

# How Seattle's Building Tune-up Policies Can Help All Commercial Building Owners



### **Table of Contents**

itroduction	1
he City of Seattle CAP	
Vhat's involved in a building tune-up?	
Vhy should the building tune-up concept matter to all commercial uilding owners?	5
low to set up a Building Tune-up program for your commercial facility	
Soing beyond compliance	8



### Introduction

As a commercial building owner, you may already be familiar with the City of Seattle's Climate Action Plan (CAP) and its accompanying Building Tuneups ordinance. For owners and facility managers with buildings outside the city limits, however, you may have only heard of program requirements in passing, or possibly not at all.

In either case, the commercial HVAC experts and energy engineers at PSR Mechanical have long preached that the potential benefits of following its basic guidelines extend far beyond the relatively limited subset of commercial facilities that are actually required to comply. In fact, nearly every commercial facility in our service area — including the entire city of Seattle and all the surrounding suburbs and smaller cities in several counties can realize significant ROI by implementing the benchmarking and tune-up guidelines outlined in Seattle's CAP as soon as possible.

With the potential savings in monthly operational costs and long-term capital expenditure, it makes sense for building owners and facility managers to

be concerned about improving energy efficiency in their building's major mechanical systems. Buildings that are able to achieve high efficiency performance have been proven to fetch a higher price when sold, command higher average rent or lease amounts, and maintain greater occupancy and tenant satisfaction rates. Additionally, higher energy efficiency results in a host of other time- and cost-saving benefits, as we'll discuss in more detail below

With the Department of Energy placing the national average for energy wasted by commercial buildings at 5-30%, it's likely nearly every building has room for improvement.

In this guide, we'll discuss the Seattle CAP and Building Tune-up ordinance itself, then break down why buildings all around our area can put many of the program guidelines into effect even if they're not required by law to comply with them. Finally, we'll consider the most practical ways to implement these guidelines into your commercial building's daily operations and maintenance programs.

### The City of Seattle CAP

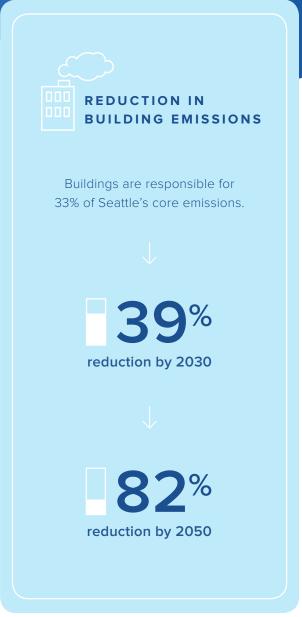
The following background information comes directly from the City of Seattle's Energy Policy website.

The site contains a lot of helpful, detailed information to help commercial building owners and facility managers inside the city limits fully educate themselves on the CAP and all its details.

In 2013, the City of Seattle adopted a Climate Action Plan (CAP) for achieving the City's vision for a carbon-neutral community by 2050. The CAP focuses on sectors where City action will have the greatest impact: road transportation, building energy, and solid waste. The strategies outlined in the CAP will reduce greenhouse gas (GHG) emissions from those sectors, prepare our communities for climate impacts, build vibrant neighborhoods, foster economic prosperity, and enhance social equity.

Buildings are responsible for 33% of Seattle's core emissions. The City of Seattle is aiming for a 39% reduction in building-related emissions by 2030 and an 82% reduction by 2050. The City adopted new policies in March of 2016 to keep Seattle on track to meet Seattle's GHG emissions reduction goal in the building sector. Seattle's new building energy legislation addresses these distinct areas:

- **Building Energy Transparency**
- **Building Tune-Ups**



#### **BUILDING ENERGY TRANSPARENCY**

The Benchmarking Amendments ordinance updates Seattle's existing energy benchmarking law to include public transparency of building energy performance to spur market demand for energy efficiency. For more information regarding Benchmarking and Transparency visit www.seattle. gov/energybenchmarking.

#### **BUILDING TUNE-UPS**

The Building Tune-Ups ordinance phases in a periodic (every 5 years) tune-up requirement for commercial buildings 50,000 square feet or larger, beginning in 2018.

