



# *Annual Town Meeting 2022*

## *Article 31*

### *Building Energy Use Disclosure (BEU-D) Bylaw*



# Article Purpose

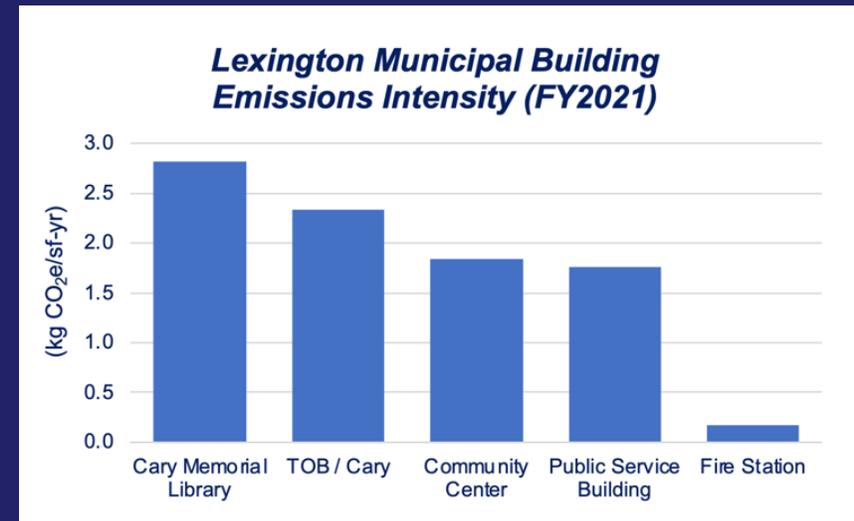
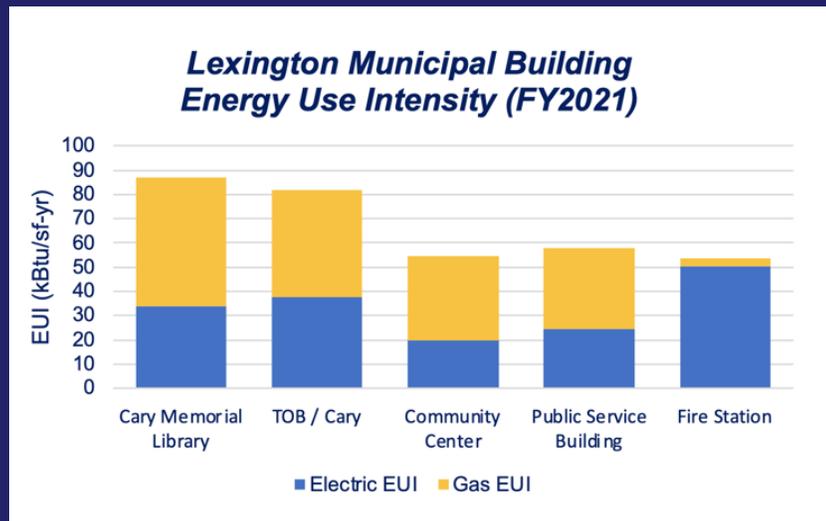
- Establish a Building Energy Use Disclosure (BEU-D) bylaw to help property owners understand energy performance, compared to similar buildings.
  - Recommended first step in Lexington’s 2018 Getting to Net Zero Emissions Plan.
  - Similar programs are already established in Boston and Cambridge.
  - Some property owners in Lexington are already reporting in Boston and Cambridge.
  - The proposed BEU-D is based on the requirements in Boston and Cambridge and on the requirements being considered by the Commonwealth (H.3366)<sup>1</sup>.

