

Informational Testimony of United States Environmental Protection Agency  
Before the Energy & Technology Committee

HOUSE BILL 5385, AN ACT CONCERNING ENERGY RETROFITS  
FOR CERTAIN BUILDINGS AND THE DISCLOSURE OF THE  
ENERGY EFFICIENCY OF CERTAIN BUILDINGS

*Submitted by*  
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Senator Fonfara, Representative Nardello, and members of the Committee,;

Good afternoon. Thank you for the opportunity to join you today to discuss the important energy and environmental issues before the committee, particularly proposed House Bill 5385. Please note that my appearance and testimony today on behalf of the EPA does not serve as an endorsement of the proposed legislation, but rather is intended to provide information about the value of benchmarking energy use in commercial buildings, as well as the capabilities of the ENERGY STAR Portfolio Manager Tool. We are pleased to be here as the State of Connecticut shows leadership in proposing energy benchmarking for commercial buildings. Benchmarking the energy use of commercial buildings is a critical first step in the path to superior energy efficiency and will help deliver important environmental benefits for residents of the Connecticut and the global community. I know you are all well aware of the many challenges related to increased energy use facing our nation, and Connecticut, and you are to be commended for identifying existing buildings as a major opportunity to reduce energy consumption and greenhouse gas emissions in the state.

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 its inception in 1992, the ENERGY STAR program has helped individuals and organizations nationwide find cost-effective, energy-efficient solutions. Americans, with the help of ENERGY

STAR, prevented about 170 million metric tons of greenhouse gas emissions in 2010 alone - equivalent to the annual emissions from approximately 33 million vehicles - and saved nearly \$18 billion on their utility bills.

For more than a decade, EPA, through ENERGY STAR, has worked with tens of thousands of building owners and managers to reduce energy use in buildings. Using the lessons learned from working with these individuals who are on the front lines addressing our nation's energy challenges, EPA tailors easy-to-use tools and cost-effective solutions through ENERGY STAR to help businesses and other organizations reduce energy waste in buildings. We provide objective information for buildings of all types, sizes, and functions, and our tools are used by states, local governments, offices, hospitals, schools, retailers, hotels, congregations, and many others. The cornerstone of the ENERGY STAR program for buildings is energy benchmarking, 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. But our experience also has shown that once people are armed with this information as a result of benchmarking their building's energy use, many will act on that information. And in the State of Connecticut, this desire to act will lead them back to not only ENERGY STAR, but to Connecticut utilities and Connecticut businesses for assistance in identifying and implementing energy efficiency projects.

EPA has developed Portfolio Manager to assist building owners and managers to measure and assess energy use in a standardized way. Portfolio Manager is an interactive energy management software tool that is referenced in the proposed House Bill 5385 as the mechanism by which building owners in Connecticut will benchmark their energy performance. You can rest assured that Portfolio Manager is well-suited for this type of use. It is a free tool that allows users to assess and track energy and water consumption 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 basic pieces of information about a building and its operations,

benchmarking that building in Portfolio Manager takes as little as 15 minutes. And for those with large numbers of buildings, EPA offers a bulk data upload template to streamline the data entry process. A little time spent entering basic data into Portfolio Manager allows owners of all types of buildings to:

- assess energy and water use and set a baseline against which improvement can be measured
- identify under-performing and top-performing buildings to prioritize energy efficiency efforts
- verify efficiency improvements
- understand and track the carbon emissions of a building
- obtain data to support mortgage, sale, and/or lease transactions
- document performance in energy service contracts
- communicate energy performance with tenants/customers/general public.

There is also flexibility for building owners to share benchmarking results electronically through an online feature, which streamlines the reporting process and may be helpful in the implementation of the compliance provisions of proposed House Bill 5385.

There is growing national interest in benchmarking energy use as a way to spur and measure improvement in buildings. National associations such as the Building Owners and Managers Association, the American Society of Healthcare Engineers, the National Restaurant Association, and others are encouraging, actually challenging, their members to assess the energy use in their buildings as a first important step toward improvement. Through 2011, organizations of all types have used Portfolio Manager to benchmark the energy performance of nearly 270,000 buildings representing over 28 billion square feet of commercial space across the country. We estimate that about 40 percent of the nation's office space - including banks - has been assessed through Portfolio Manager. It has been our experience that understanding and communicating the energy performance of buildings is critical to finding energy waste and improving efficiency. Portfolio Manager provides an objective and standardized way to do this

Here, in Connecticut, more than 2,700 commercial buildings representing nearly 270 million square feet of space have already benchmarked energy use with Portfolio Manager, showing a 28 per cent increase in total buildings benchmarked in the state from 2010 to 2011. These figures represent public and private sector buildings in Connecticut, including the portfolio of state facilities that are being benchmarked with the leadership of the Connecticut Department of Energy and Environmental Protection, as the state works to track and measure real progress towards meeting energy efficiency goals. Usage of Portfolio Manager for energy benchmarking is also high in other states, with California, New York, and Texas at over 1 billion square feet each. Perhaps more important, benchmarking with Portfolio Manager has become a key part of standard business practices for a number of the largest building owners and operators in the U.S. Companies such as CB Richard Ellis, Target, Staples, JCPenney, Food Lion, local governments and school districts in Connecticut and around the country, 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. In fact, in 2011, the total number of buildings benchmarking energy use in Portfolio Manager increased by more than 40 percent over the previous year. We believe this growth is due to several factors, including: growing public and private concerns with climate risk; increasing energy prices; increased consumer awareness of the ENERGY STAR program; recognition of EPA as a trusted and unbiased authority on energy efficiency; and EPA's commitment to continually upgrading the tool and adding new user-friendly features. For example, a partnership with energy information service vendors and utilities allows for the automatic, electronic transfer of utility data into Portfolio Manager, eliminating the need for manual entry by the building owner or operator. At present, more than 50 organizations are registered to provide this service, including major utilities such as Pacific Gas & Electric, Southern California Edison, San Diego Gas & Electric, Commonwealth Edison, Seattle City Light, and Puget Sound Energy. Here in Connecticut, Public Act 11-80, decreases barriers to energy data access by requiring utility providers to supply building owners with electronic energy

consumption data in a format that is compatible for EPA's Portfolio Manager, thus paving the way for utility providers to meet the related requirements proposed in House Bill 5385.

With the passage of House Bill 5385, Connecticut will join a growing number of state and local governments leveraging Portfolio Manager and ENERGY STAR offerings to reduce energy use in buildings within their jurisdictions. A number of states, such as California and Washington, have joined local governments in San Francisco, Austin, Denver, New York City, Seattle, and Washington, D.C. in requiring the use of Portfolio Manager to assess energy use in both public and private sector buildings. Benchmarking and disclosure requirements for private sector buildings were enacted in 2011 in New York City, San Francisco, and Seattle, with similar requirements coming online in 2012 for buildings in Austin and Washington, D.C.. In New York City alone, over 12,000 private sector buildings have reported their first annual benchmarking results for the city's analysis in 2011. And it is worth noting that building energy performance disclosure requirements such as those proposed in House Bill 5385, and already mandated in California, New York City, the State of Washington, San Francisco, and Washington, D.C., will allow investors to make better informed decisions and are expected to drive owners and operators to improve the energy efficiency of their buildings.

Sincerely,

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