**

Energy use intensity

Annual GHG emissions

Water Use

Energy Star Score

Compliance

# Estimated Effort from Building Owners

- 2-5 hours of staff time per year
- Estimated costs to contract work is between \$100-\$500
- Time and cost go up slightly when there are multiple meters involved. (I.e. \$50 per extra meter)

# City-owned over 25,000 ft<sup>2</sup>

- **June 1, 2013** – first year data will be submitted. (annually thereafter)
- **August 30th, 2013** – first year data will be published on City's Website. (annually thereafter)



# Privately owned commercial use over 100,000 ft<sup>2</sup>

- **June 1st, 2014** – first date data must be sent to the City (annually thereafter)
- **August 30th, 2015** – first year data will be published on City's Website.



# Privately owned commercial use over 50,000 ft<sup>2</sup>

- **June 1st, 2015** – first date data must be sent to the City (annually thereafter)
- **August 30<sup>th</sup>, 2016** – first year data will be published on City's Website.



# Policy Impact Estimate

	Buildings submitting data to the City (approximate)			
	City-owned	Public partners	Other commercial	Total
2013	40	120	0	160
2014	40	120	230	390
2015	40	120	470	630

# Exemptions

- Residential buildings
- Industrial buildings
- Financial distress
- Less than 50% occupancy
- CO less than 2 years old

# Thank you to the following people and organizations:

## Thinc.GreenMSP Green Building Subcommittee

Council Member Elizabeth Glidden (Chair)

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