



Building Performance with ENERGY STAR[®]

EARLY EXPERIENCE SUMMARY

March 2012





Building Performance with ENERGY STAR extends a nationally recognized brand and successful business-to-business program model of the U.S. Environmental Protection Agency (EPA) to utilities and other energy efficiency program sponsors to help them meet efficiency program goals through greater and persistent savings in commercial buildings.

Building Performance with ENERGY STAR was launched in 2010 with ENERGY STAR partners Commonwealth Edison, Mass Save, MidAmerican Energy Company, National Grid, New Jersey's Clean Energy Program, Pacific Gas & Electric, Southern California Edison and Focus on Energy. This summary report documents the early experience of these organizations as they developed and launched Building Performance with ENERGY STAR programs in their service territories.

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Leveraging ENERGY STAR through Energy Efficiency Programs

Building Performance with ENERGY STAR provides a valuable platform for energy efficiency program sponsors to penetrate commercial building sectors, deliver greater savings through a whole building approach, reach senior decision makers to expedite project investment decisions, expand from individual projects to building portfolio commitments, and tap into the broader power of the ENERGY STAR brand with customers.

With Building Performance with ENERGY STAR, energy efficiency program sponsors can leverage the full power of the ENERGY STAR program for commercial buildings using a single program model. The ENERGY STAR program works with the nation's leading building owners to adopt an action-oriented energy management approach following a set of proven strategies that focus on top level commitment, measurement and goal setting at the portfolio level, development and implementation of action plans, verification and continuous improvement.

With more than 4,500 businesses committed to energy management across the county, close to 40% of the commercial floor space being benchmarked through EPA's ENERGY STAR energy management and tracking tool, Portfolio Manager, and a public awareness rate of more than 80%, ENERGY STAR partners are delivering financial value back to their organizations and achieve energy savings of up to 30% by following an integrated and strategic approach. Now Building Performance with ENERGY STAR will better align the strength of ENERGY STAR with the reach and depth of energy efficiency programs run by states and utilities to deliver greater energy savings within a service area and across the country.

Market Barriers Addressed

Most of us have at least a general understanding of how our car mileage ranks against others cars on the market, but even building engineers rarely know how their facility ranks against others in terms of energy use. In the commercial building sector, this lack of knowledge about building energy performance is a key barrier to motivating operators to improve the efficiency of their buildings. When operators are ready to implement energy performance improvements, other barriers to energy efficiency arise. Management is focused on other priorities, and up-front capital to implement projects is limited. Additionally, trade allies working in the energy efficiency field are not always equipped to help. Trade ally business models are often focused on equipment sales, and do not look at improvements at the whole-building level. The table below details the strategies used by Building Performance with ENERGY STAR to overcome these market barriers.

Barrier	Strategy to Overcome
Lack of understanding of building performance	Benchmarking helps facility managers understand building energy performance and gives them an easy way to communicate performance to others in their organization.
Lack of management commitment and strategic energy planning	Creating action plans with customers as part of their energy management strategy is an effective way to engage senior management, and secure capital for improvements. Benchmarking results can be used to direct resources toward facilities with large energy savings potential.
Lack of up-front capital	Focusing on long-term action planning helps customers see past the initial hurdle of up-front capital requirements. Savings from low and no cost improvements can be viewed as a revenue stream to fund future capital improvements.
Trade ally business model driven primarily by equipment sales	Building demand in the marketplace for whole building services helps develop a local network of service providers that understand and can deliver whole-building assessments and upgrades.

Program Elements

Energy Efficiency Program Sponsors that implement Building Performance with ENERGY STAR in the commercial market agree to include the following program elements:

Target Marketing/Recruiting: Target one or more of the vertically integrated market sectors covered by ENERGY STAR (i.e., retail, grocery, hospitality, etc.).

Benchmarking: Use benchmarking with EPA's ENERGY STAR Portfolio Manager (described below) as a gateway program requirement; facilitate access to energy data; and provide appropriate training and support services.

Strategic Energy Management/Action Plan Development: Provide education and guidance to program participants on the value of an integrated approach to improving building performance. Work with program participants to develop an Action Plan (described on Page 5) for improving the performance of their facility or portfolio of facilities.

Whole-building Performance Assessment: Conduct building performance assessments to identify opportunities for whole-building improvements. Encourage building managers to look at systems comprehensively, in order to identify savings from operations and maintenance strategies and occupant behavior, and to capture interactive savings between building systems.

Whole-building Upgrades: Develop strategies for increasing demand and supply for comprehensive building upgrade services, including engagement with trade allies to encourage the delivery of comprehensive services, and financial and other incentives to foster an integrated approach to building performance.

