

Energy & Climate

The country’s economic recovery and future growth will depend more than ever on improved energy efficiency and reliable, cost-efficient clean energy sources.

Over the last decade, the commercial building stock has become far more energy efficient and increasingly reliant on renewable energy sources. The significant progress thus far in the built environment’s clean energy transition has not been driven by federal-level energy mandates on private buildings, but rather on national voluntary guidelines, standards and recognition programs that have spurred market transformation.

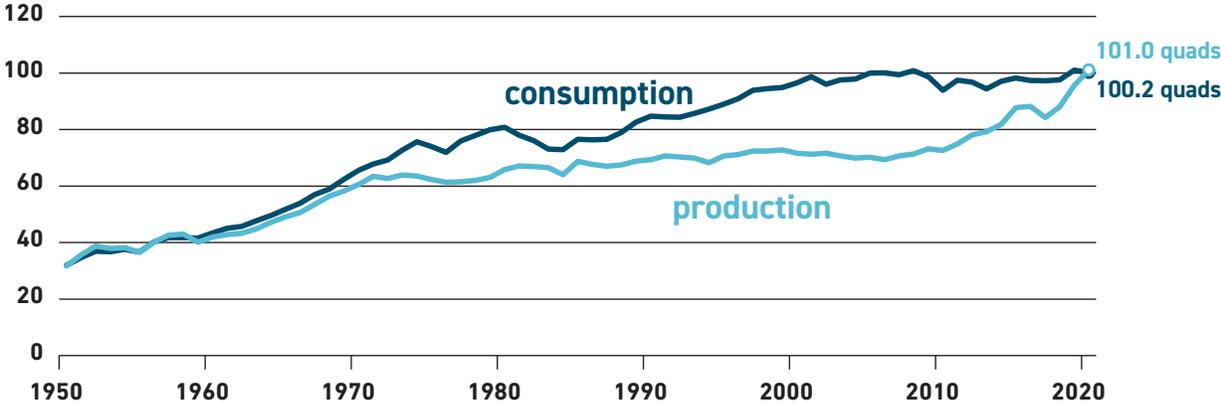
The Roundtable remains committed to policies that promote optimal and cost-effective energy efficiency investments in buildings. In November 2019, The Roundtable sent a comment letter to the Chair and Ranking Member of the House Select Committee on the Climate Crisis

regarding an omnibus proposal that included the following energy and climate policy recommendations, discussed at more length below:

- Improving the process for establishing building energy codes.
- Enhancing EPA’s ENERGY STAR incentive programs for both commercial buildings and tenants.
- Ensuring data quality and integrity in the federal Commercial Building Energy Consumption Survey.
- Accelerating depreciation to encourage the many economic benefits of investment in high-performance equipment for existing commercial and multifamily buildings.
- Fostering public-private partnerships to finance safety and resiliency improvements to the electricity grid, the natural gas pipeline network, and other energy infrastructure assets.

U.S. Total Energy Production and Consumption (1950-2020)

In quadrillion British thermal units (Quads)



Source: U.S. Energy Information Administration, *Monthly Energy Review*

Enhancing EPA's ENERGY STAR programs for commercial buildings and tenants.

The Roundtable Continues to Support Funding for EPA's ENERGY STAR and "ENERGY STAR for Tenants" Programs.

The Roundtable has long supported the EPA ENERGY STAR and "ENERGY STAR for Tenants" programs, both of which encourage energy efficiency, help result in lower operating costs, better mortgage terms for real estate owners and correlate to higher sales prices or rental rates. The Roundtable continues to advocate for Congress to appropriate sufficient funds for the existing ENERGY STAR program, and to improve and update the current "scoring" process under which buildings may qualify for ENERGY STAR status. The Roundtable recently completed a year-long study, under the guidance of our Sustainability Policy Advisory Committee (SPAC), which yielded recommendations to ensure a fair scoring model for ENERGY STAR recognition.

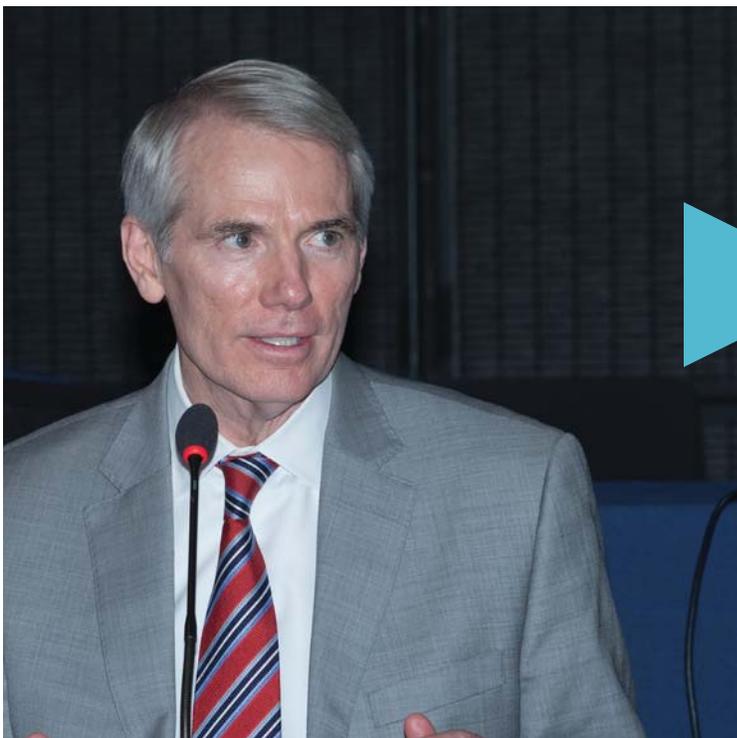
This year, The Roundtable will continue to support the EPA's development of the

"ENERGY STAR for Tenants" program, which offers federal-level recognition for Tenants' responsible energy use. The Roundtable urges EPA to expand version 2.0 of "ENERGY STAR for Tenants" program to include retail tenants in 2020.

