



LOS ANGELES CREATES A ONE-STOP SHOP FOR ENERGY EFFICIENCY

SOLUTION OVERVIEW

Los Angeles has built a network of partners that brings complementary resources and programs to augment the Los Angeles Better Buildings Challenge's (LA BBC) City-funded offerings, and has become a hub for energy efficiency in LA. Because there are so many green/energy-related initiatives underway in Southern California, many businesses and public entities have trouble distinguishing one from another and deciding in which to participate. One of the LA BBC's main goals is to simplify the path to energy efficiency by serving as a clearing-house for relevant information, incentives, and support services.

COMMUNITY SIZE

Large Urban, population 3,860,000

GOAL

To achieve 20% energy savings across 30 million square feet of existing buildings by 2020 and become the greenest most economically-competitive large city in America

APPROACH

Built a network of partners that brings complementary resources and programs to augment the Los Angeles Better Buildings Challenge's City-funded offerings and serve as a "one-stop-shop" for energy efficiency in Los Angeles

INITIATIVE LAUNCHED

July 2012

PLANNING

The LA BBC goals fall in line with the City's bigger picture goals by working in-step with building owners to get them the resources and information they need to achieve energy savings milestones, thus helping the City to achieve its overall goals.

In 2015, the City of Los Angeles released the Sustainable City pLAN, the first ever compressive, actionable vision to address LA's growing economy, strong environmental ethic and commitment to equal opportunity. It is a roadmap for a safe, prosperous and livable Los Angeles for all – now

and over the next 20 years. The pLAN focuses on the short-term results the city needs, while achieving the long term goals that will ultimately transform LA. Since buildings are the largest consumer of electricity in the city, and a major source of greenhouse gas emissions, the pLAN sets a goal to reduce energy use per square foot for all building types by 30% by 2035. The LA BBC is a key initiative to help the city reach this goal. The City released its climate action plan, [Green LA: An Action Plan to Lead the Nation in Fighting Global Warming](#), in May 2007. The Action Plan sets forth a goal of reducing the City's greenhouse gas emissions to 35% below 1990 levels by the year 2030, one of the most aggressive goals of any big city in the U.S. This voluntary plan identifies over 50 action items, grouped into focus areas, to reduce emissions. While the emphasis is first on municipal facilities and operations, several measures address programs to reduce emissions in the community as well.

The LA BBC builds on three successful City-sponsored building retrofit programs, each targeting a different sector of real estate in Los Angeles: municipal, affordable housing, and commercial. The LA BBC builds on the success of these existing programs and brings additional resources to move projects forward, track results, and build demand.

Municipal Buildings – The LA BBC builds on the momentum generated by the [Green Retrofit and Workforce Ordinance](#), which calls for retrofits of more than 1,000 municipal buildings, including libraries, parks and recreation structures, and fire stations. Since 2009, the City has launched more than 100 energy efficiency projects, encompassing one million square feet and representing an investment of over \$16 million. The LA BBC provides resources to support City staff in tracking energy savings, banking cost savings for reinvestment in additional projects, and creating case studies to communicate the City's commitment to the public. At the request of Mayor Garcetti, the LA BBC has benchmarked the City's 250 most energy-intense facilities and is assisting the General Services Department in tracking improvements going forward. This is the first step to help the city reach new goals to reduce municipal energy use that will be included in the forthcoming Sustainable City pLAN.

Affordable Housing – In the affordable housing sector, the City of Los Angeles Housing Department has extended loans to fund efficiency upgrades of ten affordable housing projects, encompassing over 650,000 square feet and representing over \$4.5 million in investment. The LA BBC builds on this foundation by bridging key stakeholder organizations – the Mayor's Office, the LA Housing and Community Investment Department, LA Department of Water & Power, Southern California Gas, Enterprise Community Partners, and others – to ensure that the organizational infrastructure is in place to support continued investment, supporting outreach to affordable housing developers and providing technical support to participating developers.

Commercial Properties – Between June 2011 and May 2012, an ARRA-funded program called the LA Commercial Buildings Performance Partnership initiated energy audits encompassing over 35 million square feet of commercial space – from small neighborhood retailers to downtown skyscrapers – and developed a directory of capital providers to facilitate access to project funding options, with the goal of driving at least \$25 million in investment. Of the 91 buildings audited, 39 have already completed retrofits or are planning to implement projects in 2013. In aggregate, these projects represent over \$12.5 million in construction activity and are projected to achieve over \$2.5 million in savings annually. The LA BBC builds on this foundation and offers an

expanded suite of resources to commercial property owners that take up the Challenge, including: project development support, assistance in procuring rebates and incentives, assistance in evaluating project funding options, pricing discounts on various technologies and other services.