Regarding the building tune-ups specifically, the following timeline was provided in a subsequent FAQ document regarding the program:

As you can see, the ordinance requires compliance from commercial buildings greater than 50,000 square feet that are inside Seattle city limits, and it's set up to allow a significant amount of time for building owners to prepare in advance of compliance deadlines across the board.

If your facility falls within those parameters, don't waste another day. The time to begin preparing is right now.

Whether your building actually falls under the ordinance compliance requirements or not, a thorough understanding of the program and its benefits needs to be the first step in your preparation. So, let's begin by defining what a "building tune-up" actually entails, who is qualified to perform one, and how the results can translate into positive benefits for the building owner and tenants.

BUILDING SIZE	TUNE-UP REPORT SUBMITTED BY
200,000 SQ FT or Greater	October 1, 2018
100,000 - 199,999 SQ FT	October 1, 2019
70,000 - 99,999 SQ FT	October 1, 2020
50,000 - 69,999 SQ FT	October 1, 2021

## What's Involved in a **Building Tune-Up?**

Using Seattle's tune-up program as the template, here's what is included in a building tune-up:

Owners of nonresidential buildings (50,000 square feet or greater) are required to tune-up the envelope, HVAC, lighting, and water systems every five years. A tune-up includes:

- An inspection of building systems to identify operational or maintenance issues
- Corrections to operational issues identified in the inspection
- A report to the Seattle Office of Sustainability & Environment (OSE) summarizing issues identified and actions taken.



A tune-up is focused on operational improvements to energy and water efficiency. Research indicates a tune-up averages 10-15% energy savings and typically pays back in 2-3 years from utility bill savings. Examples of operational improvements include changes to thermostat set points, or adjusting lighting or irrigation schedules.

More detailed specifications of what steps are included in the building tune-up process were published in the Director's Rule in January, 2017:

Compliance with the Building Tune-Ups requirement includes the following steps:

- 1. Identify a Tune-Up Specialist
- 2. Building Tune-Up Assessment
- 3. Tune-Up Corrective Actions
- 4. Verification of Completed Corrective Actions
- 5. Submit Seattle Tune-Up Report to City

The basic step-by-step elements of the building tune-up prescribed for the City of Seattle involves two main sections: Operations and Maintenance. And, the final report generated by this assessment includes both "required" and "recommended" improvements. Building owners are required to make the changes outlined in the "required" column, but the "recommended" list also includes many fine suggestions for improving energy efficiency and building system performance.

## Why should the building tune-up concept matter to all commercial building owners?

As noted in the introduction, these specific ordinance guidelines are only applicable to a certain number of commercial buildings (nonresidential, over 50,000 square feet, inside the Seattle city limits,) so only those buildings must actually prove their successful completion of the tune-up every 5 years to remain in compliance.

However, the benefits of following the program guidelines extend much further, and can save millions of dollars for building owners all across the Pacific Northwest, not to mention producing environmental improvements along the way.

### INSIDE SEATTLE CITY LIMITS

For those commercial facilities required by law to comply with the Building Tune-up ordinance, penalties for non-compliance can include fees up to \$20,000 per violation. That, alone, is reason enough to take compliance seriously.

But, looking at the silver lining of that gray cloud, there are a lot of other benefits that come along with compliance beyond simply avoiding penalties. Significant savings can be seen on monthly utility bills, and in long-term capital expenditures.

Just one aspect of the CAP in Seattle is the commercial facility benchmarking program, which has been in place for several years before the current Building Tune-up program was established. It includes both residential and non-residential commercial buildings (whereas the tune-up program only requires compliance from non-residential facilities.) In describing the potential impact of 100 percent program compliance and investment for just that aspect of the program, the City of Seattle's annual benchmarking report from 2013 noted:

"If all buildings in Seattle with EUIs higher than the median reduced their energy intensity to the median, then total annual energy consumption would decrease by 3.46 million kBtu with annual greenhouse gas emissions reductions of over 321,000 tons CO2 and bill savings of \$52.8 million. Multifamily and office buildings alone would account for 43% of energy savings, greenhouse gas reductions, and cost savings. If all but the highest performing buildings reduced enough energy to become high performers (top quartile: 25th percentile of EUIs), total energy consumption would decrease 5.31 million kBtu with bill savings of \$81.3 million."



#### OUTSIDE SEATTLE CITY LIMITS OR WHERE COMPLIANCE IS NOT REQUIRED

Of course, all the commercial facilities that fall outside the Building Tune-up ordinance's compliance requirements can see similar benefits too.

