



City of Seattle
Jenny A. Durkan, Mayor

NEWS RELEASE

FROM THE OFFICE OF THE MAYOR

FOR IMMEDIATE RELEASE

Mayor Durkan Signs Energy Efficiency Legislation to Reduce Building Emissions

City to Expand First-in-the-Nation 'Energy Efficiency as a Service' pilot program for up to 30 buildings

Seattle (April 11, 2018)– Seattle Mayor Jenny A. Durkan signed into law two bills that will reduce fossil-fuel emissions from buildings. The two bills allow Seattle City Light to offer additional benefits to commercial building owners in exchange for significant energy-saving retrofits to buildings. Last week, Mayor Durkan [announced bold actions](#) to reduce carbon pollution from our transportation and building sectors, which are the top two contributors to Seattle's climate emissions.

"Seattle continues to lead on climate change, especially as it relates to reducing our carbon footprint in buildings. The continuation of our pioneering program to encourage energy efficiency is a model for the rest of the country. Our City's innovation and influence is growing across the country – Seattle is on the leading edge of a fossil-free future," said Mayor Durkan. "Expanding both of these key initiatives, we are adding another mode for instituting energy efficiency to reduce the polluting of our environment."

"These pieces of legislation affirm our collective commitment to make sure that communities of color are also benefiting from creating a clean, green energy economy," said Councilmember Teresa Mosqueda, (Pos. 8 – Citywide) and Chair of the Housing, Health, Energy and Workers Rights committee. Mosqueda's amendment to the bill included provisions to ensure strong labor standard protections were included. "With the leadership of the blue-green coalition – including environmentalists, labor unions, communities of color, and green energy builders – we will continue to advance and protect the environment and rights our communities and workers."

The first bill expands the pilot program offering Energy Efficiency as a Service (EEaaS) through Seattle City Light, the nation's greenest utility. The EEaaS program allows Seattle City Light to bill buildings for energy efficiency as a service. This program aims to enable building owners to implement deep energy efficiency improvements. Seattle City Light provides long-term payments based on actual energy saved. This financial structure is designed to overcome building owners' reluctance to undertake costly energy efficiency improvements by ensuring a predictable rate of return on their investments. The City wins in energy use reduction, and building owners win in payments for their energy savings. This legislation's expansion of the pilot program authorizes up to 30 buildings to participate in the EEaaS program, with

contract lengths of up to 20 years.

The second bill extends Seattle City Light's highly successful 'Pay for Performance' (P4P) program. Through P4P, City Light provides incentive payments over time for energy efficiency performance. The payments are based on verified energy efficiency, rather than estimated costs upfront. Because P4P simplifies the incentive into a single payment schedule for total energy saved, rather than multiple separate payments for prescribed energy efficiency tools, it allows for flexible and creative projects while maximizing the incentive for real energy savings. This bill authorizes longer contracts between City Light and P4P participants, extending the limit from two to seven years. Longer contracts will create more certainty for building owners and more attractive incentives to improve buildings' energy efficiency.