



***Biden Administration Requests “Commitments” from
Real Estate Companies to Help Tackle the Climate Crisis
April 30, 2021***

The Biden Administration’s plan to invest over \$2 trillion in our nation’s “physical” infrastructure assets – called [*The American Jobs Plan*](#) – is driven by ambitious targets to tackle the climate crisis:

- ***By 2030:*** Cut U.S. GHG emissions by 50% (relative to 2005 levels) – as supported in an [open letter](#) signed by 400+ businesses and investors.
- ***By 2030:*** 500,000 electric vehicle (EV) charging stations across the U.S.
- ***By 2035:*** A 100% carbon-free electric grid.
- ***By 2050:*** Reach a net-zero emissions economy.

The Biden Administration is reaching out to myriad companies and industries – including manufacturing, technology, transportation, power generation, and utilities – to achieve its economy-wide climate targets while creating millions of well-paying jobs for American workers. ***The Administration also seeks to enlist real estate companies as “partners” in these efforts.***

Biden Administration Requests 3 Types of Voluntary “Commitments” from Real Estate Companies

Mark Chambers, Senior Director for Building Emissions with the White House Council on Environmental Quality (CEQ), met recently with The Real Estate Roundtable’s Board of Directors. Mr. Chambers explained that the Administration seeks to “partner” with real estate companies that make voluntary, public commitments in any of the following three (3) areas:

- (1) EV Charging Stations:*** Commitments to install a significant number of EV charging infrastructure in parking lots, garages, gas stations, and other areas.
 - *The Administration is not seeking commitments from owners to install a “specific number” of EV charging stations at any particular location or across any given portfolio.*
 - *The Administration is seeking commitments that are broad across portfolios, and appropriate considering a building’s asset type and urban/suburban location.*
- (2) Clean Power Purchases:*** Commitments to purchase clean power directly or through credits, in amounts equivalent to the electricity consumed by an entire or majority portion of a real estate portfolio.
 - *The Administration is not seeking clean power purchases that are geographically restricted to the specific “grid zone” or utility service area tied to any particular building location.*
 - *The Administration is seeking commitments for clean power purchases equal to a real estate company’s expected electricity purchases for at least 3 years.*
- (3) Data Sharing:*** Commitments for a real estate company to share data on building energy consumption with federal agencies and US-DOE’s [national laboratories](#).
 - *The Administration is seeking building energy consumption data and characteristics provided on at least a monthly basis similar to what can be uploaded in EPA ENERGY STAR “Portfolio Manager.”*
 - *The Administration is encouraging owners to provide building energy consumption data on a daily or shorter interval basis, where such data is available.*

Timing Considerations:

In considering whether to make any (or all) of these commitments, a real estate company can include its efforts taken toward these goals since the start of the COVID-19 pandemic. For these purposes, that date is March 1, 2020. For any commitment, a company must also include a prospective element for actions it promises to take after the commitment date. For purposes of a clean power purchase commitment, existing agreements may qualify if they are in effect on the date the company makes its commitment to the Biden Administration.

White House Recognition and May 17 “Better Buildings Summit” Event

Real estate companies willing to make “commitments” as outlined above and accepted by the White House will receive recognition from the Biden-Harris Administration. The recognition may take the form of “fact sheets” and website postings publicized by the White House and/or the U.S. Department of Energy (DOE).

Companies deemed by the White House to make particularly noteworthy commitments may be further recognized at a Cabinet-level event timed with the [Better Buildings Summit](#) from May 17-20, sponsored by DOE. The May 17 event will also recognize leaders in other sectors (transportation, utilities, etc.), so opportunities for recognition at the Summit itself will be limited.

The Biden Administration is Moving Toward a National Building Electrification Target

Building electrification is a key component of the Biden Administration’s infrastructure plan. The Administration believes that its goals to cut emissions in half by 2030 – toward a net-zero economy by 2050 – depend on making the electric grid more efficient, more resilient, and more reliant on renewable energy. In tandem with that goal, the Biden Administration is seeking meaningful engagement with the real estate industry to discuss a national building electrification “target.”

To be clear, the Biden Administration is *not* presently seeking any specific “commitments” from building owners to electrify their assets. Currently, the Administration is seeking “commitments” in the three (3) areas outlined above, but wants to start engaging in a broader conversation regarding electrification.

[The American Jobs Plan](#) proposes substantial public dollars for grants, tax incentives, and a “green bank” intended to leverage private capital investments in energy efficient new construction, existing building retrofits, electric grid modernization, and similar projects. The details on eligibility and criteria for these incentives are yet to be fleshed-out in legislation (and, if passed by Congress, in implementing regulations). However, it is clear that a high-level goal of these financial programs will be geared to support a Biden Administration priority for widespread building electrification.

The prospect of “electrification” raises major questions about cost, technology, and practicability from the perspective of real estate stakeholders:

- Can the aging U.S. electric grid handle all of the extra loads generated by widespread building electrification, without causing major power outages?



- Is there enough renewable energy supply to “clean” the grid rapidly enough to align with any potential federal-level building electrification target?
- Different geographies have more, and greater potential for, renewable energy supplies than others. How will geographic differences impact any potential national building electrification target?
- What are the heightened challenges for existing buildings – occupied with families, homeowners, and businesses – to electrify, relative to new construction?
- Will federally-owned buildings provide a proving ground for building electrification projects?
- What is the price tag and pay-back for an electrification project, relative to a building’s projected income and cash flows?
- Will building electrification increase utility bills for families, business tenants, and other ratepayers?
- Does the Biden infrastructure plan support modernizing and upgrading district thermal heating and cooling systems?

At the Better Buildings Summit in mid-May, the Biden Administration will present its case on the economic, jobs, and environmental opportunities that support a building electrification target. The Roundtable intends for our members and colleague associations to have “seats at the table” to present real estate’s perspectives and data – and to play an on-going role as the Biden Administration considers potential “targets” for building electrification and other climate-related goals that will affect U.S. real estate.

For More Information:

- **Real estate owners interested in making any “commitment” will need to discuss those details with Mark Chambers, White House CEQ’s Senior Director of Building Emissions.**
 - ✓ Mark’s email: Mark.C.Chambers@ceq.eop.gov
 - ✓ Those who desire to engage in the electrification topic should also indicate their interest to Mark.
- **The Real Estate Roundtable can facilitate connections with Mark Chambers, as appropriate.**
 - ✓ RER Point of Contact:
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