



Environmental Due Diligence Guide

REPORT

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Green Buildings

New ASTM Standard Aims to Provide More Accurate Measurement of Energy Use

A set of guidelines for collecting, compiling, and analyzing energy use in commercial buildings could be used to develop data to assess a building during due diligence, comply with regulatory reporting requirements, develop action plans for improving energy efficiency, or qualify for loans for energy-use improvements.

The *Standard Practice for Building Energy Performance Assessment for a Building Involved in a Real Estate Transaction* (E2797-11) was released Feb. 10 by ASTM International. It is intended to give users a common starting point for compiling energy-use data and designed to be used in conjunction with programs such as Energy Star and Leadership in Energy and Environmental Design (19 EDDG 51, 7/15/10).

As an increasing number of local and state governments adopt regulations that require reporting on

building energy usage either at regular intervals or before a property sale, the new standard may be a valuable tool to assist with such energy-use disclosure obligations. For example, the city of San Francisco passed an ordinance Feb. 9 that will require commercial buildings to measure, rate, and report their energy performance. A New York City law that requires all private buildings larger than 50,000 square feet to report their energy use periodically goes into effect in May.

“There were both business and regulatory drivers for the standard,” Anthony Buonicore, chairman of ASTM’s Building Energy Performance Task Group, told BNA Feb. 9. “The concern the commercial real estate industry had was . . . ‘now that stuff is being disclosed or required by law to be disclosed and it seems to be a wave that is moving across the country, we want to make sure that there is apples-to-apples in terms of the data that is collected.’ ” He noted there were great inconsistencies in the data already in the marketplace.

Brian McCarter, chairman and chief executive officer of Sustainable Real Estate Solutions and

chairman of the ASTM subgroup that developed the standard, told BNA Feb. 10, “At the time that a buyer is looking to invest in a commercial property, they typically do a set of due diligence to determine the property condition and the environmental risk of the property. Those are both scopes of work where ASTM has had standards in place that are very routine over the last, say, 15 years. The standard is anticipated to be . . . [an addition] to that routine commercial property due diligence prior to an acquisition.”

Mark Bennett, senior counsel with Miller Canfield who heads the firm’s climate change practice team and chairs the ASTM standard legal issues subgroup, told BNA Feb. 10, “The new regulations driving the standard create a ‘win-win’ process for all involved. The only short-term losers might be owners of inefficient buildings,” he said. “I anticipate the regulations will motivate these building owners to enhance their competitiveness as energy efficiency increasingly becomes an important part of site selection decision criteria.”

The standard is available for a fee at <http://www.astm.org/STORE/AffiliateEntry.cgi?BEPN+E2797>.