Tools – LA’s first ever Sustainable City pLAN connects the dots for Los Angeles, by building on three key areas needed for any city to thrive: environment, economy, and equity. The pLAN provides a vision for LA’s future along with short term results and long-term targets. It creates a framework to build policies and generates a platform for collaboration. LA BBC is a model that will move many of the new initiatives in the pLAN forward.

PARTNERSHIPS

The LA BBC brings together a network of partners that provides participating building owners and operators with a wide range of services, from building assessments and energy benchmarking to utility rebate trainings and building permit expedition.

| LA BBC Partner Organizations | |
|------------------------------|---|
| Partner | Role |
| City of LA | Leadership, influence, coordination |
| US DOE | Technical support, outreach |
| LADWP | Data, technical support, financing |
| SoCal Gas | Data, technical support, financing |
| LA Chamber of Commerce | Outreach support, event management |
| LA Cleantech Incubator | Outreach support, fiscal management |
| BOMA of Greater LA | Outreach support, collaboration |
| USGBC - LA | Outreach support, collaboration |
| ULI - LA | Outreach support, collaboration |
| LA 2030 District | Outreach support, data management |
| WegoWise | Data acquisition, benchmarking |
| Technology Partners | Special rebates, demonstration projects |
| Implementation Partners | Standards-driven investment generation |

OUTREACH

The LA BBC created marketing materials for potential participants and partners, designed public relations materials to inform the press and public about the initiative, and established a dedicated website for its partners, participating buildings, and the public.

The program also partnered with entities across the public and private sectors to facilitate networking between technology developers, building owners, and public utilities. The LA BBC formed these partnerships through its staff’s personal and professional connections and through proactive outreach to organizations that the team felt would add value.

Types of Meetings and Events:

- Semi-Annual LA BBC Leadership Summit to share progress updates, recognize participants and partners, and announce plans for the coming year.
- Monthly webinars, co-hosted by partner organizations to leverage resources and maximize

impact. Topics include tax incentives, legislation, and financing.

- Building Technology Showcase, where select technology partners deliver 5-minute “fast pitch” presentations to educate property owners and managers on recent developments in building technologies.
- The LA BBC also joined key real estate organizations, such as the Urban Land Institute and the Central City Association, in order to gain access to decision makers at locally-based real estate companies.

Tools:

- Introductory PPT describing the LA BBC, its goals and offerings to participants
- Los Angeles Better Buildings Challenge Brochure
- Los Angeles Better Buildings Challenge Website
- Los Angeles Better Buildings Challenge Events: Past & Upcoming
- Accelerated Modernization Platform (AMP)
- Tenant Engagement Platform (TEP)
- Water Efficiency Toolkit (WET)
- Los Angeles Better Buildings Challenge Tax Incentives
- LADWP Rebate Summary

FINANCING

Third-party financing resolves many of the issues that have prevented deeper investments for building performance upgrades. With third-party financing, energy and water projects no longer have to compete with core business investments for limited capital dollars. Due to the longer financing term enabled by third-party financing, projects can be cash-flow positive with no upfront capital outlay. Contact LA BBC to explore your options, and how third-party financing can enhance the economics of your project.

“Ideal” Projects:

- Project value \$500,000+ (may combine multiple phases/sites)
- Payback <= 8 years
- Part of broader renovation/rehabilitation project

Benefits of Third-Party Financing:

- Up to 100% financing, including soft costs
- Long financing term allows “cash-flow positivity”
- No personal guarantees
- Automatic transfer on sale
- Flexible rates and terms
- Owner retains all tax incentives
- Preserves capital for core business activities

Examples of Eligible Projects:

- Chillers, cooling towers
- Air handling units (AHUs), Roof-top “package” units (RTUs), controls
- Pumps, motors, drives, compressors
- Elevator modernization
- Building envelope upgrades
- Lighting equipment and controls
- Solar PV, solar thermal
- Combined heat & power systems, fuel cells
- Industrial processes/equipment, commercial laundry

LA BBC Support Services:

- Financing Charrettes, Project Prequalification
- “Investor-ready” project underwriting platform
- Streamlined interface with qualified investors
- Pre-qualified project implementation partners
- Pro bono technical support

Eligible Property Types (Privately owned commercial properties):