Performance Monitoring and Verification: Develop a performance monitoring and verification plan that validates program impacts, supports ongoing energy management through re-benchmarking and other efforts, and assesses customer satisfaction with the program.

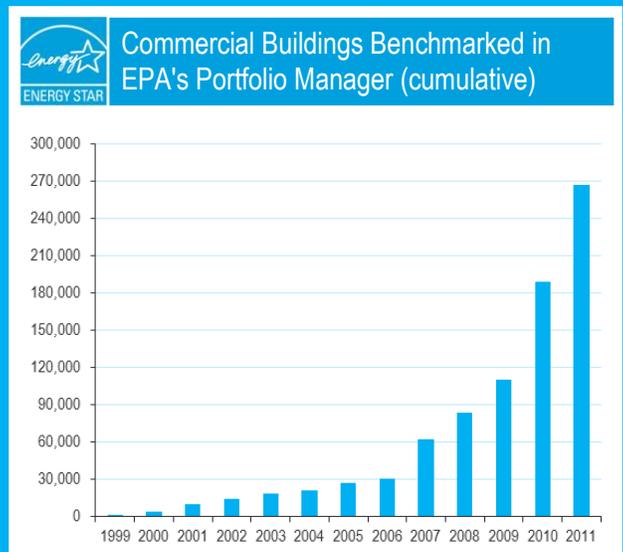
The Building Performance with ENERGY STAR program elements were developed based on the best practices of building operators and successful strategies of energy efficiency program administrators. This summary report documents the early experience of program sponsors with the development and implementation of the Building Performance with ENERGY STAR programs, and provides examples of how these program elements have been successfully utilized in practice.

Benchmarking with ENERGY STAR Portfolio Manager

EPA's energy measurement and tracking tool, ENERGY STAR Portfolio Manager, allows users to track and assess energy and water consumption across a portfolio of buildings. For many facilities, Portfolio Manager provides a nationally recognized performance score, which compares the energy use of individual buildings against the national stock of similar buildings using a 1 to 100 point scale.

A strategic approach to energy management begins with benchmarking energy performance. Benchmarking can be used to identify the best opportunities for improvement, track performance over time, and document savings results.

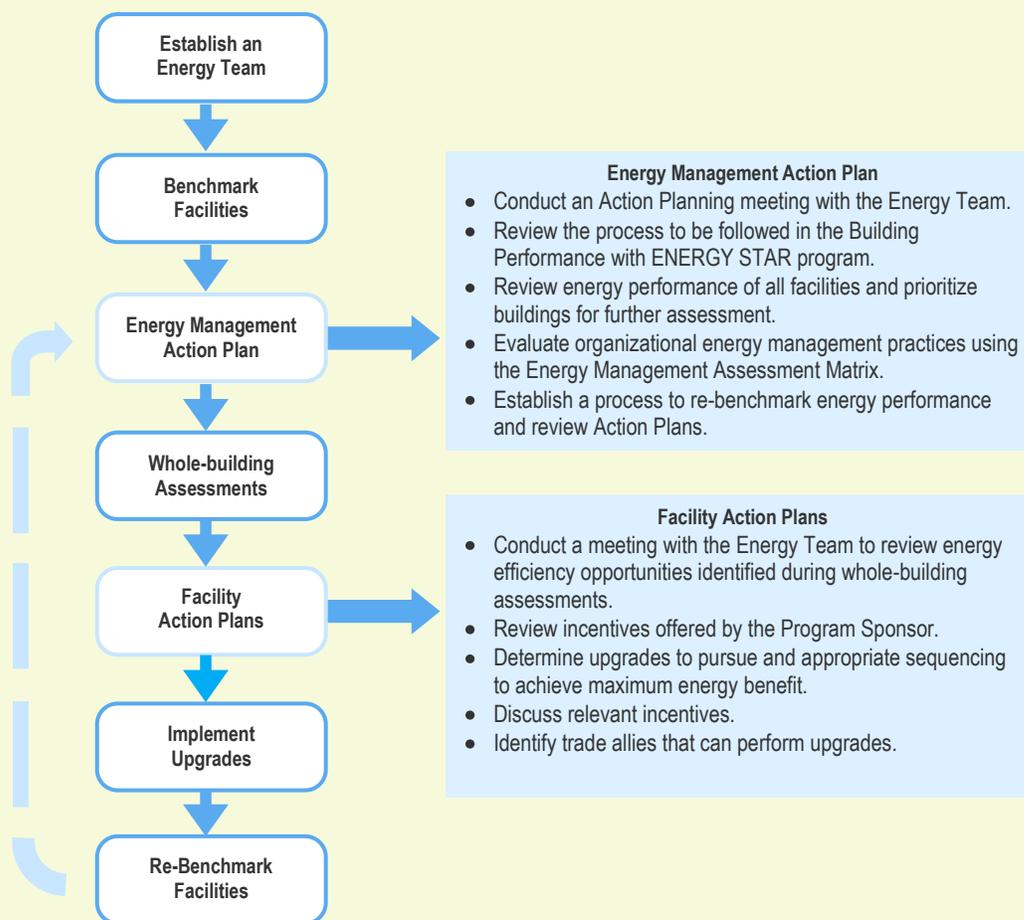
Benchmarking as a best practice has grown tremendously in recent years, with nearly 270,000 buildings representing close to 40% of commercial building floor space using Portfolio Manager. Program administrators can work with their customers to benchmark their portfolio of buildings and better target energy efficiency investments.



