

Dear Energize Des Moines Stakeholders,

In preparation for the upcoming City of Des Moines Council Meetings in which the Des Moines Building Performance Policy will be introduced, we ask for your help in contacting the City Council members to show your support and outline the benefits of this policy, and providing information to your fellow citizens.

To assist with this, we have provided the contact information for our Council members, as well as several points for discussion. We encourage you to add your own perspective and use these points only as a general guide.

Current schedule for the policy with City Council:

January 28, 2019 – First reading

February 11, 2019 – Second reading

February 25, 2019 – Third and final reading

We greatly appreciate your help and support of this policy and the positive, community-wide benefits it will afford!

Thank you,

Jordan Oster

**City of Des Moines Councilmembers Contact Information**

Ward	Councilmember	Phone	Email
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Ward 4	Joe Gatto	515.402.2626	<a href="mailto:joegatto@dmgov.org">joegatto@dmgov.org</a>
At Large	Connie Boesen	515.240.7929	<a href="mailto:connieboesen@dmgov.org">connieboesen@dmgov.org</a>
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## **Des Moines Building Performance Policy - Benefits**

**Background** Nearly half of total energy in Des Moines is consumed by large buildings, and ~35% of GHG emissions come from energy and water use in large buildings. The average building may waste up to 30% of the energy it consumes due to inefficiencies. The most important step toward remedying this situation is to require energy and water use in large buildings be measured. This step provides building owners and tenants with “apples to apples” comparison of buildings and their energy use. Often, individuals and companies aren’t aware their buildings are inefficient, or what potential savings could be.

**Energy STAR Portfolio Manager is the nation’s preferred tool:** The EPA’s Energy Star Portfolio Manager tool is simple and free to use, and utilizes building characteristics and energy and water consumption information to produce an energy consumption per square foot figure that is normalized for space use and climate. Every single jurisdiction across the country that has adopted mandatory building benchmarking requirements has specified Portfolio Manager as the rating tool. Portfolio Manager gives buildings a score that allows individuals and companies to see how efficient their building is. For example, if a building score 75, it is more efficient than 74% of buildings of similar size and use nationally.

City of Des Moines has benchmarked ~30 buildings and one staff person spends one-two hours per month to update the meter data. Des Moines Public Schools has benchmarked 75 buildings and one staff person spends three-four hours per month to update the data.

MidAmerican Energy has indicated they will begin providing whole-building aggregate data for multi-meter commercial properties by address beginning in 2019 (all meters behind one address).

**Energy efficient spaces are better for human health:** The health benefits of benchmarking and energy efficiency improvements are numerous; including improved indoor air quality due to optimized operation of HVAC and ventilation (which were shown in a 2015 study by Harvard University to improve worker productivity and critical thinking skills), and reductions in complications and even death from pulmonary disease due to improved outdoor air quality from reduced generation of electricity from fossil fuels. Benefits from health improvements affect the rest of the economy through reduced employee sick days and improved quality of life in Des Moines.

**Enabling information is good for business:** The policy will serve to collect and present actionable information about energy and water use for tenants, businesses, investors, and lenders helping to drive real estate market focus on continuous improvement and high performance, resource-efficient buildings. In turn, this will promote Des Moines’ competitive position as a leading sustainable city to attract new businesses and investments and succeed in the global marketplace.

**Energy and water efficiency improvements will support jobs:** Within the Metro Des Moines Area, 4,036 jobs are directly related to the energy efficiency industry. Though recent state legislation SF 2331 puts those jobs at risk by drastically reducing the investment in Iowa’s investor-owned utility sponsored energy efficiency programs, a benchmarking ordinance would help support investment in energy efficiency—bolstering Iowa’s position as a leader in the green economy, providing support for the families of Des Moines’ energy workers, and creating a projected 400 jobs in Des Moines by 2030.

**Building owners and managers** are able to better compare performance between buildings to learn from each other about cost-effective investments to reduce operational costs (an average annual savings of 2.4%, with a potential ENERGY STAR score increase of 6 points over a 3-year period from benchmarking alone) and increased asset value.

**Buyers and tenants** As a consumer, you can make an informed choice about the gas mileage of the car you choose to drive or the ingredients of the food you eat. But when it comes to buying or leasing space in a building, there is currently no information available in Des Moines. The evidence is clear that sharing these

scores will help drive building improvements, cost savings and the demand for more energy efficient space. Tenants are able to make better-informed decisions about buildings they live and work in based on energy use and estimated utility cost. In energy-efficient buildings, thermostats turn on and off at the appropriate times, the lighting is more conducive to a productive work environment, and indoor air quality is better for people's health. All these factors make energy-efficient buildings more appealing for prospective buyers and tenants.

