



## **HB 5385 – Favorable**

**Testimony of Andrew Burr, Institute for Market Transformation**

**To the Energy & Technology Committee Regarding:  
HOUSE BILL 5385, AN ACT CONCERNING ENERGY RETROFITS FOR CERTAIN BUILDINGS AND  
THE DISCLOSURE OF THE ENERGY EFFICIENCY OF CERTAIN BUILDINGS**

**March 8, 2012**

Senator Fonfara, Representative Nardello, and members of the Committee,

I am writing to voice the support of the Institute for Market Transformation (IMT) for House Bill 5385, AAC Energy Retrofits for Certain Buildings and the Disclosure of the Energy Efficiency of Certain Buildings, which would establish a program to provide homebuyers, residential tenants and small businesses with critical information about the energy performance of buildings.

IMT is a Washington, DC-based nonprofit organization promoting energy efficiency in the built environment by addressing market failures that inhibit investment in energy efficiency and sustainability. IMT is recognized nationally as an expert in the design and implementation of energy disclosure policy for buildings. We are working collaboratively with the New York City Mayor's Office of Long-Term Planning and Sustainability to assist in implementing the city's energy disclosure policy, known as Local Law 84, and we are actively advising other state and local government agencies on the implementation of similar policies, including the California Energy Commission, the Maryland Energy Administration, the San Francisco Dept. of the Environment, the District of Columbia Dept. of the Environment, and the Chicago Office of the Mayor.

### **KEY BENEFITS OF HB 5385**

#### **The bill will create jobs in Connecticut that must be performed in Connecticut.**

Giving consumers and businesses actionable information on the energy performance of homes and buildings will spur market demand for building energy efficiency improvements, creating new jobs for construction firms, engineers, auditors, facilities managers and sustainability consultants that must be performed in Connecticut. In New York City, a newly enacted energy disclosure law for commercial and multifamily buildings is already creating significant job growth. Ecological, a New York City-based small business, has doubled its payroll and added hundreds of new clients in the past 12 months. Sustainable Real Estate Solutions, a Connecticut-based small business, has increased its client base by 30 percent in the same timeframe. HB 5385 gives Connecticut its best opportunity to replicate the economic growth and consumer energy cost savings now occurring in New York City. For more, please see the attached document.

**The bill extends a basic consumer protection to consumers and businesses.**

Consumers and businesses lack access to important information about the expected energy costs of a home or a building before they make a purchase or sign a lease. Making this information available allows the market to compare the energy performance of properties and help predict and control energy expenses. Similar transparency rules in other market sectors, such as MPG ratings on vehicles, energy cost labels on appliances and nutritional labels on food, are recognized as a consumer right and a keystone of free enterprise.

**The bill will help save money for Connecticut businesses and consumers**

HB 5385 will, for the first time, allow consumers and businesses to identify both energy-efficient properties where utility bills cost less, and energy inefficient properties that drive up utility costs. This transparency will spur more informed decision-making by consumers and businesses related to energy costs, and will motivate energy efficiency improvements that save money for occupants as homeowners and building owners compete to market energy-efficient space for sale and lease.

We urge a favorable report on HB 5385. Thank you for the opportunity to submit this testimony.

Respectfully submitted,



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## Attachment

### New Energy Benchmarking Law Prompts Frenzy

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[http://www.craigslist.com/article/20110307/REAL\\_ESTATE/110309897](http://www.craigslist.com/article/20110307/REAL_ESTATE/110309897)

### New energy benchmarking law prompts frenzy

Consultants scramble to help 20,000 building owners meet May 1 deadline to file energy- and water-use data with city; measure is first step to cutting use in process that will require investments.

By **Marine Cole**

Published: March 7, 2011 - 10:45 am

With a May 1 deadline looming for New York City landlords to report energy and water use at their buildings, dozens of firms are scrambling to help property owners measure up. The firms are hawking everything from sophisticated software tools to hotlines and seminars.

Under Local Law 84, part of a package of laws known as the Greener Greater Buildings Plan, the owners of more than 20,000 buildings in the city are required to establish the benchmarks for their energy and water consumption, with an eye toward reducing both over time. They must do so using an online tool called Portfolio Manager, which was provided by the U.S. Environmental Protection Agency. Owners of all buildings bigger than 50,000 square feet must comply or face fines.

Among those offering help is the nonprofit Urban Green Council. The Manhattan-based outfit is bringing in consultants to provide free seminars to educate owners on the finer points of the law and the ongoing reporting process. The council has also developed a user's guide and checklist to provide property owners with step-by-step instructions on how to comply with the law.

"Portfolio Manager is a pretty straight-forward system, but many owners haven't had any experience with it," said Anna Dengler, director of sustainability at Great Forest, one of several for-profit consulting firms participating in the Urban Green seminars. Ms. Dengler gave her first seminar on Friday, to Local 32BJ, which represents more than 50,000 building service workers in New York—some of whom will be the people actually compiling the data.

A Google search for "Local Law 84" and "consultant" returned more than 9,000 results, a clear indication of the size of the business opportunity many are seeing in the law. Firms like Great Forest, Ecological and Bright Power are offering to help with the reporting, sometimes for free as a door-opener. Great Forest has set up a free helpline to address building owners' questions, for example.

"If building managers know us as helpful consultants, they may come back to us," Ms. Dengler said. "That's obviously a great boon."

The 3-year-old Ecological uses its own proprietary system to help property owners and managers to benchmark their energy use as a first step toward reducing it, along with energy costs. In the past six months, Ecological has been aggressively pitching its services with direct mailings and phone calls to landlords. The campaign has already paid off.

"In the past two months, we've doubled the number of clients for benchmarking to 300," said Brian King, president and chief operating officer at Ecological. "I expect we'll double again in the next 60 days before the law comes into effect."

Similarly, late last month, the Community Preservation Corp., a nonprofit mortgage lender, launched a program to help landlords collect energy data and ultimately reduce operating costs. Within a week, the company, which charges \$400 per building, already had inquiries for 80 building owners.

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