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## Energy costs for D.C. commercial buildings to go online

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Companies seeking to lease space in Washington's large commercial buildings will be able to compare the size of their future energy bills at various rental properties, thanks to a law passed in the District in 2008 that is beginning to take effect.

Though there's rarely confusion over how much a company will pay a landlord to lease a corporate space, it's unusual for a company to determine its total energy costs before moving in. But the District's "Clean and Affordable Energy Act" aims to motivate property owners to adopt energy-efficient technologies by making their monthly power bills a matter of public record.

To that end, beginning in 2010, property managers who oversee buildings with more than 200,000 square feet of office space are required by law to record energy and water usage rates on a Web site run by the Environmental Protection Agency. In coming years, smaller commercial buildings will also be required to participate in the program.

Cliff Majersik, executive director at the Institute for Market Transformation, an environmentally focused, Washington-based nonprofit group, said the law should fix a long-standing problem.

It's tenants, not landlords, who typically pay the energy costs for a rented corporate space, he said. "The people in the best position to improve the energy efficiency of buildings don't pay the energy bills, and the people who pay the energy bills are unaware that they could be saving money," he said.

The Apartment and Office Building Association of Metropolitan Washington and the Cato Institute opposed the bill, noting that it calls for the District to fund a third-party contractor to conduct sustainable energy programs for the city.

"It's something else that will make it more expensive to live in Washington or run a business in Washington," said Pat Michaels, a senior fellow on environmental studies at the Cato Institute, a [libertarian](#) think tank. "If left to its own, the market would produce these efficiencies better."

D.C. Council member Mary M. Cheh (D-Ward 3), who co-authored the legislation, said getting commercial buildings to monitor their energy use is an important step toward greater energy efficiency because "you can't manage what you don't measure."

"Once users are fully aware of their energy use, and in comparison with other users, they almost universally make plans to conserve and to save money," Cheh said in an e-mail. "That's why I included benchmarking in the Clean and Affordable Energy Act and why I think it will have a significant impact on energy consumption in the District."

Majersik said the District was the first area in the United States to enact such a law. In December, however,

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New York City passed a law that takes Washington's legislation a step further by also requiring multifamily dwellings to record their energy consumption rates.

In both cities, the information will be stored online and accessible to all at a site run by the EPA's "Energy Star" program, which assigns buildings a rating of 1 to 100, based on how their energy efficiency compares with similar buildings in the country.

The Institute for Market Transformation estimates that 260 buildings in the District will be required to record their energy data starting this year.

For District property managers who enroll in the EPA program in January, their building's "Energy Star" rating will become public record starting in 2012 -- a delay that will give owners time to install energy-efficient technologies, if they wish.

Jack Beuttell, global sustainability manager with Hines, a property management firm that manages 10 buildings in the District, said that questions about a property's energy consumption have become increasingly important to his company's potential tenants.

Beuttell said that a building with a "95" rating from the EPA's "Energy Star" program, a rank that some of his company's properties have earned, would typically save a tenant about \$1.30 per square foot in annual energy bills over the national average for a similar building. That's an "incredibly meaningful" figure to tenants, he said.

Beuttell said that his company began measuring the energy consumption of buildings in its portfolio more than a decade ago. In the early years, the figures were mainly used for internal purposes, but energy costs have become an increasingly important marketing tool in recent years.

"There's vast mainstream awareness of these issues now," he said.

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