City of Minneapolis

Commercial building energy rating and disclosure ordinance

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What is the purpose of this ordinance?

The purpose of the ordinance is to use market forces – not performance or design mandates – to build energy performance awareness and motivate building owners and tenants to invest in energy efficiency improvements. Buildings are the largest source of greenhouse gas pollution in Minneapolis. Promoting the benefits of energy efficiency improvements to building owners – and connecting them to resources – can reduce energy use and air pollution. Cities where rating and disclosure policies are already in place are motivating investment in existing buildings and showing an increased demand for energy efficiency services, creating more local green jobs.

Why does this ordinance require public disclosure of a building's energy and water metrics?

Public disclosure of energy and water metrics provides transparency and encourages competition among building owners and managers to improve efficiency. In addition, the transparent building performance data is useful to current and prospective tenants, utilities that provide funding for building improvements, and companies that provide energy efficiency services. Public disclosure of these metrics creates market forces that can lead to energy and water efficiency gains. Public disclosure creates the transparency essential for the operation of these market forces.

Is my building affected by this ordinance?

The energy rating and disclosure ordinance affects only buildings that include at least 50,000 square feet of commercial space. Commercial uses include: offices, retail space, grocery stores, hotels, sports facilities, places of worship, schools and health care facilities. Commercial uses do NOT include residential uses, industrial uses, warehouses and congregant living facilities.

If the ordinance takes effect, the City of Minneapolis will send notices to owners of the properties that must comply.

When do I have to comply?

Compliance with the ordinance will follow the phases below:

• **June 1, 2013** – City-owned buildings begin to benchmark and report data every year for the previous calendar year.

- **June 1, 2014** Commercial buildings 100,000 square feet and more begin to benchmark and report data every year for the previous calendar year.
- **June 1, 2015** Commercial buildings 50,000 square feet and more begin to benchmark and report data every year for the previous calendar year.

How do I comply with the ordinance?

To comply with the ordinance, benchmark your building's energy and water use using the Energy Star Portfolio Manager tool and submit your data by May 1 of the appropriate year. If this ordinance takes effect, the City will send detailed instructions to each affected building owner.

Where can I learn more about Portfolio Manager?

More information on Portfolio Manager can be found here:

http://www.energystar.gov/index.cfm?c=evaluate performance.bus portfoliomanager You can also watch this video, which provides a step-by-step guide to using Portfolio Manager. The City will host workshops on the program before the ordinance is implemented. Contact Environmental Services at 612-673-3867 to get on the list for workshop updates.

How will the City help building owners comply with the ordinance?

The City will conduct hands-on training sessions for building owners and managers who would like assistance inputting their data into the Energy Star Portfolio Manager tool before the first reporting deadline for each building size category. Contact Environmental Services at 612-673-3867 to get on the list for workshop updates.

Resources for commercial building energy efficiency improvements will be posted on the City's website at http://www.minneapolismn.gov/environment.

What information about benchmarked buildings will be public?

The City will disclose via its website and property information search the building address, unique identification number, status of compliance with the ordinance, building square footage, building type, energy use intensity (kbtu/sq ft), water use per square foot, Energy Star Score and greenhouse gas emissions.

What if my building contains multiple uses?

If a building contains at least 50,000 square feet of commercial space, it must comply with the ordinance. Properties with a mixture of uses in the same building need only benchmark and report information for the portion of the building that contains the commercial use.

My tenants pay their own utility bills. How will I get this information in order to benchmark my building?

The ordinance contains a provision which requires tenants to provide utility information to the building owner upon request.

Does this ordinance require me to make changes to my building or how it is operated?

No. This ordinance only requires commercial buildings more than 50,000 square feet to annually benchmark their energy and water use and report this data to the City.

My building has a high occupancy rate, operates for long hours or includes an energy-intensive user. Will this result in a lower Energy Star score?

The Energy Star Portfolio Manager system allows you to include information such as building age, operating hours, workers per square foot, occupancy rates, and space usage. Energy Star scoring models assume buildings with higher intensities of activities use more energy. More intense uses do not necessarily result in lower scores.

What about historic buildings and other older buildings that were built with older systems? Won't the benchmarking ordinance penalize these building owners?

From the benchmarking experience in other cities, older buildings, on the whole, actually perform better than newer buildings on energy use intensity and benchmarking score. More analysis is necessary to determine exactly why this is, but many factors contribute to a building's efficiency such as the amount of windows, thickness of walls, and the type of activities happening in the building.

How many buildings does this ordinance affect?

Approximately 600 buildings are affected by this ordinance. If the ordinance is passed, the City will develop and publicize an official list of properties that must comply. More than half of the affected buildings are tax-exempt, meaning they belong to a government organization, school or nonprofit institution.