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Mandatory Benchmarking: A National Trend Towards Energy Efficiency

By Dana Weiss The Los Angeles Existing Building Energy and Water Efficiency Program (LA EBEWE) is just one of a...



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By *Dana Weiss*

The Los Angeles Existing Building Energy and Water Efficiency Program (LA EBEWE) is just one of a growing number of mandatory benchmarking programs being enacted across the United States.

June 1 marked the first compliance deadline for LA EBEWE, which was passed in 2017. The program requires energy and water audits and benchmarking for buildings 20,000 sf or larger. Benchmarking refers to the practice of tracking and reporting energy and water usage

over time as a means to keep building owners aware of and responsible for their energy consumption. For Los Angeles buildings of more than 50,000 sf, benchmarking was due June 1, 2018, and owners of buildings over 20,000 sf are required to submit benchmarking by June 1, 2019.

While there are no specific targets for energy or water savings, Los Angeles hopes that transparency and awareness will increase conservation efforts and spur investment in energy efficiency improvements that reduce energy use, water consumption, and carbon emissions. Not only do such improvements reduce building owners' overall utility costs, they make a property more attractive to potential tenants and buyers, resulting in increased property values. Furthermore, lenders may offer incentives for the implementation of energy and water efficiency measures at the time of acquisition or refinance. Fannie Mae, Freddie Mac, HUD and SBA all have loan programs aimed at incentivizing energy and/or water use reduction.

LA EBEWE echoes California's Assembly Bill 802 (AB 802), a statewide law requiring public transparency of energy use data for commercial and multifamily buildings, but it goes a bit farther as AB 802 only requires benchmarking in buildings over 50,000 sf. Furthermore, AB 802 excludes buildings where manufacturing or controlled environment scientific experiments account for over 50% of the building square footage, while LA EBEWE does not have such exclusions.

Los Angeles is not the first city to enact mandatory energy and water benchmarking, and it won't be the last. As cities across the U.S. strive to improve energy and water efficiency, they often employ policies and programs affecting public buildings and fleets—but because buildings are a major contributor to a city's carbon emissions, a growing number of cities are targeting privately-owned buildings through efficiency programs like LA EBEWE. In the last two years, Denver, Orlando, Portland, St. Louis and Evanston enacted similar programs. San Francisco was one of the earliest adopters of mandatory benchmarking, and Washington D.C., San Francisco, Seattle, Cambridge, Boston, New York, Chicago, Minneapolis, Austin, Montgomery County, Philadelphia, Boulder, Kansas City, and Atlanta operate similar programs as well.

Programs like LA EBEWE and its counterparts across the country aim to reduce the burden on our nation's aging energy and water infrastructure. With energy demand growing every year, jurisdictions are looking for areas to cut back energy use. According to the U.S. Energy Information Administration, in 2017 about 39% of total U.S. energy consumption was attributed to the residential and commercial sectors. (The commercial sector also includes energy consumption for outdoor lighting, and water and sewage treatment.) Furthermore,

new construction only adds approximately 2% to the commercial floorspace each year. This means existing buildings represent a huge opportunity to impact the nation’s carbon emissions, water use and energy use.

While specific policies vary by city, all jurisdictions require property owners to track and report energy consumption by using the ENERGY STAR Portfolio Manager® tool. The Energy Star scoring system scores each property from one to 100, indicating how the property performs compared with other properties nationwide. For example, a score of 65 means that the property outperforms 65 percent of comparable properties. ENERGY STAR certifies buildings with a score of 75 or better without compromising the building’s design intent. According to ENERGY STAR, these buildings use 35% less energy than typical buildings.

Los Angeles tops the list of cities with the most ENERGY STAR certified buildings. It is interesting to note, however, that two of the top 10 cities, Phoenix and Houston, do not have a benchmarking mandate in effect, suggesting that market forces are sometimes enough to encourage the practice without pressure from local governments.



In addition to benchmarking, Los Angeles takes their commitment to energy and water efficiency even further by requiring buildings covered under LA EBEWE to perform Level II ASHRAE energy and water audits and retro commissioning every five years, or prove they are

already an energy and water efficient building. By including the audit and retro commissioning requirements, they join other cities including San Francisco and New York City who are changing the standards for energy efficiency. As properties audit and perform retro commissioning, they will implement energy and water efficiency measures and subsequently improve their building efficiency, and with it, their benchmarking scores. As more buildings comply and undergo retrofits to their systems, the pool of buildings against which properties are compared will become more efficient, and the effort needed to achieve high scores will increase—continuously raising the bar and driving the market towards ever more efficient buildings.

It seems that in the space of energy efficiency, the adage a rising tide lifts all boats may prove to be true.

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