



Better Buildings Initiative

September 2011

Topic

Announced by President Obama in his [State of Union Address](#) in January 2011, the **Better Buildings Initiative** was launched on **3 February 2011** in a speech he delivered at the University of Pennsylvania. This initiative is designed to **improve the energy efficiency of commercial buildings by 20% by 2020** and capitalises on the actions already implemented through the **American Recovery and Reinvestment Act (ARRA)** of 2009. It proposes a range of **incentive measures** and is part of the President's plan to support the development of a green economy.

Challenges

→ Strengthening energy efficiency in commercial buildings and saving energy

The primary objective of the Better Buildings Initiative is to achieve a **20% improvement in the energy efficiency of commercial buildings** (offices, schools, universities, hospitals) **by 2020** through upgrades, these buildings representing roughly 20% of all the energy consumed in the United States in 2010. The initiative should reduce companies' and business owners' energy bills by about **40 billion dollars per year at today's prices** and **save energy by encouraging the private sector to invest**.

→ Contributing to the development of a green economy

Beyond the reduction of energy consumption in commercial buildings, the purpose of the initiative is to **participate to the development of a green economy** and to **stimulate the creation of green jobs**.

It is part of President Obama's plan to develop **clean energy technologies** and to **double by 2035 the United States' share of electricity from clean energy sources**.

The main measures

→ Tax incentives for energy efficiency in buildings

President Obama called on Congress to redesign the current **tax deduction** for commercial building efficiency upgrades (lighting, equipment, envelope) to make them more attractive for buildings' owners and real estate investment trusts and encourage them to retrofit their properties. According to the White House, this could result in a **ten-fold increase in commercial retrofit take up**, and **leverage job creation in the sector**.

→ New financing opportunities for commercial building retrofits

To support investments in energy efficiency measures, the Small Business Administration – which is in charge of providing support to SMEs – encourages lenders to take full advantage of recently **increased loan size limits to promote new energy efficiency retrofit loans for small businesses**. The Better Buildings initiative also foresees the implementation of a **programme managed by the Department of Energy to guarantee loans for energy efficiency upgrades** in hospitals, universities, schools and commercial buildings.

→ A support programme for state and municipal governments

The programme called « **Race to Green** » aims at awarding **grants to states and local governments** that launch initiatives which aim at streamlining regulatory provisions and energy efficiency standards for commercial buildings, encouraging retrofitting programmes and private sector participation.

→ The Better Buildings Challenge

The **Better Buildings Challenge** is an integral part of the Better Buildings initiative; its purpose is to encourage **public and private actors** (companies, universities, service providers, local and state governments) to commit to a series of actions to make their facilities more efficient through the **setting up of partnerships** and to demonstrate creativity and ingenuity in their approach towards energy efficiency. The Obama administration announced in June 2011 the participation of the **14 first partners** to the programme, which will work with the Department of Energy to provide data on their energy efficiency strategies and share data on their energy savings, so that they could serve as examples.

→ Training the commercial buildings workforce

The Better Buildings initiative also aims at improving and expanding workforce training (technicians, operators, auditors) by identifying core competencies and designating appropriate training programmes.

Next steps

President Obama will work with Congress to define the implementing measures of the Better Buildings Initiative, implement the support programmes and encourage private-sector investment in energy efficiency measures in their commercial buildings. The results and impact of these programmes and regulatory measures will be assessed.

Useful Links

White House Press Release

<http://www.whitehouse.gov/the-press-office/2011/02/03/president-obama-s-plan-win-future-making-american-businesses-more-energy>

You will find all the International Review about Regulations in Electrical Efficiency on the web site:

<http://www.electrical-efficiency.com/category/regulation/rexel-international-review/>