Roles, Responsibilities, and Timelines: The Use of Action Plans

One program element that sets Building Performance with ENERGY STAR apart is the use of Action Plans to engage senior management in planning for and implementing strategic energy management efforts. Action Plans ensure progress and accountability, detailing near- and long-term steps that need to be taken to improve energy performance, assigning responsible parties, and setting timeframes for completion. They are effective in engaging senior management, and ensuring that sufficient capital is allocated for improvements.

Using a portfolio approach to energy management, action planning occurs in two phases. Energy Management Action Planning is used to review overall energy management practices and performance, and to identify facilities that will benefit most from in-depth assessment. Facility Action Planning is used to develop plans for implementing recommended improvements at the building level. The diagram below illustrates the flow of customer participation, and shows how action planning is integrated into the program process.



EPA provides template action plans that can be used or adapted by participating program administrators. The templates were developed based on the experience of program administrators. For example, MidAmerican Energy's *EfficiencyPartners*[®] initiative uses action plans and requires senior management to sign a non-binding agreement indicating which efficiency measures the organization plans to implement.

"It is amazing **how much difference it has made** having a signed agreement as opposed to simply conducting energy audits."

- Mindy Loveless
Program Manager, MidAmerican Energy

Participants in the Pilot Program

Commonwealth Edison and Nicor Gas Building Performance with ENERGY STAR

Targeted Sector: Hospitality, Assisted Living
Launch Date: January 2012

ComEd and Nicor Gas are collaborating to help customers take a holistic approach to increasing energy efficiency. The program will target hotels that have stable, long-term ownership with opportunities for energy savings, and support customers in developing strategic action plans that address immediate, low- and no-cost (RCx) activities, as well as capital improvements.



National Grid, Rhode Island Whole Building Assessment Initiative

Targeted Sector: Property Management, Supermarket
Launch Date: Integration into Existing Program

Working through an existing network of technical assessment providers and Project Expeditors, National Grid uses benchmarking as the foundation for delivering assessments, developing action plans, and implementing upgrades. National Grid guides participants toward existing financial incentive programs and also offers educational opportunities for building occupants.



Mass Save Whole Building Assessment Program

Targeted Sector: Property Management, Supermarket
Launch Date: Integration into Existing Program

Working through their technical assessment providers, the Mass Save Sponsors use benchmarking as the foundation for delivering assessments, developing action plans, and implementing upgrades. The Sponsors guide participants toward existing efficiency incentive programs and may offer educational opportunities for building occupants.



Pacific Gas and Electric Company Building Performance with ENERGY STAR

Targeted Sector: TBD
Launch Date: Under Development

PG&E promotes benchmarking with Portfolio Manager and PG&E's Automated Benchmarking service offering to engage customers in a process of strategic energy management. PG&E will support customers in developing strategic action plans that address immediate, low- and no-cost activities, as well as future capital improvements.



Wisconsin's Focus on Energy Retail Energy Management Challenge / Building Performance with ENERGY STAR

Targeted Sector: Retail
Launch Date: August 2010

Focus on Energy works with participants to benchmark the energy performance of all their Wisconsin stores, assists customers with developing action plans, conducts whole-building performance assessments for selected facilities, and helps customers access financial incentives to implement improvements. The program provides recognition for the greatest energy saving accomplishments.



New Jersey's Clean Energy Program Pay for Performance/Building Performance with ENERGY STAR

Targeted Sector: Retail, Healthcare
Launch Date: Integration into Existing Program

Building Performance with ENERGY STAR enhances Pay for Performance by providing guidance on improving organizational energy management practices to encourage a whole building-whole business approach to energy efficiency. The program leverages marketing assistance through the Sector Specific benchmarking initiative and financial incentives, based on actual energy savings achieved as verified in Portfolio Manager, provided through Pay for Performance.



MidAmerican Energy EfficiencyPartners

Targeted Sector: Office Large Retail, Grocery, Warehouse
Launch Date: Integration into Existing Program

The EfficiencyPartners initiative works with participants to create energy efficiency action plans that identify short- and long-term activities to achieve continuous energy improvements. By aligning with Building Performance with ENERGY STAR, MidAmerican Energy will harness the value of Portfolio Manager to identify those customers and facilities best suited for this partnership.



