



Draft Ordinance

AN ORDINANCE ESTABLISHING A GOVERNMENT BUILDINGS EFFICIENCY PROGRAM FOR THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1. Title and Authority.

This Ordinance shall be known as the "**Lexington-Fayette Urban County Government Buildings Efficiency Ordinance.**" Its purpose is to implement an official, comprehensive program to improve the energy and water efficiency of LFUCG-owned and operated facilities, thereby supporting the Council's commitment to climate action and fiscal responsibility.

Section 2. Definitions.

- **Building:** A structure for the support or shelter of any use or occupancy, enclosed with a roof and within exterior walls.
- **Building Performance Standard (BPS):** A mandatory set of metrics and targets that a building must achieve for its energy or emissions performance.
- **Building Envelope:** The physical separator between the interior and exterior of a building, including the walls, windows, doors, roof, and foundation.
- **Covered Building:** Any building or facility owned or operated by the Lexington-Fayette Urban County Government with a gross floor area of 5,000 square feet or greater.
- **Energy Code:** The current version of the International Energy Conservation Code (for use with commercial buildings only) that is currently adopted by Kentucky.
- **Energy Use Intensity (EUI):** A measure of a building's energy consumption, calculated as energy per square foot per year.
- **Electrification:** The replacement of equipment or systems that use fossil fuels (e.g., natural gas, propane, heating oil) with all-electric alternatives (e.g., heat pumps, induction cooking).
- **Owned Building:** Any Building or Structure situated upon real property in which an Owner holds a legal or equitable interest, including, but not limited to, a fee simple interest, a life estate, or a leasehold estate for an initial term of five (5) years or more. An Owned Building shall include the building, structure, and the real property upon which it is located, and shall apply to the property regardless of its current occupancy or use status, including buildings

that are unoccupied, vacant, or are not actively in use for their intended purpose.

- **Owner:** Any person, agent, operator, firm, or corporation having a legal or equitable interest in the property; or recorded in the official records of the county as holding title to the property; or otherwise having control of the property, including, but not limited to, a guardian, trustee, receiver, executor, or mortgagee in possession.
- **Structure:** That which is built or constructed, an edifice or building of any kind, or any piece of work artificially built up or composed of parts joined together in some definite manner.
- **Unoccupied or Vacant:** A building or portion thereof that lacks the habitual presence of human beings who have a legal right to be on the premises, or at which substantially all lawful residential or business activity has ceased for a period of time as specified elsewhere in this code (e.g., 30, 90, or 180 consecutive days).
- **Major Renovation:** Any renovation to an owned building or building complex with a cost equal to or exceeding \$250,000.
- **Solar Ready Zone:** a section of the roof or building overhang designated and reserved for the future installation of a solar photovoltaic system.

Section 3. Energy and Water Benchmarking.

- **3.1. Annual Reporting:** By June 1st of each calendar year, the LFUCG Department of Facilities Management shall track and report the annual energy and water consumption for all **Covered Buildings** for the previous calendar year. This shall be completed using an approved online platform, such as ENERGY STAR Portfolio Manager.
- **3.2. Public Disclosure:** The benchmarked data shall be made publicly available on a dedicated section of the LFUCG website to ensure transparency. This disclosure shall include the EUI for each covered building and the LFUCG's overall EUI portfolio.

Section 4. Building Performance Standards.

- **4.1. EUI Reduction Targets:** The LFUCG shall establish and publish a phased schedule of **EUI targets**. These targets shall be based on a 2026 baseline and shall be set to achieve a **20% reduction in total energy consumption from LFUCG-owned buildings by 2035** and a **100% reduction in on-site fossil fuel use by 2045**.
- **4.2. New Construction, Acquisitions, and Major Renovations:** All new construction, acquisitions, and major renovations of Covered Buildings shall be designed and built to achieve a 30% EUI reduction below the energy code and shall be subject to mandatory third-party building envelope testing to verify air tightness and prevent energy loss.
 - **4.21** LFUCG shall afford necessary expenses to compensate contractors for proposing renewable energy alternatives in advancement of this section.
- **4.3. Retrofits and Fuel Switching:** To address existing buildings and support the long-term decarbonization goals, the LFUCG shall prioritize and implement deep energy retrofits, including but not limited to high-efficiency lighting and HVAC upgrades. Any new or replacement heating, cooling, or hot water equipment in Covered Buildings must be all-electric unless a documented technical or structural impossibility exists. This mandate is specifically designed to facilitate fuel switching away from natural gas, propane, and boilers toward high-efficiency systems like geothermal and air-source heat pumps.

