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March 20, 2023

Iowa House of Representatives
1007 East Grand Avenue
Des Moines, Iowa 50319

Re: MEEA comments supporting energy benchmarking and building energy performance in Iowa

Dear Honorable Members of the Iowa House of Representatives,

Thank you for the opportunity to speak about energy benchmarking and building energy performance in Iowa. The Midwest Energy Efficiency Alliance (MEEA) is a member-based, non-profit organization promoting energy efficiency to optimize energy generation, reduce consumption, create jobs and decrease carbon emissions in all Midwest communities. MEEA has worked in Iowa and other states to provide technical assistance and education on energy efficient building policies since 2009. We currently provide a residential energy code compliance education and training program in Iowa that includes a circuit rider and is supported by the state. MEEA also supported Des Moines in passing their energy benchmarking ordinance in 2019.

MEEA supports the adoption and implementation of building policies to measure the energy use of existing buildings and improve their performance. One such policy commonly used in the Midwest is energy benchmarking (benchmarking), which is typically defined as measuring a building's energy use to define a baseline and comparing it to itself over time, to other buildings of the same type and/or to an applicable energy standard.¹ Benchmarking policies help building owners better understand the energy use of their buildings and allow them to choose to make operational or physical improvements that reduce costs and save energy. Another building policy is a building performance standard (BPS), which identifies specific existing buildings to meet a standard defined by the jurisdiction (whether it be energy use, greenhouse gas (GHG) emissions, performance rating or another metric).² Typically, under a benchmarking ordinance, a building owner will simply track the energy use of their building(s), while under a BPS, a building owner will actually improve a building's performance to achieve a certain goal. While these policies are sometimes used in tandem, they are separate tools to address building energy use.

It is important for municipalities to maintain the ability to track and analyze the energy consumption of their buildings, and to take the steps necessary to improve building energy performance. Removing these capabilities will prohibit communities from meeting their locally established goals, reduce cost and energy savings for Iowans, weaken Iowa's position to receive federal funding and prevent the establishment of permanent clean energy jobs in Iowa.

¹ MEEA, Energy Data and Benchmarking, <https://www.mwalliance.org/sites/default/files/media/Benchmarking-Fact-Sheet.pdf>

² ACEEE, Mandatory Building Performance Standards: A Key Policy for Achieving Climate Goals, https://www.aceee.org/sites/default/files/pdfs/buildings_standards_6.22.2020_0.pdf



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1. Without supportive building energy policies, growth of the clean energy workforce in Iowa will slow.

Currently, the clean energy sector supports more than 30,000 jobs in Iowa.³ Of those jobs, 62% are in the energy efficiency sector, and the vast majority of those are in the building industry. Through policies like benchmarking and BPS, there is a great opportunity to expand the building operator and management workforce and provide education and training to better understand and track building energy use. In addition, demand will increase for skilled workers who conduct building retrofits and offer energy efficiency services.⁴ These are good-quality jobs in a vital, growing sector of Iowa's economy. In fact, the clean energy sector grew at a rate of 5% from 2020 to 2021 in Iowa – over two times faster than the overall state economy. Since over 40% of energy is consumed by the building sector, addressing building energy use is the foundation upon which most clean energy jobs are built. In order to ensure that Iowa's robust clean energy workforce continues to grow, there shouldn't be restrictions on enacting policies that seek to measure and reduce the energy use of buildings.

2. Iowa will miss out on energy and cost savings that come from Benchmarking and BPS.

Through policies like Benchmarking, operational costs can also be better managed. By simply measuring energy consumed, all types of building owners can gain important information about their building and how they manage it. Benchmarking accurately gauges current consumption levels, creates more accurate budget forecasts, and assists in the first step of assessing the functionality of building systems and need for upgrades or improvements. *Much like people who improve their health simply by tracking their vitals on a Fitbit or smart watch, **buildings that benchmark their energy use on a regular basis reduce their energy consumption by 2.4% per year on average.***⁵ There is then potential for even *greater* savings by setting energy reduction goals, and these energy savings translate directly to cost savings.