Southern California Edison and Southern California Gas Continuous Energy Improvement

Targeted Sector: TBD
Launch Date: Integration into Existing Program

SCE and Southern California Gas are working in partnership to deliver the Continuous Energy Improvement initiative. This offering provides an energy advisor to help participants with strategic energy planning, identification of energy savings opportunities, and action plan implementation.

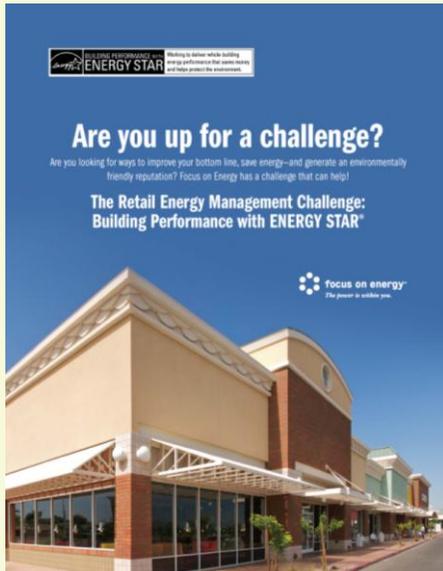


Program Profile: Focus on Energy

To pilot Building Performance with ENERGY STAR, Wisconsin's Focus on Energy is targeting whole-building savings through a Retail Energy Management Challenge. Retailers agree to benchmark the energy performance of all of their stores in the state, and Focus on Energy helps them develop an energy management action plan and conduct whole-building performance assessments for select facilities. Additionally, the program provides an Award for Excellence in Energy Efficiency to the retailers with the greatest energy savings accomplishments. Awards are provided to the retailer with the highest rating across its portfolio of Wisconsin buildings, and the retailer with the most improved energy intensity (kBtu per square foot) or rating at the end of the challenge.

Results to Date

First-year participants, including Kohl's, ShopKo, Blain's Farm & Fleet, and Gander Mountain Sports, represented over 100 stores, and almost 10 million square feet of floor space. A significant number of savings opportunities have been realized in initial implementation efforts, especially low- and no-cost measures that might not have been captured under prescriptive or equipment-centered program models. Total energy savings for the program are not yet available, but Blain's Farm and Fleet is on track to save \$140,000 across 11 stores (see text box on page 10).



Incorporating the Program Elements

Target Marketing: The program targets the Retail sector. To participate, an organization must operate multiple locations in Wisconsin, with an average facility size of 25,000 square feet or greater. The program outreach includes sector-specific messaging designed to speak to decision-makers in the retail industry.

Benchmarking: Participants must benchmark the energy performance of stores across Wisconsin in Portfolio Manager, with a minimum of 50% of Wisconsin stores for large fleets, or 100% of stores for retailers with 10 or fewer locations in Wisconsin. Benchmarking results are used to set a baseline for the portfolio and identify and prioritize properties to receive whole-building performance assessments. Training and support is provided by Focus on Energy.

Strategic Energy Management: An energy advisor helps participants strategically plan for and implement energy-efficiency improvements over time, starting with low-payback projects that can create revenue to fund capital upgrades in the future. Participants set energy savings goals, identify roles and responsibilities for energy management efforts, and develop a customized action plan with timelines for implementing projects. "Practical Energy Management" trainings, based on the *ENERGY STAR Guidelines for Energy Management*, are offered.

Whole Building Performance Assessment: Focus on Energy staff and a Building Tune-Up service provider conduct walk-through assessments for 2 of the customer's 5 poorest performing properties. A performance assessment report details and quantifies energy efficiency opportunities.

Whole Building Upgrades: An energy advisor connects participants with appropriate Focus on Energy incentive offerings, and encourages prioritization of projects as recommended in the *ENERGY STAR Building Upgrade Manual*. As noted above, 2 of the customer's 5 poorest performing properties must take part in a Building Tune-Up Program. Through this program, customers agree in advance to commit up to \$10,000 or \$0.025/square foot (whichever is larger) to implement measures with a payback of 1.5 years or less.

Performance Monitoring and Verification: Customers are required to keep Portfolio Manager accounts updated. The program uses Portfolio Manager to track savings impacts, and collects Statement of Energy Performance reports from Portfolio Manager to support evaluation efforts.

