COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE ON THE ENVIRONMENT

Room 400, City Hall
1400 John F. Kennedy Boulevard
Philadelphia, Pennsylvania 19107
Friday, November 22, 2019
9:30 a.m.

PRESENT:

COUNCILWOMAN BLONDELL REYNOLDS BROWN, CHAIR
COUNCILMAN AL TAUBENBERGER
COUNCILWOMAN HELEN GYM
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN BOBBY HENON

BILL: 190716

- - -

- - -

COUNCILWOMAN REYNOLDS BROWN: Good morning. We do have a quorum. I will now call the meeting to order the City Council Committee on the Environment is now in a public hearing to hear testimony on Bill No. 190716. I'm pleased to say we have Councilmembers Al Taubenberger, Councilwoman Helen Gym and Councilwoman Lu -- Jannie Blackwell. I was about to call you Lucien.

COUNCILWOMAN BLACKWELL: That's good.

COUNCILWOMAN REYNOLDS BROWN: That is good. And Councilmember Bobby Henon. Now, we need to have the Clerk please read the title of Bill No. 190716.

THE CLERK: Bill No. 190716, an Ordinance amending Chapter 9-3400 of the Philadelphia Code entitled, "Energy Conservation," to provide for benchmarking and reporting of energy and water usage data, for certain

buildings participating in the Commercial Property Assessed Clean Energy Program and to make technical changes, all under certain terms and conditions.

COUNCILWOMAN REYNOLDS BROWN: With that, the sponsor of the bill is not able to join us so we're going to invite up our first panel, Christine Knapp, Director of the Mayor's Office of Sustainability. And, Maryrose, you're going to help me pronounce your last name correctly, Program Manager at the Philadelphia Energy Authority.

(Panel approached Witness Table.)

COUNCILWOMAN REYNOLDS BROWN: Good morning, good morning, ladies.

MS. KNAPP: Good morning, Councilwoman.

MS. MYRTETUS: Good morning.

COUNCILWOMAN REYNOLDS BROWN: Okay. If you would please proceed with your testimony and we are asking all to keep your testimony to at least two

minutes because of much after you.
Okay.
MS. KNAPP: Thank you. Good morning, Chair Reynolds Brown, and Members of the Committee. I'm Christine Knapp. I'm the Director of the Office of Sustainability for the City. I'm here to testify in support of Bill 190716 which provides for the benchmarking and reporting of energy and water usage data for certain buildings participating in the Commercial Property Assessed Clean Energy Program known as CPACE.
CPACE is a financing mechanism used by local governments that allow commercial and industrial property owners to finance energy efficiency and renew energy improvements through their property tax payment. The Office of Sustainability believes CPACE will be a helpful tool in supporting the sustainability of redeveloped properties and encouraging investments in energy efficiency and

renewable energy systems at commercial buildings throughout the City.

An analysis of CPACE by ICF International on behalf of our office estimated the Philadelphia program will save substantial carbon from entering the atmosphere and provide significant bill savings to buildings based on similar projects and programs.

Since 2012, Philadelphia's Energy and Benchmarking Disclosure law requires large commercial and multi-family buildings 50,000 square feet and larger to report their energy and water usage to the City. The Office of Sustainability implements this program which now accounts for around 2700 buildings. A report card on this program will be issued within the next couple of weeks.

We are happy to support Bill 190716 to ensure that buildings participating in CPACE also participate in the City's benchmarking program so that we can track the energy and water

reductions associated with their projects. Thank you for the opportunity to testify. I'll be happy to answer your questions.

COUNCILWOMAN REYNOLDS BROWN: I appreciate your testimony. Please, good morning.

MS. MYRTETUS: Good morning, Chair Reynolds Brown, and Members of the Committee. My name is Maryrose Myrtetus. I'm a Program Manager with the Philadelphia Energy Authority. The Energy Authority was created in 2010 to support the City on issues of energy affordability and sustainability. Among other things, we promote the clean energy sector in Philadelphia by undertaking efforts to strengthen energy efficiency and clean energy generation.

To that end, earlier this year we launched the Commercial Property Assessed Clean Energy or CPACE program. I'm here today to testify in support of Bill 190716 which provides

an administrative change to the City's existing energy benchmarking ordinance to support the CPACE program.

First, I will briefly describe what the CPACE program is. Then I will discuss the change proposed today and why it's important for expanding commercial clean energy projects in the City. CPACE is a financing tool that commercial building owners can use to pay for energy efficiency, renewable energy and water conservation projects that generate measurable energy and/or water -- energy savings and/or reductions in water usage.

With the leadership of Councilmember Derek Green, Philadelphia City Council authorized CPACE in June 2019 and assigned the Energy Authority to be the program administrator. We launched the program in October. It's a completely voluntary program and the financing is provided by private capital providers.

