

Better Buildings Challenge

Frequently Asked Questions

What is the Better Buildings Challenge and why is it important?

The Better Buildings Challenge is a voluntary leadership initiative that asks chief executive officers, university presidents, and state and local leaders to make a public commitment to energy efficiency. Through the Better Buildings Challenge, the U.S. Department of Energy (DOE) is highlighting leaders that have committed to upgrading buildings and plants across their portfolio, and providing their energy savings data and strategies as models for others to follow.

The energy to operate the buildings in which we work, shop, and go to school costs the U.S. about \$200 billion annually, and on average, 30 percent of this energy is wasted. The energy used by U.S. manufacturing plants costs the nation an additional \$180 billion annually, while energy efficiencies of 20 percent or more are typically available, offering savings of about \$45 billion a year. The goal of the Better Buildings Challenge is to make American commercial and industrial buildings at least 20 percent more energy efficient by 2020.

More efficient commercial and industrial buildings reduces the nation's dependence on foreign oil, protects the environment, and saves billions of dollars in energy costs that can be spent growing businesses, investing in new technologies, and creating American jobs.

What kind of organizations can join?

The Better Buildings Challenge involves a network of Partners and Allies that demonstrate national leadership in energy efficiency:

- ▶ Partners are commercial businesses, industrial corporations, universities, States, and other building owners that make a public commitment to reduce energy consumption in their facilities
- ▶ Community Partners are municipalities that commit to reducing energy across their own building stock, as well as working with local businesses to assess opportunities and take action
- ▶ Allies are financial institutions and utilities that commit to supporting the energy efficiency marketplace with specific, commercially available products and programs

What does an organization commit to?

Partners commit to:

- ▶ Publicly pledge a portfolio-wide energy savings goal of at least 20% by 2020 and develop an organization-wide plan, schedule and milestones
- ▶ Announce an initial showcase project and initiate the project within 9 months
- ▶ Share energy consumption data to measure progress against their pledge goal, and share information about the energy efficiency implementation models (including the tools, technologies, and processes) they are using to reach their pledge goal



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How does an organization become a Partner in the Challenge?

Organizations sign a Partnership Agreement with the Department of Energy. If your organization is interested in joining, please contact the BBC Website at www4.eere.energy.gov/challenge/contact.

What does the government offer Better Buildings Challenge Partners?

DOE offers technical assistance and assistance in the creation of energy efficiency implementation models to the Challenge Partners to support their commitment to measure, track and improve portfolio-wide energy performance. In addition, DOE will provide national recognition to Partners for achieving program milestones and energy efficiency results. DOE will also recognize partners who leverage, develop and share innovative energy efficiency implementation models and showcase projects.

How does the Better Buildings Challenge fit into the larger Better Buildings Initiative?

The Better Buildings Challenge is part of a larger Better Buildings Initiative, an effort to make American commercial, residential, and industrial buildings more energy efficient through innovative action and real world solutions.

For example, the Better Buildings Challenge complements the efforts of the Better Buildings Neighborhood program—a three-year grant program managed by DOE that is primarily focused on residential buildings at the state and local level.

Through Better Buildings, DOE is also working to increase and accelerate financing opportunities for building upgrades, workforce training in energy audits and building operation, and tax incentives to encourage more energy efficiency upgrades.

What is the Better Buildings, Better Plants Program and how does it fit with the Better Buildings Challenge?

The Better Buildings, Better Plants Challenge is the industrial component of the Better Buildings Challenge. Participating manufacturing partners make largely the same set of commitments as the commercial building, education, and community organizations participating in the Better Buildings Challenge. These manufacturing firms are recognized by DOE at the highest level for their willingness to provide solutions to the marketplace and help other industrial organizations benefit from their efforts.