3. Restricting the enactment of building energy policies will put Iowa far behind its neighbors in the Midwest.

In 2019, Des Moines passed a benchmarking ordinance that calls for all city-owned buildings and privately-owned commercial and multifamily buildings larger than 25,000 square feet to report their energy and water usage to the city. Currently, large buildings in Des Moines account for 56% of GHG emissions, and this initiative will aid the city in achieving its goal of reducing emissions 28% by 2025.⁶

³ Clean Energy Trust, Clean Jobs Midwest, <https://www.cleanjobsmidwest.com/state/iowa>

⁴ IMT, Benefits of Benchmarking, https://www.imt.org/wp-content/uploads/2018/02/IMTBenefitsOfBenchmarking_Online_June2015.pdf

⁵ MEEA, Energy Data and Benchmarking, <https://www.mwalliance.org/sites/default/files/media/Benchmarking-Fact-Sheet.pdf>

⁶ MEEA, How Des Moines is Establishing a New Baseline in the Midwest, <https://www.mwalliance.org/blog/benchmarking-how-des-moines-establishing-new-baseline-midwest>

There are many other active municipal benchmarking programs throughout the Midwest. The **City of Chicago's benchmarking ordinance**, which covers existing commercial, institutional and residential buildings larger than 50,000 square feet, **estimates savings of approximately \$17.8 million by buildings benchmarking and reporting** for either two or three consecutive years.⁷

In 2020, St. Louis, Missouri became the first city in the Midwest to pass a Building Energy Performance Standard.⁸ Since then, other cities and counties in the region have also begun to look into how a BPS could help reduce energy use and emissions in the building sector, save money for building owners and operators, expand the workforce and improve building health and resilience. At least eight other cities in the Midwest have committed to enacting a BPS by April 2024.⁹

While municipalities in neighboring states continue to move forward on these efforts, Iowa would be moving backward if the state were to limit cities' ability to enact energy efficiency building policies like benchmarking and BPS. This will also infringe on the ability for Iowa and its municipalities to take advantage of over **\$1 billion dollars in federal funding available** from the Bipartisan Infrastructure Law and the Inflation Reduction Act, both of which prioritize the advancement of building energy performance.

4. It will be difficult, if not impossible, for Iowa cities to meet their climate and GHG goals without building energy policies.

By developing a benchmarking ordinance, a city obtains data to track annual energy use of its built environment, resulting in progress toward its overall energy or GHG reduction goals. The City of Des Moines is currently developing a climate action plan that would build on its goal of reducing emissions 28% by 2025 to achieving net-zero GHG emissions by 2050. The city's current benchmarking program is vital to becoming net-zero.¹⁰ In September 2018, Iowa City established its first community wide GHG emissions target and created a Climate Action and Adaptation Plan with strategies to achieve emissions reductions. By collecting and analyzing GHG emissions beginning in the early 2000s, Iowa City has been able to set reduction targets and a long-term goal to achieve net-zero by 2050.¹¹

Many other jurisdictions in Iowa also have climate plans and goals to reduce energy use and GHG emissions, including the adoption of a climate plan in Cedar Rapids and a resolution to create a climate plan in Polk County. If the state of Iowa and its counties and cities are to meet their goals,

⁷ MEEA, Energy Data and Benchmarking, <https://www.mwalliance.org/sites/default/files/media/Benchmarking-Fact-Sheet.pdf>

⁸ MEEA, St. Louis the First Midwest City to Pass Building Energy Performance Standard, <https://www.mwalliance.org/blog/st-louis-first-midwest-city-pass-building-energy-performance-standard>

⁹ National BPS Coalition, <https://nationalbpscoalition.org/>

¹⁰ Des Moines Climate Action Plan, https://www.dsm.city/departments/city_manager_s_office/sustainability/climate_action_plan.php

¹¹ Iowa City Climate Plans and Reports, <https://www.icgov.org/city-government/departments-and-divisions/neighborhood-and-development-services/climate-action-1>



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benchmarking and subsequent action to improve building performance are necessary tools. By prohibiting these policies for private property, Iowa would inhibit the progress of the state and its counties and cities looking to improve the buildings in their communities.

If you have any questions about this testimony, references or general impact and analysis of building energy policies, please contact Corie Anderson, Senior Building Policy Associate at MEEA at [canderson@mwalliance.org](mailto: canderson@mwalliance.org). Thank you for your consideration.

Sincerely,

Stacey Paradis
Executive Director