**No cost to comply:** Compliance with the ordinance includes use of free, web-based ENERGY STAR Portfolio Manager tool, meaning that there is no out-of-pocket expense to comply with the benchmarking ordinance. There are multiple resources to help users get started, including on-line tutorials, webinars, and Benchmarking 101 Workshops that the City will schedule during implementation of the policy.

**Reasonable time frame:** The ordinance provides one year of voluntary participation (2019) for building owners to become familiar with benchmarking and better managing energy efficiency before they are required to report their energy and water use May 1, 2020 (using calendar year 2019 data). From there, the policy allows an additional 17 months for building owners to correct low-performing buildings before energy performance data is made public May 1, 2021, providing time to improve and address these concerns if they so choose. Limited energy and water scores will be listed by building address on the City of Des Moines web site.

**Proven best practice:** Currently 27 cities, 4 states, and 1 county have adopted benchmarking and transparency policies, showing it to be feasible and accessible in other locations with larger building stocks than Des Moines (e.g. In New York City, 15,000+ buildings benchmark and report annually). Our Midwest neighbors Chicago, St. Louis, Kansas City, and Minneapolis all have benchmarking and reporting policies. Most policies use a building size threshold of 25,000 sq. ft. for benchmarking and reporting, and the Des Moines policy does as well. This engages up to 819 buildings and 73% of floor area of large buildings with only 17% of all commercial buildings.

At least six cities—Atlanta, Austin, Berkeley, Boston, New York, and San Francisco—have adopted some variation of “Beyond Benchmarking” policy elements as well to engage under-performing buildings via periodic Retuning and Energy Audits. The Des Moines policy includes four years of Benchmarking & Reporting only (2020-2023) before “Beyond Benchmarking” will begin. This will provide time to engage property owners and managers to better understand building performance and manage energy and water efficiency, and provide valuable information to all stakeholders about the range of performance of large buildings in Des Moines.

The Des Moines policy calls for Performance Verification once every five years (based on Energy STAR Portfolio Manager score of 50 – national median) to begin for buildings above 50,000 sq. ft. in 2024, with 20% of buildings designated per year (once every five years). Buildings over 50,000 sq. ft. that do not meet Performance Verification will have a number of options for Performance Improvement to choose from, including Re-tuning (once every five years if needed) and Energy and Water Audit (once every ten years if needed). This engages up to 478 buildings and 89% of floor area of large buildings with only 10% of commercial buildings. Buildings between 25,000-49,999 sq. ft. may be phased in to Performance Verification later.

**Retuning and Energy Audits** reveal opportunities for building owners to identify cost-effective energy efficiency improvements:

**Retuning:** Retuning can produce significant cost savings of 15-30% in existing buildings and a very fast payback period, averaging one year. Since many building systems require fine-tuning rather than the replacements identified in an audit, retuning can be a cost-effective alternative. Owners can improve building systems operations that include preventive maintenance, extended life of the equipment, improved capabilities and expertise of operations and maintenance staff, and increased asset value, while experiencing fewer occupant complaints and reducing operational expenses. The proposed policy includes a Retuning option once every five years for buildings that don't meet one of the Performance Verification measures (beginning in 2024), and

prioritizes implementing recommended energy/water conservation measures with a payback period of three years or less.

**Audits:** The energy, water and greenhouse gas emissions improvements identified by energy and water audits are typically in the range of 10 to 40 percent. Audits provide building owners with business information that they haven't had – by showing them, measure by measure, the business case for a set of optional upgrades that will bring better energy performance and increased equipment reliability. This means that building owners and managers are saving money not only through lower utility bills, but also by reducing maintenance and operating costs, and increased property values. The proposed policy includes Energy/Water Audits once every ten years for buildings that don't meet one of the Performance Verification measures (beginning in 2029), and prioritizes implementing recommended energy/water conservation measures with a payback period of three years or less.

**Benefits of the policy to all businesses and citizens of Des Moines:**

**Save money and improve comfort:** An estimated \$100M in energy savings through 2030.

**Drive economic growth:** Stimulate economic development and support 400 local jobs created as a result from benchmarking, energy audits, and any building improvements pursued.

**Protect our health:** Improved air quality and reduced harmful pollution by reducing demand for energy from fossil fuels. There are \$95M in air quality benefits identified by 2030, primarily for the young and elderly with respiratory illnesses.

**Enhance our resilience:** Enrich our security and resilience to unexpected energy- or water-related emergencies by avoiding producing and distributing an estimated 1/2 billion kWh of electricity and 5 billion gallons of water by 2030.

**Lead the nation:** Improve competitiveness and promote Des Moines' position as a leading sustainable city to attract and retain the talent that our businesses need, attract new businesses and investments, and succeed in the global marketplace. This could become another "Best-of" for Des Moines – Most Energy Efficient Mid-size City.