

City of Minneapolis

Commercial building energy rating and disclosure ordinance

Working toward the City of Minneapolis eco-focused goal of a healthy environment and sustainable future, this ordinance leverages market forces – not performance or design mandates – to build energy performance awareness and motivate building owners and tenants to invest in energy efficiency improvements.

How does it work?

Benchmarking & Reporting

Owners of commercial buildings larger than 50,000 square feet are required to annually benchmark energy performance and report the results to the City of Minneapolis. This process uses free and easy-to-use software called Energy Star Portfolio Manager (<http://1.usa.gov/gg16x>). Owners and managers will enter building information such as square footage, use types and energy usage. In many cases, Portfolio Manager scores a building from 1-100 based on energy performance compared to buildings of a similar size, type and geographic region. The benchmarking & reporting would occur on the following schedule:

- City-owned buildings: every year starting in 2013.
- Buildings 100,000 square feet and over: every year starting in 2014.
- Buildings 50,000 square feet and over: every year starting in 2015.

Disclosure

After a one-year grace period, Minneapolis will begin publishing data for commercial buildings. This will typically be in a report, but it can also appear in property information searches, Web-based maps or third-party websites. City-owned buildings will be benchmarked and the results disclosed one year before any private buildings. Public disclosure would occur on the following schedule:

- City-owned buildings: every year starting in 2013.
- Buildings 100,000 square feet and over: every year starting in 2015.
- Buildings 50,000 square feet and over: every year starting in 2016.

Resources

Minneapolis will work with property owners to identify technical assistance, rebates and other resources to help them improve the energy efficiency of their building.

What are the benefits?

Green jobs

By motivating investment in existing buildings, a rating and disclosure ordinance can create jobs in the energy management, benchmarking/measurement, auditing and installation/retrofit industries. Cities where policies are in place, such as New York, show an **increased demand for energy services** and **growth in energy management companies**.

Environment

In 2010, energy use in commercial and industrial buildings accounted for more than **44 percent of Minneapolis' community-wide greenhouse gas pollution**. Focusing on these building types can reduce energy use and air pollution and help the City and State meet their environmental goals.

Local economy

Energy efficiency investments provide local jobs because retrofitting cannot be outsourced. Moreover, although most of the dollars spent on energy *resources* leave the community, energy efficiency savings means that dollars can be redirected to other purposes, such as reinvesting in businesses or hiring more workers.