Participants in the Philadelphia CPACE program are required to report and disclose energy and water usage through the City's energy benchmarking program. CPACE participants with renewable energy generation projects like Rooftop Solar must also submit annual reports comparing the project's actual projection to expected projection.

These requirements allow the building owner, the Office of Sustainability and the Energy Authority as program administrator to track the effectiveness of CPACE investments. As Members of the Committee may recall, currently all commercial buildings over 50,000 square feet must submit energy and water usage data to the Office of Sustainability on an annual basis.

The bill before you today amends Chapter 9-3400 of the Philadelphia Code to require commercial buildings participating in CPACE submit their data regardless of building size

in line with the CPACE program requirements. This administrative change gives the Energy Authority the enforcement mechanism for CPACE program participants who do not submit their data on time.

Failure to submit the energy and water data would result in penalties from the Office of Sustainability. The current penalties are $300 during the first 30 days following the date of submission deadline and $100 per day for each day of failure to comply after the initial 30 days. Absent this change to the benchmarking ordinance, the most likely enforcement mechanism would be inserting a data submission requirement into each CPACE financing agreement, potentially compelling lenders to call a loan or impose monetary penalties for lack of compliance.

This will be an unusual and potentially problematic approach that could discourage CPACE lenders who are

participating in the Philadelphia market. In sum, the Energy Authority believes this change to include all CPACE projects regardless of size in the energy benchmarking code. This is a simple administrative adjustment that supports our ability to enforce the requirements of the Philadelphia CPACE program.

We are grateful for Councilmember Green's leadership in introducing this bill. I strongly urge the Committee to pass this bill out of Committee with a favorable recommendation. Thank you for your time.

COUNCILWOMAN REYNOLDS BROWN: Thank you both very, very much for your testimony. Now, I'll ask my colleagues if you have any questions or comments you'd like to pose to the panel?

(No response.)

COUNCILWOMAN REYNOLDS BROWN: No. With that said then, it seems like you covered all the bases. So this

concludes the public hearing on the Committee on the Environment. We will now go into a public meeting.

The Chair recognizes Councilmember Taubenberger for a motion --

COUNCILMAN TAUBENBERGER: Yes, thank you.

COUNCILWOMAN REYNOLDS BROWN: -- on Bill No. 190716.

COUNCILMAN TAUBENBERGER: Thank you, Madam Chair. I move that Bill 190716 be reported out of Committee with a favorable recommendation and that the rules of Council be suspended as to permit the first reading at the very next session of Council.

(Duly seconded.)

COUNCILWOMAN REYNOLDS BROWN: Thank you. It has been moved and properly seconded that Bill No. 190716 be reported out of this Committee with a favorable recommendation that the rules of Council be suspended as to

permit first reading at the next scheduled session of City Council. All those in favor say aye.

(Aye.)

COUNCILWOMAN REYNOLDS BROWN: All opposed?

(No response.)

COUNCILWOMAN REYNOLDS BROWN: Seeing none, this bill has been approved out of Committee with a favorable recommendation. And with that, this concludes the Committee on the Environment and Sustainability. Thank you to our witnesses.

(Committee On The Environment concluded at 9:50 a.m.)

C E R T I F I C A T I O N

I, hereby certify that the proceedings and evidence noted are contained fully and accurately in the stenographic notes taken by me in the foregoing matter, and this is a correct transcript of the same.

_____
Court Reporter - Notary Public

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying reporter.)

A

a.m 1:6 12:16
ability 10:7
able 3:8
Absent 9:15
accounts 5:17
accurately 13:4
actual 8:9
adjustment 10:6
administra... 7:1 9:2 10:6
administra... 7:21 8:14
affordability 6:15
agreement 9:19
Al 1:11 2:9
allow 4:17 8:11
amending 2:21
amends 8:22
analysis 5:3
and/or 7:14 7:15 13:22
annual 8:8,20
answer 6:4
apply 13:20
appreciate 6:6
approach 9:24
approached 3:15
approved 12:10
asking 3:24
Assessed 3:2 4:13 6:23
assigned 7:20
associated 6:1
atmosphere 5:7
Authority 3:14 6:12 6:13 7:20 8:13 9:3 10:2
authorized 7:19
aye 12:3,4

B

based 5:8
bases 10:25
basis 8:20
behalf 5:4
believes 4:22 10:3
benchmark... 2:24 4:10 5:11,24 7:2 8:5 9:16 10:5
bill 1:17 2:7 2:18,20 3:7 4:9 5:8,21 6:25 8:21 10:12,13 11:10,13,22 12:9
Blackwell 1:12 2:11 2:13
BLONDELL 1:11
Bobby 1:13 2:16
Boulevard 1:5
briefly 7:4
Brown 1:11 2:2,15 3:6 3:17,22 4:4 6:5,9 10:17 10:23 11:9 11:20 12:5 12:8
building 7:10 8:12,25
buildings 3:1 4:12 5:2,8 5:13,18,22 8:17,24