Program Profile: *New Jersey's Clean Energy Program*

Prior to launching Building Performance with ENERGY STAR, *New Jersey's Clean Energy Program*™ (NJCEP) had promoted benchmarking with Portfolio Manager and comprehensive whole building upgrades through Pay for Performance. While these offerings were well aligned with ENERGY STAR, NJCEP went a step further in rolling out Building Performance with ENERGY STAR. The program provides strategic energy management guidance at a portfolio level to produce greater long-term energy savings in facilities where whole building upgrades are planned. NJCEP opted to focus its efforts on the retail and healthcare sectors, target segments that were harder to reach. The program offers benchmarking assistance for properties in New Jersey and helps customers use the ENERGY STAR Energy Management Assessment Matrix to assess organizational energy management practices. It also leverages existing financial incentives, including Pay for Performance (P4P), which promotes a comprehensive approach to energy efficiency upgrades, matching financial incentives to actual energy savings achieved.

Results to Date

Launched in January 2011, New Jersey's Building Performance with ENERGY STAR initiative has produced signed commitments from retailers, healthcare, and various other institutions representing eight separate entities and twelve facilities. Eight of those twelve – representing over 600,000 square feet – have moved on to enroll in Pay for Performance. The program has also attracted interest from state and municipal governments, as well as private companies including hospitality and telecommunications who are looking for a more strategic approach to improving the energy performance of their facilities. Building Performance with ENERGY STAR continues to grow through the Pay for Performance trade ally network of nearly 150 energy consulting firms. Of the eight facilities enrolled in Pay for Performance, five have submitted comprehensive facility assessments, two of which have been approved, and one facility recently completed installation of recommended energy-efficiency measures.

Incorporating the Program Elements

Target Marketing: The program initially targeted retail chains and healthcare / hospitals, markets that were underserved in New Jersey, by leveraging relationships with sector-specific associations to promote participation.

Benchmarking: A free portfolio-wide benchmarking report is provided to participants to help assess variation in performance across buildings, bring building performance to the attention of senior decision-makers, and identify the best buildings to target for upgrades.

Strategic Energy Management: Action plan development occurs at two levels. A portfolio-level action plan is developed, which utilizes the ENERGY STAR Energy Management Assessment Matrix. A facility-level energy reduction plan is also completed for specific buildings by a P4P- approved vendor.

Whole Building Performance Assessment: A whole building energy assessment is conducted and an energy reduction plan is completed by a pre-approved P4P vendor. Identified measures are modeled using building simulation tools, and must meet a minimum threshold of 15% savings across the whole building.

Whole Building Upgrades: The program directs participants to apply for applicable NJCEP incentives, including P4P, which provides performance-based incentives designed to encourage comprehensive whole-building upgrades.

Performance Monitoring and Verification: Savings are demonstrated in P4P through a calibrated simulation method, in which a simulated building model is compared to actual energy use. This approach reduces the need for rigorous in-the-field Monitoring & Verification. Portfolio Manager is used to establish the baseline energy consumption for a facility, determine the 15% minimum savings threshold projection, and to verify actual savings levels 12 months after project completion.

PAY FOR PERFORMANCE
GET PAID TO MAKE YOUR FACILITIES ENERGY-EFFICIENT

The project you thought was out of budgetary reach may be well within your company's means. Together with Pay for Performance, you can save now... and save later.

HOW IT WORKS
For new construction or existing buildings, Pay for Performance relies on a network of approved partners who provide technical services under direct contract to you. Acting as your energy expert, your partner will develop an energy reduction plan for each project with a whole-building technical component of an additional energy audit, a financial plan for funding the energy-efficient measures and a construction schedule for installation. And the more energy your project saves... the more incentives your company earns.

EXISTING BUILDING

- Incentive #1: Paid upon submission of a complete energy reduction plan prepared by an approved partner. Contingent on meeting forecast, incentives will be between \$5,000 and \$50,000 based on \$10 per square foot.
- Incentive #2: Paid upon installation of all recommended measures. Incentives are based on the projected level of electricity and natural gas savings and are paid at \$1.11 to \$1.13 per kWh saved and \$1.10 to \$1.43 per therm saved.
- Incentive #3: Paid upon completion of a post-construction benchmarking report verifying projected energy savings. Incentives are based on actual electricity and natural gas savings and are paid at \$0.67 to \$0.90 per kWh saved and \$1.70 to \$1.03 per therm saved.

NEW CONSTRUCTION

- Incentive #1: Paid upon submission of a complete draft energy reduction plan prepared by an approved partner, based on the project's design development drawings, and contingent on moving forward. Incentives will be \$100 per square foot up to \$25,000.
- Incentive #2: Paid upon submission of a complete proposed energy reduction plan. Based on the project's final construction documents, and contingent on moving forward, incentives will be \$100 per square foot.
- Incentive #3: Paid upon submission of a complete as-built energy reduction plan verifying that the as-built building met or exceeded projected energy cost savings. Incentives will be \$1.75 to \$1.00 per square foot.