While the Building Tune-up requirements exempt residential buildings, as well as manufacturing facilities, any commercial buildings that are currently running at less than optimal energy efficiency can save money by implementing some or all of the guidelines making up the ordinance. PSR Mechanical's experience is that Seattle building owners are shocked to learn just how much energy they're wasting.

What about your building's energy usage? Do you know how much you could be saving?

### Taking the benefits a step further an efficiently running commercial building is also:

- · More comfortable, which leads to more satisfied tenants and more consistent lease renewals
- · More reliable, since the regular care that goes into maintaining energy efficiency also helps avoid expensive and inconvenient repairs and shutdowns.
- · Longer lasting, since the mechanical systems are always running their best, saving money on replacements

Could you benefit from a more consistently comfortable environment in your buildings? And would you like to put off replacing your HVAC or other major building systems as long as possible?



## How to set up a **Building Tune**up program for your commercial facility

Whether you're required to comply with Seattle's Building Tune-up ordinance or not, setting up a program that provides all the benefits of that program is within your reach. Of course, if you're inside the Seattle city limits, the city has made arrangements to make compliance even easier:

Realizing that Seattle is home to many different kinds of facilities at many stages of development, the CAP makes allowance for the fact that some facilities may be in a position to comply with the overall guidelines they're shooting for without specifically following the Building Tune-up process. Although very few facilities will qualify, the list of these Alternative Compliance Pathways is definitely worth checking out.

If none of those conditions apply to your facility, your best option for getting your Building Tuneup program up and running is to partner with an experienced commercial mechanical service provider in the area who is thoroughly familiar with the ordinance requirements and who has displayed an ability to guide customers to successful compliance.

Since a large portion of the plan's compliance requirements involve the commercial HVAC system, PSR Mechanical is an example of this kind of mechanical partner who's in an excellent position to help guide you through the process of assessing your building, performing an official tune-up under the city's guidelines, and helping you carry out required and recommended action items to improve your facility's energy performance.

For facilities outside the city limits, or city buildings that are smaller than 50,000 square feet, Alternative Compliance Pathways obviously don't matter, but partnering with an experienced company like PSR Mechanical is still the best way to create and maintain your own "building tune-up" program based on the city's official guidelines.

## Going beyond compliance

Needing to comply to an ordinance is one thing, and we can all understand the value of setting minimum requirements around important topics like energy efficiency. However, one of the main points we're trying to get across in this ebook is the fact that there are many compelling reasons for commercial building owners to invest in energy efficiency beyond simply complying with the law because you have to.

#### Doing so:

- · Lowers monthly operational costs
- Controls long-term capital expenditures
- Reduces tenant complaints
- Increases tenant satisfaction and retention
- · Reduces occurrence of unexpected or emergency repairs
- · Extends the life of expensive equipment

All of this is accomplished because, whether compliance with a particular ordinance is required or not, following the Seattle CAP guidelines for building tune-ups requires comprehensive maintenance for all the building's mechanical systems.

As a leading commercial HVAC provider in Puget Sound, including throughout the city of Seattle, PSR Mechanical has been taking a maintenance-first approach to servicing local commercial facilities for over 70 years. Where some of our competitors will look at every building as an opportunity to sell a brand new

HVAC system with all the bells and whistles, we take a different approach.

In line with the tune-up recommendations, PSR Mechanical technicians and engineers are highly skilled and experienced in assessing and optimizing both the operational and maintenance tasks required to keep your building running smoothly and efficiently for as long as possible. We believe getting the most out of your existing system — through timely cleaning and inspections, as well as strategic upgrades as needed — is the best strategy.

In fact, we've always recommended a maintenance schedule that exceeds what the market typically provides. While you can get away with bringing your building up to standards every five years, our standard planned maintenance program includes seasonal services on an annual schedule. The fact is, if you don't have a plan for maintaining the performance enhancement you get from tuning up your facility, you're going to lose a lot of those benefits before you're required to do it again.

If you're a Seattle area commercial building owner who's interested in improving the comfort and energy efficiency of your facility — whether you're being required to do so by law or not — <u>contact</u> PSR Mechanical today to discuss your options. We'll gladly take you beyond compliance and into a strategic maintenance program that maximizes your facility's cost control and sustainability potential.