DOE also provides recognition to manufacturers through the Better Buildings, Better Plants Program. Through this broader-based program, manufacturers pledge a 10-year, 25% energy intensity improvement target, and agree to report their progress annually to DOE. Manufacturers participating in the Program tier do not face the same requirements regarding showcase projects, energy efficiency implementation models, and public disclosure as the companies in the Challenge tier. As a result, Challenge tier companies receive higher-level recognition for their efforts.



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What are energy efficiency implementation models?

Energy efficiency implementation models are real-world, successful approaches to overcome barriers to achieve portfolio-wide energy efficiency improvement. These models might be business processes, implementation or financing strategies, and include specific information on the technologies, strategies, processes, and/or services that Partners utilized to achieve their energy savings target.

Implementation models are a cornerstone of participation in the Better Buildings Challenge and Partners have agreed to identify at least one implementation model that they have used or will use to address widespread barriers in the market; share the process they followed and the specific tools, documents and steps they used to achieve success. Partners are encouraged to highlight more than one model to show how they achieved significant savings.

What are the requirements regarding data reporting and transparency?

Reporting requirements differ slightly between commercial building and manufacturing partners.

Commercial building partners commit to report publicly on energy consumption across their organizations and at the individual facility/building level every 6 months. Specifically, partners in the Challenge will provide: square feet of floor space, site energy use, source energy use, weather-normalized energy intensity, energy intensity adjusted for space attributes/operating characteristics (where available), total energy cost and energy cost per square foot.

For manufacturing partners, corporate-wide data on energy consumption, energy savings, and level of investment in energy efficiency and financial returns will be collected on an annual basis. Facility-level data will also be collected from manufacturers, but steps will be taken to mask and aggregate the data to protect confidential business information.

What is a showcase project?

Showcase projects demonstrate that Better Buildings Challenge Partners are taking immediate, concrete actions resulting in significant and real savings. Showcases are an opportunity to highlight specific projects that are innovative, aggressive, and notable and share strategies, solutions, and results. Partners are encouraged to have multiple showcases but are asked to identify at least one showcase within three months of joining the program and begin implementation within nine months. DOE recommends that a showcase project: Is expected to produce significant energy and cost savings, with a preference for 20 percent energy savings or more in line with the Better Buildings Challenge goals. Also a showcase project is ideally replicable, demonstrates to others how to take action, and appropriately sized to reflect the Partners commitment to reduce energy use.

Showcase requirements differ slightly for Better Buildings, Better Plants Challenge Partners. For industrial partners, showcase projects should be:

- ▶ A whole building retrofit
- ▶ A project over \$1 million, or
- ▶ A project that improves energy efficiency by 10% or more in a single facility

Industrial showcase projects must be completed within two years from when they are announced.



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What are the commitments for Financial Allies?

Financial Allies commit to invest in or lend at least \$50 million for commercial building energy efficiency projects or collaborate with industry leaders and stakeholders to create at least a \$50 million market for each financial product. They also agree to assign a senior-level liaison who is committed to allocating the necessary resources to pursue all potential projects resulting from the Better Buildings Challenge. Financial Allies also commit to provide information on financial performance and the structure of financial agreements.

What type of information are Financial Allies asked to share?

Financial Allies are asked to share all of the information about their projects that will drive more market participants to upgrade energy performance. This includes the particulars of what energy efficiency measures were installed, how much the project cost, where the capital came from, how agreements were structured to maximize benefit to each of the stakeholders, and how the projects have performed, both in energy and financial terms.

As the Allies record projects and transactions they will mark off progress toward their individual goals, which, at a minimum, is \$50 million in the next 12 months.

What are the commitments for Utility Allies?

Utility Allies commit to providing commercial energy efficiency multi-measure programs that result in energy savings of 5% across the customer class by 2015 or 30 million square feet. They also commit to provide their commercial customers with their energy usage data electronically, in a format compatible with ENERGY STAR Portfolio Manager. Finally, they commit to identifying one or more showcase innovative efficiency programs within 3 months of becoming a Utility Ally.