Getting Started
To learn more about Pay for Performance or to download participation forms, visit NJCEP.org or contact your energy consultant. You can also contact a program representative with questions at P4P@NJCEP.com or call 800-NJCEP101.

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10 smaller buildings in a representative portfolio. Size of the incentives will vary between the 10 buildings of this building's portfolio.

Innovative Incentives Encourage Deeper Savings

Performance-based incentives are provided at key milestones:

- (1) Submittal of an energy reduction plan
- (2) Installation of measures
- (3) Achievement of 15% savings, as verified by Portfolio Manager, 12 months after project completion

Incentives for the energy reduction plan range from \$5,000 to \$50,000. Incentives for the next two stages range from \$0.09-\$0.11/kWh, and \$0.90 to \$1.25/therm at each stage, with a total incentive cap equal to 50% of the project cost.

Spotlight on Successful Strategies

Highlights from early experience with Building Performance with ENERGY STAR shed light on emerging best practices and related strategies for implementing comprehensive building performance programs.

1) Moving From Buildings to Portfolios

Program sponsors implementing Building Performance with ENERGY STAR have experienced the value of engaging customers across their portfolio of buildings, rather than one building at a time. The portfolio approach generates interaction with customers at a more strategic level, targets initial investment at facilities with the greatest opportunity for savings, and creates a plan for portfolio-wide energy-saving projects in the future. Pacific Gas & Electric was an early pioneer in working with customers to improve a portfolio of facilities. Experience from PG&E's More than a Million program informed the development of the Building Performance with ENERGY STAR program.

The portfolio approach was described by the New Jersey Clean Energy Program as "a natural extension of the whole-building approach." Through their program implementation, NJCEP has observed an evolution in customer thinking. Many customers are initially focused on equipment replacement opportunities. With guidance, they begin to consider interactions between energy end uses as well as occupant actions. Finally, Building Performance with ENERGY STAR helps customers take the next logical step to approach an entire portfolio more thoughtfully.

Wisconsin's Focus on Energy fully incorporated the portfolio approach in its Building Performance with ENERGY STAR program, requiring participating retailers to benchmark the energy performance of stores across Wisconsin. Focus on Energy was able to target its efforts by performing assessments on two of the worst performing buildings for each participant. Participating retailers appreciated the insight on the variation in performance across their portfolios, and were able to apply best practices for savings across all properties.

2) Benchmarking as a Mechanism for Discovery

Benchmarking is an effective, proven practice for understanding building performance and identifying under-performing buildings. As part of its Building Performance with ENERGY STAR program, NJCEP used benchmarking to successfully engage customers at the portfolio level, and referred to benchmarking as a "mechanism for discovery". NJCEP found that benchmarking drew customers into the program, and motivated them to take the next steps to improve performance. Building managers were interested in understanding energy performance across their portfolio of buildings, and how that performance compared to their peers. Benchmarking results were valuable in identifying the best candidates for energy efficiency opportunities within a portfolio. Additionally, benchmarking established a common performance metric within an organization, allowing facilities staff to easily communicate with management.

Benchmarking can be used to educate and motivate building operators, but it does not identify specific opportunities to improve performance. This is where program administrators can build upon the discovery process, and offer whole-building performance assessments to determine energy savings opportunities. National Grid and NSTAR were two of the first utilities to couple benchmarking and performance assessments, a practice which has since been successfully replicated by a number of program sponsors.

For program administrators, benchmarking can be used to target program funds effectively, by conducting performance assessments on facilities that have been pre-identified as poor performers. This pre-qualification, along with the action planning elements of the Building Performance with ENERGY STAR program model, contributes to a greater likelihood that customers act on the assessment results.

Getting Trade Allies to Team

A major barrier to achieving deeper savings in existing buildings is that the trade ally industry is dominated by product sales, with businesses specializing in particular components of the building system, e.g., motors, chillers, controls, etc. The New Jersey Pay for Performance developed an innovative strategy to overcome this barrier. The program requires trade allies to fill out an application to become an approved partner. Partners must demonstrate a focus on comprehensive whole building energy efficiency improvements. Companies with a single focus (i.e. lighting or HVAC) may team together and submit a joint application. This approach ensures that the full range of energy efficiency opportunities are identified in all buildings.



3) Being a Trusted Advisor

Absent a broader context for understanding actual building performance and the best path for improvement, customers may be skeptical of trade ally advice. The Building Performance with ENERGY STAR program model puts the program sponsor in the role of trusted advisor, beyond the transactional relationship typical of most energy efficiency incentive programs. Several elements of the program – including sector understanding, portfolio benchmarking, energy management support and action plan development – contribute to developing a deeper and longer term relationship with customers.

