Office of the Sustainability Coordinator

Department of Planning & Development

July 15, 2016

Mill Creek Benchmarking and Transparency
Frequently Asked Questions

1. What is benchmarking?

- Energy benchmarking with public transparency is intended to encourage smarter and more efficient building energy consumption. By showing building managers and owners how their buildings consume energy relative to other similar buildings, opportunities for improvement may be found and pursued. As a result of those improvements, greenhouse gas emissions will fall, and the built environment will be on a path of continuous energy performance improvement.[1]

- Put another way, "The overarching goal of a benchmarking and transparency policy is to encourage the development of a strong market for building efficiency. Benchmarking brings building owners' attention to energy efficiency, resulting in behavioral and operational changes that bring immediate and low-cost reductions in energy consumption. These policies also make building performance more visible in the marketplace, thus empowering consumers to more easily understand how buildings are performing and reward owners of efficient buildings."[2]

- Benchmarking, as it would function in South Portland, would require the use of the EPA's Energy Star Portfolio Manager online tool to standardize energy and water use data so that buildings of a similar type or use can be compared relative to energy and water use efficiency.

- Owners of buildings meeting the threshold for benchmarking would provide their Energy Star scores to the City, which would then be made public via a page on the City website. The image below is a screenshot from the Portfolio Manager account for the Planning & Development Department.

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[1] "*Building Energy Benchmarking & Transparency Laws,*" Urjanet, 2016, p. 3.
[2] "*The Benefits of Benchmarking Building Performance,*" Institute for Market Transformation, 2015, p.2.

2. **Which buildings would it apply to?**

   • Benchmarking would apply to non-residential buildings in the proposed Village Extension (VE), Broadway Corridor (BC), and Mill Creek Core (MCC) zoning districts, roughly between E Street and Broadway, that are 5,000 square feet or larger. At present, there are approximately 30 buildings meeting those criteria. It also would apply to residential buildings and apartment complexes in the three proposed zones that have 10 or more dwelling units. However, currently there are no such residential buildings. In addition, benchmarking would apply to all municipal and school buildings across the City, in all land use zones.

3. **Where did the idea come from?**

   • The idea for benchmarking came out of the development of the Mill Creek Master Plan by the Comprehensive Plan Implementation Committee. The Committee felt that if, as the Comprehensive Plan recommended, the zoning rules were amended for Mill Creek to allow taller buildings, greater residential density, and mixed uses, there should also be requirements that over time make the Mill

Creek area "greener" — i.e. more environmentally sustainable. The approach chosen by the Committee was benchmarking.

4. Are other cities doing benchmarking?

- Yes. Many other cities across the country are using benchmarking and transparency laws as a strategy to improve energy efficiency and reduce greenhouse gas emissions including Seattle, Boston, Cambridge, Boulder, and Portland OR to name a few.

5. What might the City have required instead of benchmarking?

- Some communities require buildings to be designed to meet various energy efficiency standards, such as Leadership in Energy and Environmental Design (LEED) certification. The cost from the certifying agency to obtain the desired designation can be high, and the way a building performs according to blueprints isn't necessarily the same as its performance once it's built and in use. Benchmarking costs very little, measures actual instead of predicted performance, and does not obligate the building owner to make any capital improvements.

- In exchange for allowing more intense development in the Mill Creek area, the City also could have required in the zoning amendments such facilities as green roofs or solar photovoltaic arrays. The Committee preferred a voluntary approach rather than a mandate. It is very likely that some building owners, after seeing the data from benchmarking, will decide to make such investments.

6. Is benchmarking hard, expensive, or time-consuming?

- No. Using online property data from the City's Assessing Department, it's easy to set up a Portfolio Manager account for a building and then it is just a matter of periodically entering energy and water usage data from utility bills. Third-party software, such as Rapport, is also available to do this for a fee, but in most cases, for single buildings, it only takes a few minutes each month to update the Portfolio Manager account with the latest meter readings.

7. Will the City help?

- The City's Sustainability Coordinator will make time, as needed, to assist building owners get their Portfolio Manager accounts up and running. However, there is a

wealth of tips and tutorials on the Portfolio Manager website, and it is anticipated that most building owners will be able to set up their accounts without assistance.