Improving the process for establishing building energy codes.

The Roundtable Joins Industry and Environmental Leaders In Supporting the Energy Savings and Industrial Competitiveness (ESIC) Act.

The Roundtable also supports the bipartisan Energy Savings and Industrial Competitiveness (ESIC) Act, which brings much-needed transparency to the process by which the U.S. Department of Energy (DOE) helps shape model building energy codes. The Act directs DOE to consider comments from real estate stakeholders regarding the costs, financial returns, and small business impacts associated with code developments that drive building investments in HVAC, lighting, insulation and windows. The Roundtable was among a group of prominent industry and environmental



Sen. Rob Portman (R-OH) has championed Roundtable backed policies throughout the years, such as ENERGY STAR legislation and most recently the bipartisan Energy Savings and Industrial Competitiveness (ESIC) Act.

leaders to show their support of the ESIC Act at a press conference held by Republican Senator Rob Portman and Democratic Senator Jeanne Shaheen last summer. The Roundtable will continue to support the ESIC Act to incentivize higher energy performance in real estate while simultaneously allowing for appropriate flexibility and consideration for the economic effects of energy reduction code targets.

Ensuring data quality and integrity in the federal Commercial Building Energy Consumption Survey.

The Roundtable Supports Data Sharing and Integrity Between Federal Agencies

High quality data regarding buildings' energy consumption is critical now more than ever in the COVID-19 era.

The U.S. Energy Information Administration (EIA)—the federal Energy Department's data-gathering arm—periodically conducts the Commercial Building Energy Consumption Survey (CBECS). CBECS is the only nationwide, random-sample survey that estimates energy use across U.S. commercial building infrastructure. The Roundtable regularly encourages coordination between the EPA and EIA to ensure that the data each agency separately collects are of the highest quality. To ensure data integrity and consistency, The Roundtable has been a strong advocate for Section 103 of the ESIC Act, which calls for an explicit data-sharing agreement between the two agencies. The Roundtable advocates for high quality CBECS data on building-level energy statistics as well as the creation of an analog dataset on commercial tenant-level energy used in leased spaces within buildings.

Furthermore, the COVID-19 pandemic has caused significant changes in building occupancy and associated energy use. The Roundtable will work with EPA and EIA to ensure that federal-level energy consumption data collected during the pandemic does not skew results of CBECS estimates or ENERGY STAR benchmarking practices.

Encouraging federal coordination with state/local climate laws.

An increasing number of states and localities are establishing regulatory programs that do not simply require buildings to disclose energy usage or meet efficiency targets, but to also require that buildings draw power from renewable energy sources. Support from the federal government through the Environmental Protection Agency, the Department of Energy, and the Federal Energy Regulatory Commission must help enable—and not hinder—building owners' compliance with these state and local laws.

Accelerating depreciation to encourage investment in high-performance equipment for commercial and multifamily buildings.

The Roundtable Encourages Policy that Incentivizes Investments in High Performance Equipment, Economic Growth, Energy Independence, and Reduced Carbon Emissions

The Roundtable continues to work closely with leaders in the private and public sectors to establish an accelerated depreciation schedule for a new category of Energy Efficient Qualified Improvement Property installed in

buildings (E-QUIP). The Roundtable supports a uniform E-QUIP 10-year recovery period to encourage high-performance upgrades in commercial and multifamily buildings. E-QUIP would cover the main systems that affect a building’s energy consumption, such as heating and cooling; lights; and the window and roofing “envelope.” Eligible E-QUIP components would surpass minimum code requirements to achieve more ambitious and aggressive levels of energy efficiency.

Over the past year, The Roundtable helped drive a major research project to estimate the energy savings, carbon reduction, and job creation benefits should the federal tax code include an E-QUIP accelerated depreciation provision—with an eye to use this research to support eventual bill introduction.

Fostering public-private partnerships to finance safety and resiliency improvements to the electricity grid, the natural gas pipeline network, and

other energy infrastructure assets.

The Roundtable Supports and Encourages Public-Private Partnerships to Improve the Safety and Resiliency of the Nation’s Energy Infrastructure

The Transportation Infrastructure Finance Innovation Act (TIFIA) encourages private capital investments in surface transportation projects. A similar program should help finance improvements to safety and resiliency in our nation’s energy infrastructure. Policies that encourage public-private partnerships (P3s) leverage capital, improve budget certainty and predictability, accelerate project delivery, and create efficiencies and innovations in project design and construction.

The Roundtable supports a TIFIA-type pilot program to encourage P3 financing for energy infrastructure. In order to successfully overhaul our country’s existing energy infrastructure successfully, Congress must bring together government agencies, power commissions, utilities, real estate and other stakeholders to explore co-investment in a cleaner, more reliable, and more resilient electric grid.

Electric Power Markets

Source: Federal Energy Regulatory Commission

