

Philadelphia Enacts Mandatory Energy and Water Use Disclosure Ordinance for Commercial Buildings

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To spur commercial building owners to invest in energy efficiency, Philadelphia City Council passed a mandatory energy and water disclosure ordinance on June 21, 2012.

Originally introduced by Councilwoman Blondell Reynolds Brown, the ordinance requires owners of commercial buildings with indoor floor space of 50,000 square feet or more (including mixed-use buildings with 50,000 or more square feet of indoor commercial floor space) to “benchmark” their buildings annually.

Benchmarking requires owners to input the energy and water use of their buildings into the Environmental Protection Agency’s “Portfolio Manager” tool. Portfolio Manager uses the inputted information to compare building resource use against buildings of similar type, size and use, and generates a 1-100 score and a report.

Under the new ordinance, building owners would, upon request, be required to provide the report to prospective tenants and purchasers. The ordinance also delegates to Philadelphia’s Office of Sustainability the authority to develop a plan for distributing the benchmarking information online.

The annual benchmarking must be done by June 30 every year. **However, the requirement does not go into effect until June 1, 2013, meaning that the first benchmarking deadline is June 30, 2013.**

Noncompliance with the ordinance carries a \$300 fine for the first 30 days, and, for each day after the first 30 days, a fine of \$100 per day.

The original bill was amended to increase the applicable building square footage from 25,000 to 50,000 square feet, and to include provisions designed to safeguard privacy and sharing of utility data. Philadelphia’s Office of Sustainability has been delegated the authority to convene stakeholder meetings and implement regulations to address privacy issues.

Cities that have enacted similar disclosure laws, including New York, Seattle, San Francisco and Austin, saw a 6 to 7 percent decrease in energy use, as building owners saw the need to cut costs and level the playing field with their competitors. They also saw an increase in jobs related to energy benchmarking and retrofits. Supporters of the bill expect Philadelphia to see similar benefits.

Shari Shapiro is nationally known for her experience with energy efficiency law and policy. Cozen O’Connor Public Strategies was actively engaged on behalf of our clients in the development of the Philadelphia disclosure ordinance, and anticipates continuing that work as the regulations implementing the ordinance are developed. For more information, please contact:

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