- Hotel
- Multifamily Residential (5+ units)
- Retail
- Nonprofit
- Industrial
- Commercial Office
- Healthcare

Tools:

- [Los Angeles Better Buildings Challenge Energy / Water Efficiency Project Financing Options](#)
- [Financing Options Matrix](#)
- [Los Angeles Better Buildings Challenge Financing Services](#)

TECHNICAL RESOURCES

The LA BBC offers a range of technical support services to participants, some delivered by LA BBC staff and some through outside partners. The LA BBC team serves as the main point of contact for participants, connecting them with subject matter experts and resources to serve the participants’ unique needs – essentially serving as a kind of energy efficiency concierge service to simplify the process for participants.

The LA BBC’s onboarding and project development process is built around an understanding of the partner’s real estate strategy and investment criteria, and developing an approach tailored to the clients’ specific needs.

- The LA BBC begins the Partner onboarding process by having the Prospect complete the

Enrollment Form, which includes specific questions about the Prospect's financial and energy goals, budgeting process, investment strategy, and areas of known opportunity.

- Next, a Kick-Off Meeting is scheduled to review the Enrollment Form and walk through the property to interview building staff, understand the issues/opportunities they see, and identify additional areas of opportunity.
- Using the information gathered from the Kick-off Meeting and Property Walk-through, the LA BBC creates a Project Development Plan which includes a summary of the Partner's objectives and areas of interest, a building competitiveness summary, and actionable next steps to reach the established goals.

After delivering the Project Development Plan, LA BBC provides follow-on project development support including connections to qualified Implementation Partners, review of energy audit recommendations, review of bid specifications and documents, support in "selling" projects to decision-makers, and identification of and application for rebates, tax incentives, and project financing.

Tools:

- [Project Development Plan](#)
- [AMP Project Development Flowchart \(1-sheet\)](#)
- [AMP Project Development Flowchart \(Assess, Plan\)](#)
- [AMP Project Development Flowchart \(Fund\)](#)
- [AMP Project Development Flowchart \(Execute\)](#)

PARTNERSHIPS

Through its partnership with the Building Owners Managers Association of Greater Los Angeles (BOMA-GLA), the LA Area Chamber of Commerce, and other industry organizations, the LA BBC offers a range of educational events and webinars.

In the past year, LA BBC has hosted a variety of educational webinars, including:

- High Performance Property Valuation: The New Appraisal, with Certified Commercial Investment Member (CCIM)
- Green Lease Leaders, hosted in partnership with AIR Commercial Real Estate Association
- Energy Efficiency in Healthcare, co-hosted with Water Saver Solutions and ARUP
- Changes to Title 24: Understanding California's Building Energy Efficiency Standards, hosted in conjunction with VCA Green
- [See more](#)

Webinar Tools:

- [Sample email invitation to monthly webinar](#)
- [Sample monthly webinar slides for "Affordable Housing and Energy Efficiency — Opportunities, Trends, and Requirements"](#)
- [Archive of Upcoming and Past Webinars](#)

DATA MANAGEMENT

Through the LA BBC network of partners, participating buildings are provided with streamlined access to their energy and water use data, and with assistance in benchmarking their buildings' energy consumption through software provided by WegoWise, an energy data service provider. WegoWise can collect utility data automatically and link to Portfolio Manager, thus eliminating manual entry and ensuring that buildings' data is current.

Access to Data – Local utility partners, the Los Angeles Department of Water and Power (LADWP) and SoCal Gas (SCG), are working to automate the sharing of whole-building data for participating buildings. The LA BBC provides participating property owners with access to WegoWise (at no cost to participants) and permits automatic facility-level data sharing with each building's Portfolio Manager account, thus eliminating the need for monthly manual uploads by building operators.

Data Tracking and Performance Measurement – Data tracking is managed through Portfolio Manager to the maximum extent possible, utilizing WegoWise or other systems to populate the data. For multifamily residential buildings, WegoWise serves as the primary performance-tracking tool.

Tools:

- [WegoWise Building Information Form](#)
- [ENERGY STAR® Portfolio Manager Account Sharing Instructional Sheet](#)

PUBLIC RECOGNITION

The LA BBC recognizes that participating buildings deserve public accolades, particularly when they have reached milestones within the program or met their reduction goal. Through press releases for Showcase Projects, lobby signage for all participants, and recognition on the LA BBC website, participants are recognized for their commitment.

Tools:

- [Links for Founding Partners LA BBC Website](#)
- [Lobby Signage](#)

