BENCHMARKING AND TRANSPARENCY ORDINANCE FACT SHEET

**GOAL** Decrease energy waste in our buildings while supporting economic development, improving air quality and reducing greenhouse gas emissions.

**WHY?** Though we often don't think about it, "area sources" contribute to pollution and use a significant amount of energy. Knowing how large buildings are performing will help us identify ways to improve efficiency.

## **ELEVATE BUILDINGS ORDINANCE**

**Expanded positive recognition**: An annual awards event in partnership with the Salt Lake Chamber commending energy efficient commercial buildings and teams

**Benchmarking Workshops**: The City will work with local partners to provide technical assistance to help owners and managers benchmark buildings and find ways to improve their efficiency with low-cost options.

Market-based ordinance requires buildings over 25,000 square feet (sqft) to "benchmark" **their energy usage annually** and share this data (similar to vehicle fueleconomy ratings) with the City and real estate market.



- Energy information helps building owners / facility managers make better decisions and motivates voluntary building efficiency actions.
- City buildings will report first in 2018 followed by larger buildings 50,000+ square feet in 2019, and buildings 25,000+ square feet in 2020.

Less efficient buildings that are eligible for **utility-sponsored energy tune-up** incentives will be required to participate in the incentive programs once every 5 years beginning in 2020.

• Energy tune-up: A low-cost way to optimize a building's energy systems, (i.e., schedule lights to turn off when people leave the building and re-program mechanical systems to avoid simultaneous heating and cooling).



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# **ECONOMIC IMPACTS & EMISSIONS SAVINGS**

#### The savings from this initiative—in both dollars and energy—are profound:

1. Through <u>benchmarking</u> alone, businesses would save:

- \$9 million in annual energy costs
- 30 tons of NOx emissions per year
- 2. Completing <u>energy "tune-ups"</u> every 5 years would save an additional:
  - \$18 million in annual energy costs
  - 69 tons of NOx emissions per year

## HOW WILL THIS INITIATIVE BENEFIT THE MARKET?

- Spurs market demand for energy efficient buildings by promoting building energy ratings, **just like fuel economy ratings for vehicles**.
- This market-based policy makes **currently unavailable** building energy performance information available and transparent in the marketplace.
- Helps building owners, tenants, lenders, and buyers make more informed decisions about building investments.

## WHAT IS THE COST?

- Benchmarking is free using ENERGY STAR Portfolio Manager<sup>®</sup> and requires an estimated 2-8 hours for a one-time building profile set-up, and 1-2 hours to update data annually.
- Rocky Mountain Power and Dominion Energy provide an automated tool that uploads data to ENERGY STAR Portfolio Manager<sup>®</sup>.
- Tune-ups cost \$0.30 per ft<sup>2</sup> on average, with a **simple payback of 1.1 years (before utility incentives are included)**. Local utility incentive programs offset the cost for tune-ups. The ordinance does not require tune-ups for buildings without access to utility incentives.

# **BUILDING ON VOLUNTARY EFFORTS**

- Voluntary initiatives in Salt Lake City have reached less than 5% of the market and have limited air pollution impacts.
- This initiative will empower 80% to 90% of the existing commercial building market to save energy costs and cut air pollution.
- Twenty-five other cities including Atlanta, GA; Kansas City, MO; and Denver, CO have initiated similar programs.