National Grid has been expanding the focus of their Whole Building Assessment program to include the supermarket/grocery industry. They have noted that a deep understanding of sector-specific needs is critical to getting and keeping the customer's attention, and in convincing them of the value of energy efficiency improvements, particularly in building types that contain specialized equipment.

Taking on the role of trusted advisor allows program sponsors to be more proactive in recommending strategies, as opposed to reacting to customer requests, or having only limited interactions with corporate rebate processors. While many of the program elements were not entirely new to Focus on Energy, the Building Performance with ENERGY STAR program represented the first time that Focus on Energy led customers through a step-by-step approach bringing together all the pieces. The action planning guidance provided was particularly helpful to Focus on Energy. It provided a means for establishing roles, responsibilities, and timelines to help to keep customers moving along when otherwise projects might have stalled.

In the role of trusted advisor, program sponsors may be in a position to identify and capture additional savings opportunities. As one example, Focus on Energy found that many low- and no-cost operational savings were able to be claimed via their Building Performance with ENERGY STAR effort (and specifically through the Building Tune-Up program) that otherwise may not have been captured. Program participants were pleasantly surprised by the number of low- and no-cost opportunities identified. Additionally, a positive track record of identifying and capturing savings opportunities in operations can pave the way for more capital intensive projects down the line.

O&M as a First Step to Comprehensive Savings

Low and no-cost operations and maintenance (O&M) measures can be used by program administrators as a tool to attract customers, and to set the stage for comprehensive energy efficiency improvements. The case of Blain's Farm and Fleet, a participant in the Focus on Energy program, illustrates the success of this strategy. The regional retail chain store achieved savings of \$3,000 to \$4,000 per store through O&M measures identified by the Focus on Energy program, including control fixes and upgrades. Motivated by the O&M savings, Blain's decided to pursue longer payback projects. Nearly \$10,000 was saved per store by implementing capital projects including skylighting, a new energy management system with more stringent setback and scheduling, and lighting upgrades.

In the end, Blain's achieved nearly \$140,000 in savings across 11 stores. But perhaps more important was the change in mindset that came about through the Building Performance with ENERGY STAR action planning process. The positive experience of capturing smaller savings opportunities helped Blain's to see the value of a staged approach to energy improvements, and allowed them to look ahead to bigger-ticket efforts. Furthermore, Blain's was able to shift its energy management focus from one building at a time to a portfolio-wide approach. By starting small, Blain's was able to raise its sights to achieve even larger savings.

The logo for Blain's Farm & Fleet, featuring the word "Blain's" in a red, cursive font, followed by "FARM & FLEET" in a blue, bold, sans-serif font.

4) Helping All Customers Do More

Do particular organizations or building types provide the best targets for building performance programs? Early experience with Building Performance with ENERGY STAR has shown that the program can appeal to a wide variety of customer classes, building types, and experience levels. With respect to experience, clearly the program can benefit customers with limited energy management knowledge. It can help them understand building performance, and develop a strategic approach to energy management. The program has also attracted customers with more advanced energy management practices. These customers recognize that the program is about pursuing opportunities for "continuous improvement", which can be found at all organizations, regardless of past experience.

The strategic nature of Building Performance with ENERGY STAR was the differentiator that led one retailer to participate in Focus on Energy's Building Performance with ENERGY STAR program. This retailer had already implemented many advanced energy management practices, and was regularly benchmarking the energy performance of buildings with ENERGY STAR. However, they saw this as an opportunity to identify buildings that were underperforming compared to other Wisconsin facilities, and set a goal of improving the score of those buildings by at least 10 points. The retailer was not interested in a lighting survey, since they had already improved lighting in their stores – they wanted a program that could identify savings beyond what they had already discovered and captured. It was the strategic and diagnostic components of Building Performance with ENERGY STAR that were of most interest and value.

For program administrators encountering customers who believe they have exhausted the energy efficiency opportunities in their facilities – customers whose typical response would be, “We are sure you have great programs, but we've done everything we can in our facilities” – the strategic nature of Building Performance with ENERGY STAR can be a conversation changer.

5) Reaching Higher: A New Level of Access

What does it take to reach the senior decision-makers within an organization? Energy service companies and program administrators have grappled with this question for years, frustrated by seeing financially valuable projects stall as a result of organizational inertia. Building Performance with ENERGY STAR offers sponsors a new

tool for gaining access to decision-makers with financial authority to commit to energy-saving projects. Focus on Energy found this to be particularly true for national chains that operate multiple properties within its service territory. The program model provided Focus on Energy an opportunity to engage with corporate decision-makers, as opposed to local store managers or corporate administrative personnel that are often responsible for filling out rebate forms.

