

SECTION 3

ENERGY EFFICIENCY

The Economic Benefits of the EPA's ENERGY STAR Program

Efficient use of energy resources is a necessary component of responsible economic growth. Real estate policy and best management practices should promote energy efficiency not simply to achieve better building performance, but to spur innovation, create construction jobs that cannot be exported, and enhance our nation's energy security through a more resilient building stock that responds to threats both natural and man-made.

EPA's ENERGY STAR program for buildings and similar market-driven platforms improve energy efficiency by incentivizing reduced consumption. The result is a triple bottom line

impact that improves the social, environmental and financial performance of real estate companies. Because 88% of U.S. buildings were constructed before the development of modern energy efficiency codes and standards, there is significant room to improve the efficiency of our existing infrastructure. As a result, energy policies should focus on improving older buildings.

ENERGY STAR is an ideal energy program in part because – without heavy-handed federal mandates – it motivates building owners and operators to distinguish their assets as “top-performers” in energy efficiency and innovation. Capital expenditures on energy

efficiency improvements account for more than two million jobs and hundreds of billions of dollars in families' and businesses' savings on utility bills. Pensions, sovereign wealth funds, and other institutional investors are attracted to real estate assets that boast high energy performance. Moreover, ENERGY STAR is a great investment for taxpayers. EPA should continue to receive the same level of modest funding for the program, which provides excellent “bang for the buck” in terms of the energy and economic benefits it creates.



EPA'S EFFECTIVE ENERGY POLICY

The EPA's voluntary ENERGY STAR program supports more than 2 million jobs and has saved American families and businesses more than \$400 billion in utility bills since its inception.

An estimated 40% of the U.S. commercial real estate market participates in the ENERGY STAR program through EPA's Portfolio Manager, the real estate sector's standard for benchmarking energy, water, and waste consumption. More than 450,000 U.S. buildings covering 40 billion square feet of commercial real estate use this federal tool to track energy use.¹ Benchmarking alone is shown to reduce what is often the largest expense of a buildings cost— yielding 7% energy savings across 35,000 buildings that consistently used EPA's tool over a three-year period.²

The EPA's ENERGY STAR for Tenants platform – a key step to implement the 2015 “Tenant Star” law – is a welcome addition to the agency's existing program. Because commercial real estate tenants consume the majority of a building's power, it makes sense to incentivize those tenants to share

the burdens of responsible energy use and efficiency with their landlords. The EPA's new program appropriately recognizes high-performance, cost-saving leased spaces. The EPA should continue to encourage shared responsibility between tenants and landlords for high efficiency, reduced cost energy use.

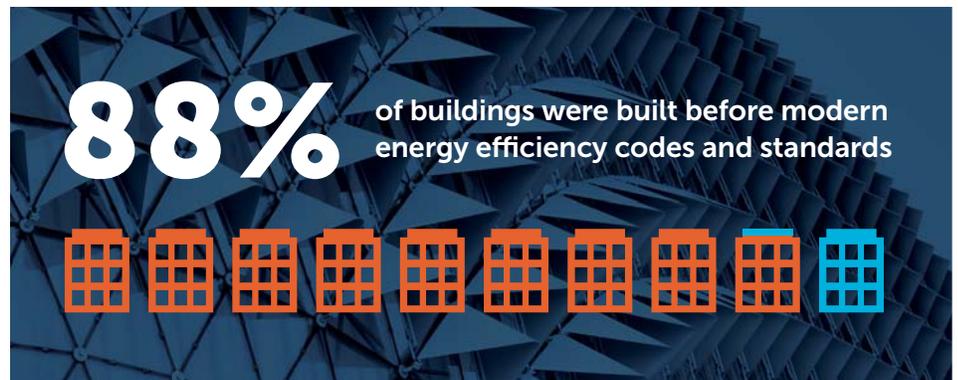


The Roundtable is honored to partner with the EPA through its "Smart Sectors" program, which allows the agency to benefit from industry experience and expertise. We have already shared our initial recommendations for responsible regulation, and advised the EPA to (a) continue funding its highly successful ENERGY STAR program, (b) cease efforts to regulate commonplace renovation, repair, and painting in public and commercial spaces, and (c) avoid "double regulation" over public stormwater systems already governed by the Clean Water Act.

► Sen. Michael Bennet (D-CO) has played a key role in the development of Roundtable-backed "ENERGY STAR for Tenants" legislation.

COST TO SAVE ENERGY V.S. CREATE ENERGY ¢ per kwh

<p>Energy Efficiency</p> <p>2-3¢</p>	<p>Wind</p> <p>3-7¢</p>	<p>Natural Gas CC</p> <p>5-8¢</p>	<p>Utility-Scale Solar PV</p> <p>6-7¢</p>
<p>Coal</p> <p>7-15¢</p>	<p>Biomass</p> <p>8-11¢</p>	<p>Nuclear</p> <p>12-14¢</p>	<p>Coal IGCC</p> <p>9-18¢</p>



ENERGY STAR ECONOMIC IMPACT

\$ 78 B
SAVED IN 2015

29.5 K
COMMERCIAL BUILDINGS

² See EPA, "Benchmarking and Energy Savings – Data Trends," available at https://www.energystar.gov/sites/default/files/buildings/tools/DataTrends_Savings_20121002.pdf