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MAYOR VILLARAIGOSA, THE CLINTON CLIMATE INITIATIVE AND C40 ANNOUNCE FIRST-OF-ITS-KIND PROGRAM IN THE COUNTRY TO RETROFIT COMMERCIAL BUILDINGS

The LA Commercial Building Performance Partnership Will Generate Significant Cost Savings for Owners and Their Tenants, Stimulating Local Job Creation

Los Angeles, California – Today Mayor Villaraigosa launched the LA Commercial Building Performance Partnership, an innovative, Recovery Act-funded program which will help owners of commercial properties make their buildings more energy and water efficient, while saving tenants money and stimulating the local economy. Through the LA Commercial Building Performance Partnership, building owners can access free energy assessments, as well as financing at competitive rates to cover up to 100 percent of the cost of their energy upgrades. The City of Los Angeles designed the program in collaboration with the Clinton Climate Initiative (CCI) and its partner the C40 Cities Climate Leadership Group (C40). This program is also part of Energy Upgrade California, a state-wide initiative to reduce energy consumption in existing buildings.

“I am proud that my Foundation, through the Clinton Climate Initiative, is a part of the LA Commercial Building Performance Partnership,” said President Clinton. “CCI has worked on more than 400 energy-saving building retrofit projects around the world, and one of the biggest challenges for projects is financing. I am excited that Los Angeles is finding new ways to finance this work. This is a great way to get Americans back to work.”

It is estimated that approximately 7,700 jobs are created by each $1B of investment in building energy efficiency. If every commercial building in Los Angeles County were to
invest $1 per square foot of floor area in improved energy efficiency, this could lead to the creation of over 10,000 jobs.

“With commercial buildings accounting for 57 percent of the energy consumption in the City, Los Angeles has a large built-in market for these retrofits and is also in dire-need of the quality of air and quality of life benefits that will come directly from this program,” Mayor Villaraigosa said. “Once again, Los Angeles is leading the way in finding innovative methods to promote environmental stewardship that also benefits our local economy.”

Through the American Recovery and Reinvestment Act (ARRA) of 2009, the federal government is providing stimulus money to fund certain aspects of the LA Commercial Building Performance Partnership, including providing no-cost energy assessments for building owners, and a reserve fund for securing additional financing executed under the PACE mechanism. The program also aims to recycle the ARRA funds, wherever possible, in order to enable more commercial building retrofit projects across LA.

"The LA Commercial Building Performance Partnership is another strong example of how cities and mayors are able to lead the way on one of the most pressing issues facing the country and the planet. It will provide financially-viable solutions that enable private building owners and tenants to save money as energy costs continue to rise," said C40 Chair, New York City Mayor Michael R. Bloomberg. "This program, and complementary efforts in other C40 Cities, will also serve as strong models for the finance sector and cities to adopt, which will lead lead to greater energy efficiency and savings for businesses."

The program is also participating in the Better Buildings Challenge, an initiative of The White House, which aims to catalyze private sector investment in commercial building upgrades and make commercial buildings across America 20 percent more efficient over the next decade.

“Innovative partnerships to reduce energy use are among the most practical ways to save companies money, boost our economy, and invest in technologies that will keep us competitive in the 21st century,” said Nancy Sutley, Chair of the Council on Environmental Quality. "The LA Commercial Building Performance Partnership is a leading example of how city leaders are working together with the business community through the Better Buildings Challenge to put people back to work in ways that will reduce their energy bills and cut pollution."

Improvements to building energy and water efficiency could include on-site clean energy generation, lighting and chiller plant upgrades or the installation of new technology to control and monitor energy-use. Depending on how the work is financed
and the range of improvements implemented, the project could be cash flow positive from the start, allowing property owners and occupants to realize savings from day one.

Until now, commercial building owners wanting to reduce their energy bills faced significant challenges – including how to identify and implement a suite of energy-saving measures and how to fund the cost of those upgrades. The LA Commercial Building Performance Partnership addresses both of these challenges by funding energy savings assessments and introducing innovative financing options to increase the supply of capital to fund retrofits. One financing option available through the program is an innovative mechanism called property assessed clean energy (or “PACE”) financing in which building owners can secure capital for energy upgrades and repay the costs through their property tax bill, payable over periods of up to 20 years.

"This innovative program encourages commercial building owners in Los Angeles to save money by saving energy," said Energy Secretary Chu. "Across the country, energy efficiency programs like this are increasing the demand for energy-saving products and services, creating skilled jobs, and helping American families and businesses reduce their monthly energy bills."

Energy assessments encompassing more than 12 million square feet of commercial building space are already underway as part of the early stage piloting of the LA Commercial Building Performance Partnership. Participating buildings range in size from less than 10,000 square feet to more than one million square feet, and consist of building types ranging from factories, to high-rise offices, hotels, and small local retail stores.

The Partnership represents a broad-based collaborative effort involving multiple stakeholder groups, including the California Energy Commission, Los Angeles County, the Los Angeles Department of Water & Power, So Cal Gas, and numerous building industry expert groups and commercial banks.

Today's announcement is another step in Los Angeles' efforts to leverage its environmental efforts to spur its green economy. CCI worked in partnership with the Mayor's Office and LA Bureau of Street Lighting to develop the largest LED street light retrofit in the world. Once complete, the project will reduce CO2 emissions by over 40,500 tons and save the city $10 million annually in street light maintenance and energy costs - a 40 percent savings. In addition to this and recent accomplishments in renewable energy and recycling, the City also launched a first-in-the-nation, ARRA-funded workforce development retrofit program that targets workers from low-income communities and trains them with the skills they need to obtain good-paying, green jobs.
Building owners wanting to participate in the LA Commercial Building Performance Partnership can apply online at www.LACommercialBPP.com

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Notes to editors

About C40:
The C40 Cities Climate Leadership Group (C40) is a global network of the world’s largest and engaged cities committed to implementing meaningful and sustainable climate-related actions locally that will help address climate change globally. Visit: www.c40.org Follow on Twitter: @c40cities

About the Clinton Climate Initiative:
The William J. Clinton Foundation launched the Clinton Climate Initiative (CCI) in 2006 to create and advance solutions to the core issues driving climate change. CCI is a non-profit organization that operates from an independent and unbiased perspective and has no financial interest in any project it is involved with.

In 2006, the CCI Cities Program became the delivery partner of the C40 Cities Climate Leadership Group (C40), a network of large cities around the world that have pledged to accelerate their efforts to reduce greenhouse gas emissions. President Bill Clinton and Mayor Michael R. Bloomberg of New York and Chair of C40, recently announced an expanded alliance between C40 and the CCI Cities Program.