Knowing the right value propositions for a particular industry can also increase access to senior decision-makers. The sector-focused approach of Building Performance with ENERGY STAR assists program sponsors in organizing and expanding their internal expertise, in order to speak with greater knowledge about the factors that drive decision-making in a particular sector. Through the Building Performance with ENERGY STAR program, Focus on Energy formed a dedicated team to work with retail customers, which they believe will increase their future effectiveness in working with this sector. One particular lesson learned was that a whole-building approach appealed to retail chains – since best practices that are identified at one store can frequently be applied across the portfolio of stores.

In addition to the short-term benefits of getting projects approved, there are long-term benefits of developing relationships at a more senior level. Organizations that commit to energy management at a high level are more likely to develop plans that will involve repeat participation in energy efficiency programs over a multi-year period. Additionally, these organizations will employ practices that ensure persistence of savings from projects that are funded by program administrators.

Working Together: Coordinated Efforts of Electric and Gas Utilities

A challenge with whole-building performance programs is gathering data for all fuels, which is required to fully assess energy performance. Some single-fuel utilities have put the responsibility on the customer to gather data for other fuel types. Others have become creative in designing partnerships with utilities serving the same territory.

- **Mass Save®:** In Massachusetts, all energy efficiency programs, including the Building Performance with ENERGY STAR offering, have been standardized under a statewide initiative called Mass Save. This allows electric and gas efficiency program providers to collaborate on analyzing whole-building energy data and offering incentives. Sponsors include Columbia Gas of Massachusetts, The Berkshire Gas Company, Cape Light Compact, National Grid, New England Gas Company, NSTAR, Unitil, and Western Massachusetts Electric Company.
- **Commonwealth Edison and Nicor Gas:** In Northern Illinois, ComEd signed on as an initial participant in the Building Performance with ENERGY STAR pilot program. Nicor Gas subsequently submitted a program plan to the Illinois Commerce Commission for a Building Performance with ENERGY STAR program, and began developing an offering that could be jointly sponsored by the two organizations.
- **Southern California Edison and Southern California Gas:** SCE and SCG are working in partnership to deliver the Continuous Energy Improvement (CEI) offering. CEI is well aligned with Building Performance with ENERGY STAR, and will incorporate the ENERGY STAR brand as the program expands from the industrial to commercial markets.



The Road Ahead

Building Performance with ENERGY STAR has demonstrated a successful approach to engaging customers at a strategic level. EPA appreciates the contribution of leading program administrators who provided input during program development, field-tested program offerings, and shared best practices and lessons learned. EPA will continue to work on areas for further program development, including the following items:

M&V for Building Performance Programs

There are a number of challenges associated with monitoring savings from building performance programs. It is difficult to capture interactive effects between measures, to quantify savings due to operations and maintenance improvements, and to attribute savings for measures that are implemented over time rather than as a single package. EPA will continue to work with program sponsors to identify ways to overcome these challenges.

Program participants have also identified benefits of Building Performance with ENERGY STAR with respect to M&V. Focus on Energy expects that the use of pre- and post-implementation benchmarking, along with strategic energy management guidance, increases the likelihood that customers will attribute savings to program sponsor activities when it comes time for third-party evaluations. NJCEP noted that it is important to consider the quality of savings from Building Performance with ENERGY STAR, in addition to the quantity. The strategic aspect of the program, including the direct engagement between the sponsor and the customer, can result in greater persistence of savings.

Strengthening Trade Allies for Delivering Building Performance

A goal of Building Performance with ENERGY STAR is to build the market of trade allies that deliver services to improve whole-building performance. Demand for these services will be the most potent force for expanding this market. Program administrators can help build demand through the design of their programs. Strategies may include providing strategic energy management training for trade allies or aligning financial incentives to encourage an integrated approach to building performance. EPA will continue to highlight creative program designs, such as the teaming arrangements of Industry Partners encouraged through NJCEP's P4P program (described on page 9), and will foster dialogue to explore new ideas. For training needs, program administrators can take advantage of EPA resources designed for trade allies.

New Success Stories

Program administrators interested in offering a strategic energy management program can now take advantage of the Building Performance with ENERGY STAR program platform, and are encouraged to contact EPA for details on program requirements. By offering Building Performance with ENERGY STAR, program administrators can leverage the powerful ENERGY STAR brand to attract program participants, and can utilize proven energy management strategies to help customers tap into program incentives and take advantage of the right resources at the right time to maximize savings.

“It’s great to see many **successful program strategies** for comprehensive energy savings come together in a single model that can be easily utilized by program administrators.”

- Focus on Energy

“**Incorporating the ENERGY STAR brand** through Building Performance with ENERGY STAR will enhance our Whole Building Assessment offering.”

- National Grid

www.energystar.gov/buildingperformance