C

C 13:1,1
call 2:4,12 9:20
capital 7:25
carbon 5:6
card 5:18
certain 2:25 3:4 4:11
certification 13:19
certify 13:2
certifying 13:23
Chair 1:11 4:4 6:9 11:4,12
change 7:1,6 9:3,15 10:3
changes 3:4
Chapter 2:21 8:22
Christine 3:9 4:6
City 1:1,4 2:5 4:8 5:2,15 6:14 7:9,19 12:2
City's 5:24 7:1 8:4
clean 3:2 4:13 6:17 6:19,23 7:8
Clerk 2:17,20
code 2:22 8:23 10:5
colleagues 10:19
comments 10:20
commercial 3:2 4:13,17 5:1,12 6:22 7:8,10 8:17 8:23
Committee 1:2 2:5 4:5 6:10 8:16 10:13,14 11:2,14,23 12:10,12,15
comparing 8:9
compelling 9:20
completely 7:23
compliance 9:22
comply 9:14
concluded 12:16
concludes 11:1 12:12
conditions 3:5
conservation 2:23 7:13
contained 13:3
control 13:22
correct 13:6
correctly 3:13
Council 1:1 2:5 7:19 11:16,18,25 12:2
COUNCIL... 1:11,13 11:7,11
Councilme... 2:16 7:18 10:11 11:5
Councilme... 2:9
Councilwo... 1:11,12,12 2:2,10,10 2:13,15 3:6 3:17,20,22 6:5 10:17 10:23 11:9 11:20 12:5 12:8
couple 5:20
Court 13:12
covered 10:25
CPACE 4:14 4:15,22 5:3 5:23 6:23 7:3,5,9,19 8:2,5,15,24 9:1,4,19,25 10:4,8
created 6:13
current 9:10
currently 8:17

D

data 2:25 4:11 8:19 8:25 9:6,8 9:18
date 9:12
day 9:13,13
days 9:11,15
deadline 9:13
Derek 7:18
describe 7:5
direct 13:22
Director 3:10 4:6
disclose 8:3
Disclosure 5:11
discourage 9:25
discuss 7:6
Duly 11:19

E

E 13:1
earlier 6:21
effectiveness 8:15
efficiency 4:19,25 6:19 7:12
efforts 6:18
encouraging 4:24
energy 2:22 2:24 3:3,14 4:10,14,18 4:19,25 5:1 5:11,14,25 6:12,13,14 6:17,19,19 6:23 7:2,8 7:11,12,14 7:15,20 8:3 8:4,6,13,18 9:3,7 10:2 10:5
enforce 10:7
enforcement 9:4,17
ensure 5:22
entering 5:6
entitled 2:22
Environment 1:2 2:6 11:2 12:13 12:15
estimated 5:5
evidence 13:3
existing 7:2
expanding 7:8
expected 8:10

F

F 1:5 13:1
failure 9:7,14
family 5:13
favor 12:3
favorable 10:14 11:14,24 12:11
feet 5:13 8:18
finance 4:18
financing 4:15 7:10 7:24 9:19
first 3:9 7:4 9:11 11:17 12:1
following 9:12
foregoing 13:5,19
Friday 1:6
fully 13:4

G

generate 7:13
generation 6:20 8:7
gives 9:3
go 11:3
going 3:8,12
good 2:3,14 2:16 3:18 3:18,19,21 4:3 6:7,8
governments 4:16
grateful 10:10
Green 7:18
Green's 10:11
Gym 1:12 2:10

H

Hall 1:4
happy 5:21 6:3
hear 2:7
hearing 2:6 11:1
Helen 1:12 2:10
help 3:12
helpful 4:22
Henon 1:13 2:17

I

ICF 5:3
implements 5:16
important 7:7
impose 9:21
improveme... 4:20
include 10:3
industrial 4:17
initial 9:14
inserting 9:18
International 5:4
introducing 10:12
investments 4:25 8:15
invite 3:9
issued 5:19
issues 6:14

J

Jannie 1:12 2:11
John 1:5
join 3:8
June 7:19

K

keep 3:25
Kennedy 1:5
Knapp 3:10 3:19 4:3,6
known 4:14

L

lack 9:22
ladies 3:18
large 5:12
larger 5:14
launched 6:22 7:22
law 5:11
leadership 7:17 10:11
lenders 9:20 9:25
line 9:1
loan 9:21
local 4:16
Lu 2:11
Lucien 2:12

M

Madam 11:12
Manager 3:13 6:11
market 10:2
Maryrose 3:11 6:10
matter 13:5
Mayor's 3:10
means 13:21
measurable 7:14
mechanism 4:16 9:4,17
meeting 2:4 11:3
Members 4:5 6:9 8:16
minutes 4:1
monetary 9:21
morning 2:3 3:18,18,19 3:21 4:4 6:7,8
motion 11:6
move 11:12
moved 11:21
multi- 5:12
Myrtetus 3:21 6:8,11