Section 5. Solar Readiness:

LFUCG buildings shall be made ready for future installation of solar photovoltaic systems by incorporating the guidelines herein. All new construction shall be constructed to be solar ready by having an appropriate roof orientation and a dedicated solar ready zone, a section of the roof or building overhang designated and reserved for the future installation of a solar photovoltaic system. All major renovations must have a solar ready zone.

- **5.1. Exclusions:**

- **5.11.** Buildings with a permanently installed on-site renewable energy system
- **5.12.** Buildings less than 5000 Square Feet
- **5.13.** Buildings greater than 5 stories in height above grade plane
- **5.14.** A major renovation of a building with a solar ready zone that is shaded more than 70% of daylight hours annually
- **5.15.** A major renovation where a licensed design professional certifies that the solar ready zone requirement cannot be met because of extensive roof equipment, skylights, or other obstructions.

- **5.2. Solar Ready Orientation:** The solar ready zone must be oriented between 110 degrees and 270 degrees of true north or have a low sloped roof. The orientation is important because it ensures a reasonable solar exposure if a solar energy system is installed in the future. The structure should be planned to avoid shading from trees and buildings, especially during peak sunlight hours.

- **5.3. Solar Ready Zone Guidelines:** The solar ready zone shall adhere to the following guidelines, that, where specified, follow the 2021 International Conservation Code (IECC) Appendix CB:

- **5.31. Documentation requirements:** Construction documents shall indicate the solar ready zone (CB 103.2).
- **5.32. Zone area:** The design team shall maximize the available zone for solar, with the goal of not less than 20% of the total roof area after subtracting any area of the roof covered by a skylight. The zone for solar should NOT be whatever is available after the mechanical, electrical and plumbing systems are designed (CB 103.3).
- **5.33. Obstructions:** The solar ready zone shall be free from obstructions, including pipes, vents, ducts, HVAC equipment, skylights and roof-mounted equipment (CB 103.4).
- **5.34. Roof loads:** The solar ready zone must support the extra loads of a solar array (CB 103.5).
- **5.35. Interconnection pathways:** Construction documents shall indicate pathways for routing conduit and piping from the solar-ready zone to the electrical service panel and electrical energy storage system area or service hot water system (CB 103.6).
- **5.36. Energy storage system.** An electrical energy storage system-ready area should be included (CB 103.7).
- **5.37. Electrical service reserved space:** The main electrical service panel shall have a reserved space to allow installation of a dual-pole circuit breaker for future

solar installation (CB103.8). Documentation should cite the backfeed capacity (as designed) of the panel.

Section 6. Implementation and Enforcement.

- **6.1. City Energy Manager:** The LFUCG **City Energy Manager** (a full time position) will administer and oversee this program. The staff member in this position shall be responsible for technical assistance, data management, and identifying, prioritizing, and managing energy efficiency projects. This position will be an essential resource for all LFUCG departments.
 - **6.11** The City Energy Manager shall calculate energy cost savings and EUI reductions over the course of the lifetime of all energy efficiency projects. The cost savings may be annualized for the purposes of budget planning.
 - **6.12** The City Energy Manager shall review activities associated with Sections 3 and 4 of this ordinance.
- **6.2. Revolving Fund:** A dedicated, non-lapsing **Revolving Fund** shall be established and capitalized with an initial and annual appropriation. This fund shall be used solely to finance projects within the scope of this ordinance. In addition to the annual appropriation, the fund shall be replenished by the documented energy cost savings generated by these projects.
- **6.3. Reporting:** The City Energy Manager shall provide an annual report to the Urban County Council by September 1st of each year, detailing program progress, including the EUI reduction achieved, a list of completed projects, LFUCG compliance with Sections 2 - 4 of this ordinance, and the financial status of the Revolving Fund.

Section 7. Waivers.

A waiver from a specific provision of this ordinance may be granted by the Urban County Council only in cases of documented and extraordinary technical or structural impossibility. Such a waiver shall require a recommendation from the City Energy Manager and a report from a third-party, independent consultant.

THE POLICIES AND STANDARDS SPECIFIED IN THIS ORDINANCE ARE EFFECTIVE IMMEDIATELY UPON APPROVAL OF THIS ORDINANCE.