1. Bill H.3366 - An Act relative to Better Buildings



# Impact of Large Building Energy Use

- Commercial, Industrial, and Municipal (C/I/M) buildings account for ~66% of electricity and 50% natural gas used by Lexington's buildings and ~40% of Lexington's total emissions.
- About 120 commercial buildings over 25,000 sq ft account for ~80% of the total C/I/M area.
  - 9 Property owners responsible for 50% of total square feet over 25k
  - 50 Property owners responsible for 90% of total square feet over 25k





# Requirements

- About 120 buildings (Reporting Units) in Lexington would be covered:
  - Municipal buildings
  - $\geq 25,000$  gross floor area: Commercial, Residential, Educational, and Religious Organizations
- Owners would be required to annually report:
  - Electricity (kWh and energy label, i.e., source)
  - Natural Gas (therms)
  - Fuel Oil/Diesel (gallons)
  - Propane (gallons)
- Beginning in 2023, the Town will assess the information provided and apply standard metrics to calculate emissions intensity (i.e., kg CO<sub>2</sub>e / sq. ft) for each Reporting Unit and by building type, and will include water consumption (gals)
- Owner reporting can be through EPA's Portfolio Manager at no cost to the building owner
- Town will prepare a publicly-available annual report of the information.



# Implementation Options

- **Outsource Option:**

- Originally recommended by the Sustainability Director and similar to Cambridge's approach.
- Outsourced firm would manage communications with building owners, compilation of data, and initial draft of annual report for review and approval by Town staff.

- **Internal Option:**

- With less than 100 building owners to contact, the effort is far smaller than Boston and Cambridge with 1,000s of buildings. 16 buildings are Municipal and are already tracked.
- The Northeast Energy Efficiency Partnership (NEEP) has offered free initial use of their BEAM benchmarking tool to track and trend provided data and manage outreach.
- The work could be initiated by the Sustainable Lexington Committee and later performed by staff over a few weeks each year under the direction of the Sustainability & Resilience Officer.



# Outreach Feedback

- Discussions have been held with: EDAC, Takeda, Alexandria Properties, Boston Properties, Greatland Realty Partners, Brookhaven, Hobbs Brook, Cresset Group, and others.
  - *This is totally consistent with the values of our lab space clients. We won't get a lot of resistance from them. It is where the world is going. And we are getting a lot of pressure to act sustainably from our institutional investors and our tenants.*
  - *What you're proposing will work well, and not be burdensome. Everyone seems to be using Energy Star Portfolio Manager, so anyone with properties elsewhere will be used to it.*
  - *Recommend reporting results in the context of the town's overall emissions.*
- Other building owners contacted did not reply with any concerns.
  - *This makes sense, but wouldn't it be easier if the utilities just provided the information.*
  - *It would be easy for big companies, but more challenging for the small guys, and there needs to be good support/education for them.*
  - *It's not onerous to report if it's on an annual, regular basis. Just don't make it due at the same time that quarterly financial reporting is due.*
  - *Don't like the idea of imposing fines for noncompliance.*



# Updates to the Motion

- Since the initial posting of this presentation, the following updates have been made to the motion:
  - **Enforcement:** The potential for fines for not reporting has been delayed until after December 31, 2024 to provide more time for outreach to the 100 building owners
  - **Appropriation:** The requested appropriation for \$70,000 linked to the “Outsource” implementation option has been removed. This option is considered the more expensive approach and when paired with the two-year delay in enforcement provides time for Town staff to consider the program as part of the standard budgeting process.
  - **Reporting Unit Definition:** The definition previously included properties with 25 or more buildings less than 25,000 sq ft. Residential condominium owners identified that this part of the definition was not aligned with the stated goal of collecting information about “large buildings”. The committee agreed to remove that portion of the definition.



# Implementation

- Minimal information will be requested from building owners: building description, annual electricity use with the source, and annual natural gas/fuel oil/propane consumption.
- The cost and staff time to implement the program is estimated to be low.
- Aligned with local communities and proposed state programs.

1) <https://www.energystar.gov/buildings/tools-and-resources/datatrends-benchmarking-and-energy-savings>



# Building Energy Use Disclosure

- Building Energy Use Disclosure (BEU-D) bylaw will help Lexington understand energy use and greenhouse gas emissions progress.
  - Foundational first step required to implement Lexington's Getting to Net Zero Emissions Plan adopted by Board of Selectmen in 2018.
  - Strong support from Lexington's largest property owners.
  - Unanimous endorsement of Economic Development Advisory Committee and Sustainable Lexington Committee.
  - Critically important during rapid expansion of lab / life science buildings in Lexington.
  - Consistent with 2013 Town Meeting Climate Change Warrant Article and 2020 Town Meeting Declaration of Climate Emergency.