N

N 13:1
name 3:13 6:10
need 2:17
Notary 13:12
noted 13:3

notes 13:5
November 1:6

O

O 13:1
October 7:22
office 3:10 4:7,21 5:4 5:15 8:12 8:19 9:9
Okay 3:23 4:2
opportunity 6:3
opposed 12:6
order 2:4
ordinance 2:21 7:2 9:16
owner 8:12
owners 4:18 7:11

P

panel 3:9,15 10:21
participants 8:1,6 9:5
participate 5:23
participating 3:1 4:12 5:23 8:24 10:1
pass 10:13
pay 7:11
payment 4:21
penalties 9:9 9:10,21
Pennsylvania 1:5
permit 11:16 12:1
Philadelphia 1:1,5 2:22 3:14 5:5 6:12,17 7:18 8:2,23 10:1,8
Philadelphi... 5:10
please 2:18 3:23 6:6
pleased 2:8
pose 10:21
potentially 9:20,24
PRESENT 1:10
private 7:24
problematic 9:24
proceed 3:23
proceedings 13:3
program 3:3 3:13 4:14 5:5,16,19 5:24 6:11 6:24 7:3,5 7:21,22,23 8:2,5,14 9:1,4 10:9
programs 5:9
project's 8:9
projection 8:10,10
projects 5:9 6:2 7:9,13 8:7 10:4
promote 6:16
pronounce 3:12
properly 11:22
properties 4:24
property 3:2 4:13,18,20 6:23
proposed 7:6
provide 2:23 5:7
provided 7:24
providers 7:25
provides 4:9 6:25
public 2:6 11:1,3 13:12

Q

questions 6:4 10:20
quorum 2:3

R

R 13:1
read 2:18
reading 11:17 12:1
recall 8:16
recognizes 11:4
recommen... 10:15 11:15,24 12:11
redeveloped 4:24
reductions 6:1 7:15
regardless 8:25 10:4
renew 4:19
renewable 5:1 7:12 8:6
report 5:14 5:18 8:3
reported 11:13,23
reporter 13:12,23
reporting 2:24 4:10
reports 8:8
reproduction 13:21
require 8:23
required 8:2
requirement 9:18
requirements 8:11 9:2 10:8
requires 5:12
response 10:22 12:7
result 9:8
Reynolds 1:11 2:2,15 3:6,17,22 4:4 6:5,9 10:17,23 11:9,20 12:5,8
Rooftop 8:7
Room 1:4
rules 11:15 11:25

S

save 5:6
savings 5:8 7:15
scheduled 12:2
seconded 11:19,22
sector 6:17
Seeing 12:9
session 11:17 12:2
significant 5:7
similar 5:9
simple 10:6
size 8:25 10:4
Solar 8:7
sponsor 3:7
square 5:13 8:18
stenographic 13:4
strengthen 6:18
strongly 10:12
submission 9:12,18
submit 8:8,18 8:24 9:5,7
substantial 5:6
sum 10:2
supervision 13:23
support 4:8 5:21 6:14 6:25 7:3
supporting 4:23
supports 10:7
suspended 11:16,25
sustainability 3:11 4:7,21 4:23 5:16 6:15 8:13 8:20 9:10 12:13
systems 5:1

T

T 13:1,1
Table 3:16
taken 13:5
Taubenber... 1:11 2:9 11:5,7,11
tax 4:20
technical 3:3
terms 3:4
testify 4:8 6:3 6:24
testimony 2:7 3:24,25 6:6 10:19
thank 4:3 6:2 10:15,18 11:8,12,21 12:14
things 6:16
time 9:6 10:16
title 2:18
today 6:24 7:7 8:21
tool 4:22 7:10
track 5:25 8:14
transcript 13:6,20
two 3:25

U

undertaking 6:18
unusual 9:23
urge 10:12
usage 2:25 4:11 5:15 7:16 8:4,19
use 7:11

V

voluntary 7:23

W

water 2:25 4:11 5:14 5:25 7:12 7:14,16 8:3 8:19 9:8
we're 3:8
weeks 5:20
Witness 3:16
witnesses 12:14

X

Y

year 6:22

Z

0

1

100 9:13
1400 1:5
190716 1:17 2:7,19,20 4:9 5:22 6:25 11:10 11:13,22
19107 1:5

2

2010 6:13
2012 5:10
2019 1:6 7:20
22 1:6
2700 5:17

3

30 9:11,15
300 9:11

4

400 1:4

5

50,000 5:13 8:18

6

7

8

9

9-3400 2:21 8:22
9:30 1:6
9:50 12:16