8. Is there an incentive for property owners?

- Yes. Owners who have reported their benchmarking data and are in compliance with the program are eligible to be forgiven the first $5,000 of any City permit or application fees associated with making improvements to their properties. A typical building permit fee might be one or two hundred dollars. In cases where the redevelopment is sufficiently large to generate $5,000 or more in fees, the economic and environmental benefits will be so substantial as to handily warrant the incentive. Thus, there is a substantial incentive for benchmarking-applicable building owners to both participate in the program and to make building improvements that meet today's more stringent building and site development standards.

9. What gives the City the right to make energy data transparent?

- The building sector is the single largest user of energy in the United States, accounting for approximately 40% of total energy consumption.[3] This means that buildings are a major contributor of greenhouse gas emissions. We aren't as aware of these emissions as of, say, fumes from cars and trucks or smoke from factories, but using electricity from distant power plants and natural gas or oil for heat adds up to a lot of energy use and the addition of tons of new CO_2 and other greenhouse gases to the atmosphere. This imposes a cost that is shared by all of us. Owners of larger buildings, therefore, have some responsibility to protect the environment and general public, and providing transparent energy and water use data is a relatively inexpensive yet effective method for doing so.

10. What are the benefits of benchmarking and transparency?

- Benchmarking with transparency lets people look at buildings of a similar type, such as office buildings compared with other office buildings or apartment buildings compared with other apartment buildings, and see how their building's relative energy performance compares. In addition, it lets a property owner or manager know how a building's performance is trending over time—whether the efficiency rating is getting better or worse. In one instance in Knightville, for example, a property manager was able to persuade his condominium association

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[3] "*The Benefits of Benchmarking Building Performance,*" Institute for Market Transformation, 2015, p. 2.

to invest in a second hallway heat pump based on energy savings data
generated by Portfolio Manager.

- In addition to saving energy, benchmarking can also have an economic impact
  by demonstrating energy efficiency, which may increase property values by
  making the buildings more desirable for potential tenants.

- Prospective tenants benefit from knowing the energy efficiency of the buildings
  they are considering. Various studies show that tenants are willing to pay more
  in rents for buildings that are efficient and are making investments in
  sustainability.[4]

- Transparent benchmarking is effective at utilizing market forces and private
  investment to improve the environmental characteristics of larger buildings.
  Studies by the EPA have shown that the annual average energy savings of
  benchmarked buildings is 2.4%, and buildings that had benchmarked for three
  years in a row saved an average of 7% over the course of that time.[5]

11. What if I'm a tenant?

- Tenants in any of the buildings participating in the benchmarking program will be
  asked to provide energy and water use data to the building owner or manager if
  they pay their own utility bills. However, with tenant authorization, building
  owners will attempt to have the various local utilities send whole-building data so
  that it would not be necessary for tenants to be involved.

- The City's Sustainability Coordinator will be working with the local utilities to
  encourage them to provide whole-building data as is done in other parts of the
  country.

12. Does benchmarking cost taxpayers any money?

- No. Benchmarking relies on data and reporting to drive private sector investment
  decisions that lead to smarter and more efficient uses of energy.

12. Is benchmarking consistent with the City's Climate Action Plan (CAP)?

- Yes. According to the CAP, "It is the vision of the City of South Portland to
  create a sustainable city that benefits the lives of all citizens through energy

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[4] "*The Benefits of Benchmarking Building Performance*," Institute for Market Transformation, 2015, p. 10.
[5] "The Benefits of Benchmarking Building Performance," Institute for Market Transformation, 2015, p. 8..

savings, preservation of the environment, economic opportunity, and improvement of the health and welfare of the employees and people of the City." The City's target is a 17% reduction in greenhouse gas emissions by 2017. The Mill Creek Benchmarking program is consistent with this vision and will help the City meet it emissions reduction goal.

13. What is the schedule for reporting and publishing Benchmarking Information?

- The dates for when owners of buildings meeting the criteria for benchmarking to provide their Benchmarking Information to the City, and for the City to make the information public, is shown in the table below:

Benchmarking Schedule			
January, 2017	**May 1, 2018**	**September 1, 2019**	**May 1, 2023**
First month to begin maintaining data for the Energy Performance Report.	First required date for submitting Energy Performance Reports. The required reporting date is May 1 of each year thereafter.	First date for the City to make public the Benchmarking Information for Covered Properties. The deadline is September 1 of each year thereafter. In all cases Benchmarking Information for the first year's Energy Performance Report is not published.	First required date for the Five-Year Comprehensive Energy Audit. The required audit date is May 1 of every fifth year thereafter.