

# TRANSPARENCY:

## The key to unlocking the benefits of a benchmarking ordinance

**Benchmarking**, the act of measuring and tracking building energy performance over time, equips building owners with information to assess the potential for energy savings in their buildings. **Transparency** drastically expands the impact of a benchmarking ordinance by putting that information into the public sphere, thereby ensuring that energy efficiency can be recognized and rewarded by the market.

Similar to energy use labels on appliances and miles-per-gallon (MPG) ratings on cars, transparency of benchmarking information helps to fill an information gap. Access to this information **improves consumer choice, protects tenants, and creates additional incentives for building owners to improve the energy efficiency of their buildings.**

### Transparency benefits building owners

**Creates market-based rewards.** Transparency enables the market to assign [additional value](#) to energy-efficient properties, which have been shown to have higher occupancy levels, rental premiums, and sale prices.

**Provides competitive advantages.** Publicly available energy information creates an incentive for building owners to compete with peer buildings. High-performing buildings can use it as a marketing tool. Both help to [justify energy efficiency](#) projects.

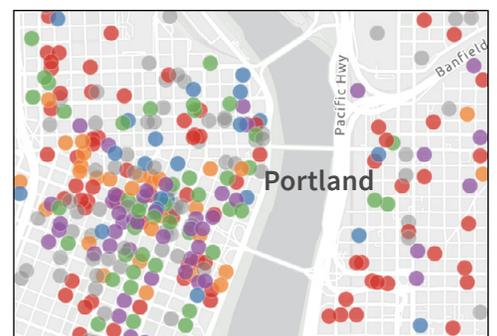
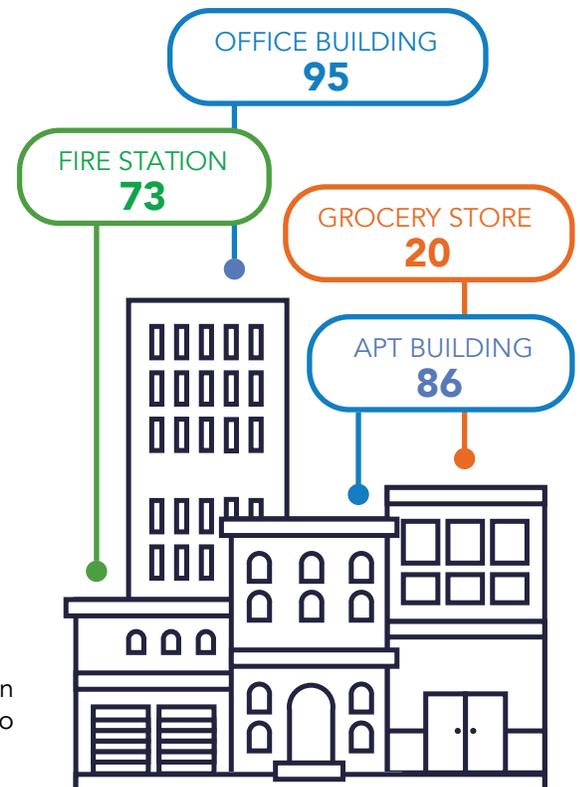
### Transparency benefits the public

**Informs consumer choice.** Similar to considering [MPG ratings](#) on cars, a prospective commercial or residential tenant can consider energy performance when deciding where to work or live.

**Protects tenants.** Renters and buyers can better factor in utility costs as a portion of their expected expenses, making them more resilient to variable energy costs and less likely to miss rental payments or [default on mortgages](#).

**Allows for better targeting of resources.** Transparency can help identify buildings in greatest need of improvement and help target them for investment and upgrades, as demonstrated by the [Low-Income Energy Affordability Network partnership](#).

## American Cities Climate Challenge



A benchmarking and transparency ordinance represents a win-win opportunity for a community's building owners, the local government, and the public. Benchmarking through ENERGY STAR Portfolio Manager creates an efficiency metric or ranking (EUI and/or 1–100 score) that cities then share, usually on a website. Above: Portland, Oregon's energy performance map.

**Uncovers inequity and informs future policy.** Transparency can enable cities to build tools to identify and prioritize outreach and assistance to buildings disproportionately impacted by energy burden, disinvestment, and compliance requirements (e.g., Seattle’s [Race and Social Equity Index Map](#) and Denver’s [Energy Burden Map](#)), as well as inform future policies to undo existing inequities.

## Transparency bolsters complementary efficiency actions

**Spurs uptake of energy-aligned leases.** Increased demand for energy efficiency as an amenity provides an opportunity for landlords to use [lease language](#) to align incentives for improving energy performance to benefit both parties.

**Creates a positive feedback loop between building design, construction, operation, and evaluation.** Public energy information can help create a [more informed process](#) for building design, construction, and operation, with opportunities for feedback and improvement that help ensure buildings operate as efficiently as designed.

**Improves metrics on energy efficiency projects to help unlock greater investment.** The [\\$30 billion U.S. market](#) for energy efficiency investments in buildings has the potential to see a [fivefold increase](#) in profitable projects. However, more standardized and verifiable data on post-investment energy performance, available through transparency, are needed to better [scale the market](#) and unleash more private sector capital.

## Transparency benefits the city

The catalytic [effect of transparency](#) on energy efficiency improvement carries a myriad of potential benefits for the city. The tax base improves as property values increase. Pollution burdens ease and greenhouse gas emissions decrease as energy demand declines. Jobs in energy efficiency fields—HVAC workers, carpenters, electricians, data management and analysis—increase, and these are local jobs that can’t be outsourced. And people become more comfortable, healthier, and less burdened by energy bills and related concerns as their homes and workplaces are improved.

## What does transparency look like in cities?

Transparency and visualization of energy data in cities take a [variety](#) of forms: spreadsheets ([Minneapolis](#)); interactive tables ([Seattle](#), [San Francisco](#)); maps ([Chicago](#); [Denver](#); [Washington, D.C.](#); [Portland, OR](#)); and websites or dashboards with multiple data formats ([Philadelphia](#), [New York City](#)). Published metrics usually include a limited subset of those reported to the city: site and source energy, energy use intensity (EUI), ENERGY STAR score (if applicable), building address, type, year constructed, and compliance status.

For more information on benchmarking and transparency policies, this [fact sheet](#) provides a general overview of impacts and benefits, and this [matrix](#) and [map](#) provide summaries of existing policies in the United States.

**AS THE SPHERE OF DATA AVAILABILITY WIDENS, SO DO THE POTENTIAL IMPACTS AND BENEFITS OF THE POLICY:**

- **Annual benchmarking** provides owners with actionable information.
- **Reporting to the city** enables the city to track citywide progress and better target programs and incentives.
- **Sharing data publicly** allows the market to reward energy savings, increases consumer choice, and improves tenant protection.
- **Creative third-party applications** of the data (e.g., maps, overlays, analyses) can be leveraged to identify low-performing (and therefore high-opportunity), high energy–burdened buildings, and align incentives and outreach to assist those most impacted.