



**City of Seattle**  
Office of the Mayor

News

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**New Pilot Unlocks Deep Energy Efficiency in Buildings**  
*Program builds on 100 years of leadership at Seattle City Light*

SEATTLE -- For the first time, an electric utility is testing a 20-year model to purchase metered energy efficiency savings. The agreement between Seattle City Light and the Bullitt Foundation is designed to make deep energy efficiency in new and existing commercial buildings economically feasible.

The pilot program builds on 100 years of leadership and innovation at Seattle City Light, which has long led the fields of renewable energy and energy efficiency.

"This is a great partnership between the City and the private sector to encourage energy efficiency," said Seattle Mayor Mike McGinn. "I hope this project can serve as a model for others to save money, reduce energy usage, and cut our carbon emissions."

"This is one of the most innovative solutions I've seen," said Jorge Carrasco, Superintendent of Seattle City Light. "We want to try it because we think the approach could help harvest deep energy efficiency in buildings and do it in a way in which everyone wins. Ratepayers get more comfortable buildings, investors see a positive return, and the utility delays new power plants and reduces its carbon emissions," he added.

Very few building owners now make the large, long-term investments needed to achieve "deep" savings of 35 to 50 percent. Yet the rates of return on such investments would be attractive to utilities and other investors that have access to cheap, long-term capital. The new pilot program aims to overcome this obstacle.

"We often hear that building owners want to make their buildings more efficient, but getting the right return on investment, in the right timeframe, can be difficult. This innovative new approach to financing energy efficiency could help spur the type of investments in deep green buildings that we need to meet the carbon reduction goals outlined in our Climate Action Plan," said City Councilmember Mike O'Brien, Chair of the Energy & Environment Committee. "With a utility only

paying for efficiencies that actually materialize and investors getting a reliable return, we are excited by the possibilities that this financing model creates,” he added.

The Bullitt Center was chosen to test this new model based on its participation in the City of Seattle’s Living Building Pilot Program, which was designed in part to encourage ultra-efficient green buildings.

There are two keys to the model: An energy efficiency meter to objectively measure real-time energy savings and a 20-year contract between a utility and energy efficiency investors.

The energy efficiency meter measures the energy savings and allows it to be sold as it occurs. This meter was developed by EnergyRM, with support from OR BEST and the Northwest Energy Efficiency Alliance (NEEA), a non-profit that works with regional utilities to prove out new, energy-efficient technologies.

“Partnering with Seattle City Light, NEEA and others on this project will create better integration of information between industry, utilities, building owners and investors,” stated Rob Harmon, CEO of EnergyRM.

A 20-year contract with a utility allows an investor to profitably invest in energy efficiency upgrades with longer payback times, squeezing more efficiency out of the building. And because the contract is with a utility, the opportunity is appealing to long-term investors who are not necessarily the owners of the building. This means outside capital can be profitably invested in efficiency without relying on a building owner’s ability to secure a loan.

“If adopted nationally, this could be a trillion dollar game changer,” said Denis Hayes, President of the Bullitt Foundation. “By separating the efficiency investor from the building owner, just as we separate the wind farm developer from the rancher whose property the turbines are on, we can reduce the energy use in most existing buildings by more than 40 percent. I know lots of investors who would be delighted to get a safe, consistent return for 20 years while reducing greenhouse gas emissions,” he added.

While the pilot program is testing this new model in one building – the Bullitt Center – it could be scaled to work for any utility.

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### **About Seattle City Light**

Seattle City Light is the 10<sup>th</sup>-largest public electric utility in the United States. It has some of the lowest cost customer rates of any urban utility, providing reliable, renewable and environmentally responsible power to nearly 1 million Seattle-area residents. City Light has been greenhouse gas neutral since 2005, the first electric utility in the nation to achieve that distinction. More information at: <http://www.seattle.gov/light/>

### **About the Bullitt Foundation**

The Bullitt Foundation is a charitable foundation that works to safeguard the natural environment by promoting responsible human activities and sustainable communities in the Pacific Northwest. The Foundation is the owner of the Bullitt Center, the greenest commercial building in the world. More information about the Foundation at [www.bullitt.org](http://www.bullitt.org) and the Bullitt Center at [www.bullittcenter.org](http://www.bullittcenter.org).

**About EnergyRM**

EnergyRM, based in Portland, OR, serves the energy efficiency sector, providing energy efficiency metering services, associated project and program related development services, software-based analytics, and financing support services. The company is pursuing several pilot projects to demonstrate a new transaction structure that can remove the barriers to deep energy retrofits. This new structure, co-developed with Equilibrium Capital Group, allows utilities to invest in and/or acquire energy efficiency without reducing unit sales or revenues, while providing them with a “utility grade” resource. The structure facilitates the use of low-cost, long-term capital, invested into deep energy retrofits of commercial buildings. More information at: [www.en-rm.com](http://www.en-rm.com). Contact: Rob Harmon – CEO & President.