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MAYOR EMANUEL INTRODUCES ENERGY USE BENCHMARKING ORDINANCE TO ACCELERATE EFFICIENCY AND UNLOCK REAL ESTATE VALUE

New Ordinance Would Require Energy Use Tracking and Reporting for approximately 3,500 Municipal, Commercial, and Residential Buildings

To further cement Chicago's status as a center for sustainability and green jobs, Mayor Rahm Emanuel today introduced an ordinance that would require the city's largest buildings to benchmark their energy use and authorize the City to disclose the energy efficiency for these buildings publicly. Through benchmarking and disclosure, the ordinance would spur the market for energy efficiency by encouraging building owners to make improvements, creating growth opportunities for energy service companies and contractors.

"Good data drives markets and innovation," said Mayor Emanuel, "This ordinance will accelerate Chicago's growth as a capital for green jobs by arming building owners, real estate companies, energy service companies and others with the information they need to make smart, cost-saving investments."

Under the proposed ordinance, the approximately 3,500 commercial, residential, and municipal buildings over 50,000 square feet would be required to track and verify energy consumption using Portfolio Manager, a free web-based tool administered by the US Environmental Protection Agency. Covered buildings would report energy use data annually to the City through an automated process and be required to have their data verified by a licensed architect, engineer or other professional recognized by the City every three years. The City would publish an annual report on energy efficiency. The ordinance would also allow the City to publicly disclose individual building energy performance, starting in June 2015.

Benchmarking and disclosure will accelerate Chicago's energy efficiency market. A recent study by the US Environmental Protection Agency cited average energy savings of 7% for buildings that used Portfolio Manager from 2008-2011. If the buildings covered by this ordinance make energy efficiency improvements that result in just 5% of energy savings, this would result in a \$250 million

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investment. This investment would not only create jobs, it would also reduce greenhouse gas emissions by removing the equivalent of at least 50,000 cars from the roads.

The ordinance is backed by a coalition of more than 80 leading organizations from Chicago's real estate, energy, and environmental communities that support the measure because of its potential to grow Chicago's energy efficiency market.

"U.S. Equities includes benchmarking energy use of the buildings in our portfolio and using that data to drive results. Our buildings see better financial and leasing performance as their environmental performance improves. Chicago will be stronger and more competitive as more buildings take these actions - and as the energy efficiency industry grows," said Bob Wislow, Chairman and CEO of US Equities.

"We endorse Chicago's efforts to enact an ordinance that makes building energy performance information available to everyone and any time," said Dan Probst, Chairman of Energy and Sustainability Services for Jones Lang LaSalle, "Our experience is that full disclosure of performance information, like ENERGY STAR ratings, is one of the most effective ways to achieve energy efficiency. It gives every building a public incentive to improve energy performance, and that is really powerful."

The proposed ordinance has been designed to make it easy for buildings to comply. Commercial and municipal buildings would report in two batches. The first group, consisting of buildings larger than 250,000 square feet would first report in June 2014. The second group, consisting of buildings that fall between 50,000-250,000 square feet, would first report in June 2015. Residential buildings within each of these two groups of covered buildings would have an additional year to comply with the ordinance, with buildings with more than 250,000 square feet first reporting in June 2015 and buildings in the 50,000-250,000 square feet range first reporting in 2016. Public disclosure of energy efficiency data for each group could not occur until one year after the compliance date.

The proposed ordinance excludes industrial facilities, storage units, and hazardous use units, and it contains exemptions for brand new construction or buildings facing financial distress. Consumption data would not be disclosed publicly for buildings with more than 10% of floor space dedicated to data centers, TV studios, or trading floors.

In passing the energy benchmarking ordinance, Chicago would join eight cities and two states that currently require energy benchmarking, including New York City, Philadelphia, Washington, D.C., Minneapolis, Boston, Seattle, Austin, San Francisco, California, and Washington State.

"Benchmarking energy performance empowered us to identify opportunities for energy improvement, track progress over time and demonstrate achievements in a simple and cost effective manner. Transparency and data disclosure will help property and financial markets

accurately value energy efficient buildings,” said David Pogue, Global Director of Corporate Responsibility at CBRE, which has worked to comply with the New York City ordinance.

The benchmarking effort has received ongoing support from the Natural Resources Defense Council and the C40 Cities Climate Leadership Group, among other key partners. “This move recognizes that Chicago’s skyline can play a leading role in combating climate change, while also positioning our city to succeed in the global marketplace,” said Henry Henderson, Director of the Midwest Program for the Natural Resources Defense Council. “Mayor Emanuel is taking another big step toward unleashing the power of energy efficiency in Chicago. This will spur investment in our buildings, which will lower energy costs and pollution, while creating jobs and economic growth.”

Energy efficiency is a key component of the *Sustainable Chicago 2015 Action Agenda*, which outlines 7 themes, 24 goals, and 100 actions to make Chicago more competitive, livable, and sustainable. Launched by Mayor Emanuel last September, Sustainable Chicago 2015 calls for local policies to support greater transparency in energy use and building energy performance. Other Sustainable Chicago 2015 efficiency efforts include *Retrofit Chicago*, a voluntary, cross-sector program to promote energy efficiency and Chicago’s legacy of innovation and leadership in building technology.

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