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Ray of light in Washington state's new energy law

Thousands of jobs foreseen to upgrade buildings to strict new state standards

Puget Sound Business Journal (Seattle) - by [Deirdre Gregg](#) Staff Writer

A sweeping energy-efficiency bill passed by the Legislature, though obscured from public view by the budget crisis and Alaskan Way Viaduct debate, could generate a business bonanza for companies ranging from architects and engineers to mechanical contractors.

"There's likely not a building in our marketplace that does not have an opportunity to become more energy-efficient," said Ash Awad, vice president of energy and facility solutions for Seattle-based mechanical contractor **McKinstry Co.** "There's billions of dollars of opportunities."

The "Efficiency First" bill was one of the few victories for the environmental community in this year's legislative session, but it's a significant one.

Starting next year, utilities will have to keep records of commercial buildings' energy consumption, and anyone wanting to buy or lease space will have access to that data by 2011 or 2012.

"It's like someone buying a car having access to the miles-per-gallon info," said Joel Sisolak, of the **Cascadia Region Green Building Council**.

Because business tenants will likely look for lower utility bills, the measure is expected to spur building owners to spend on energy upgrades.

Meanwhile, the state will start tightening building codes in 2013. By 2031, new homes and commercial buildings must be 70 percent more efficient than today.

Public buildings will be rated on their energy efficiency, and those that are below average must make cost-effective improvements. State agencies can't lease space in inefficient buildings unless the owner agrees to boost the building's efficiency.

The legislation had a number of critics, including those who say that the targets are unachievable, and others who say they will add too many costs.

Proponents say the law will reduce the state's greenhouse gas emissions by the equivalent of taking five million cars off the road.

They argue that goals are achievable — pointing to existing buildings such as the Washington PUD Association's Olympia headquarters. The solar-roofed, daylight structure, with a rainwater-fed stream on the grounds, uses 69 percent less energy than the current code requires.

Brett Thomas, marketing manager for the building's contractor, Tacoma-based Mountain Construction, expects government rules and incentives to drive more business for companies like his.

Buildings account for about 30 percent of energy used in Washington state. Improving energy efficiency is cheaper than building new power plants — about 3 cents per kilowatt-hour for efficiency upgrades, compared with 7 cents to 12 cents for electricity from a power plant. Efficiency measures often pay for themselves within five to 15 years because of lowered energy costs and improved operations, said Carrie Dolwick, policy associate with NW Energy Coalition.

But some of the bill's biggest impacts may be in the green-building and energy-efficiency sector, where it is expected to generate thousands of jobs.

For one gauge, the **American Council for an Energy-Efficient Economy** says that increasing buildings' energy efficiency 20 percent by 2020 could create 800,000 jobs nationwide. A 70 percent efficiency increase, as called for the legislation, would have a greater impact.

In the Seattle-King County area, a report by the Seattle Jobs Initiative said that the building industry will add 2,200 jobs, focused in whole or in part on energy efficiency, between 2009 and 2016.

Of course, many architects, engineers, builders and mechanical contractors are already active in the green building sector. Those companies may be best positioned to benefit from the legislation. Tightening the energy code will mean that all builders have to get greener, but those with a long track record in that arena will likely get more work, Sisolak said.

Still, "as the market really changes, there will be plenty of work to go around," he said.

Upgrading existing public and commercial buildings will likely mean more work for mechanical contractors such as McKinstry and MacDonald-Miller Facility Solutions, clean-tech equipment vendors such as Seattle-based Air Commodities, and other companies.

“The real work is helping (building) owners figure out practical, good-quality, high-return-on-investment opportunities,” said Stan Price, executive director of the **Northwest Energy Efficiency Council**, which represents about 100 businesses in the sector. “There are a range of companies (that) can provide those products and services.”

As far as cost concerns, Price thinks that reduced energy costs will mean a relatively quick pay-back on new equipment and upgrades.

“There should be no costs that aren’t imminently recoverable with people that follow through” with upgrades,” he said. “The saying goes that energy efficiency is the lunch you get paid to eat.”

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