



NOVEMBER 2024

# Why LEED v5 Matters: Local Governments

For decades, local governments from coast to coast have leaned on the [Leadership in Energy and Environmental Design](#) (LEED) rating system to set a high bar, advance their goals, and create better buildings. We know that when they are designed, built, and operated with intent, buildings can play an important role as visible community solutions to today's pressing problems. With the next version of LEED on the horizon, jurisdictions can leverage the system in new ways to achieve desired objectives such as decarbonization and resilience.

## LEED's Evolution Creates Opportunities for Governments

LEED continues to reflect the changing green building leadership landscape and LEED v5 is the next evolution of green building. Created around three impact areas, all credits and prerequisites in LEED drive improvement towards decarbonization, quality of life, and/or ecological conservation and restoration. LEED v5 makes it easier for jurisdictions and building teams alike to identify solutions and strategies to align projects with intended outcomes.

USGBC has been working with hundreds of volunteer subject matter experts to develop the next LEED rating system. This version is anticipated to be available for use by projects in early 2025 and can be incorporated into policies to increase local action on decarbonization, social equity, and resilience.

Jurisdictions can apply LEED v5 to incentivize projects that reflect local goals, such as zero emissions and all electric buildings and/or reducing embodied carbon. LEED v5 will offer building projects a certification pathway that aligns with the National Definition of a Zero Emissions Building (Operating Emissions), potentially unlocking funding opportunities. And communities will benefit from new prerequisites that all LEED projects will be required to achieve, including the new Human Impact Assessment, Climate Resilience Assessment, and Carbon Assessment.

**This brief provides information on proposed LEED v5 credits based on the draft rating system published for second public comment in September 2024.**

### In this brief

- LEED's Evolution Creates Opportunities for Governments
- All LEED Projects will meet Requirements for Resilience and Social Equity
- LEED v5 Emphasizes Outcomes for Decarbonization
- Projects Implement a Comprehensive Approach to Sustainability
- LEED v5 Works with Key Energy Certifications
- Achieving All-Electric and Net Zero Operating Emissions Buildings
- How Local Governments can use LEED v5
- Why Certification Matters
- Next Steps for LEED
- Next Steps for Local Governments

# All LEED Projects Will Meet Requirements for Resilience and Social Equity

Through the new prerequisites, all LEED v5 project teams will assess climate resilience and social impact, providing and communicating key information to enable better integration and more impactful approaches.

Prerequisites are just the beginning. USGBC formed two expert working groups – one on resilience and one on social equity – to inform opportunities across the credit categories. Resilience and equity are not siloed into a single credit but are an overlay to the entire rating system. With input from the working groups, the required assessments will lead to the discovery of opportunities to improve projects through practices in credits throughout the system.

LEED v5 helps project teams design for additional hazards through resilience credits informed by risks and vulnerabilities identified in the required climate resilience assessment, for example through strategies and plans for maintaining operations during disruptive events, accounting for the needs of building occupants during adverse events to ensure their safety and well-being and facilitating business continuity.

Building off the required human impact assessment, LEED v5 supports improved social outcomes by helping project teams identify tangible actions to support health and wellbeing throughout the supply chain, on construction sites, transportation corridors, and downstream, for example mitigating urban heat island impacts and providing equitable access to nature.

## LEED v5 Emphasizes Outcomes for Decarbonization

LEED takes a comprehensive approach to decarbonization across the most significant sources of building-related emissions: operational, embodied, and transportation. LEED v5 strengthens this approach, beginning by expanding carbon literacy, and providing a comprehensive array of effective strategies for achieving reductions. All new construction and major rehabilitation projects will require carbon assessments through 2050 incorporating operational and embodied carbon as well as refrigerants and will be awarded credit for reducing whole life carbon across all major sources of emissions.

Strategies reflected in the system address energy efficiency, passive design strategies, grid harmonization and peak demand reduction, embodied carbon of materials, and refrigerants. Moreover, LEED v5 reduces emissions through waste avoidance and reduction, improved water efficiency, and transportation emissions.

The approach to embodied carbon in LEED v5, with new prerequisites and credits, is already garnering much positive feedback. All new construction and major renovation projects are required to assess and quantify the embodied carbon of the structure, enclosure, and hardscape, which constitute the bulk of such emissions. The new credit, Buildings and Materials Reuse, emphasizes circularity and rewards building reuse, as well as materials reuse and salvaging. The new Reduce Embodied Carbon credit provides multiple pathways to encourage more projects to act now, including:

- Conducting a whole building life cycle assessment (Option 1);
- Leveraging environmental product declarations to demonstrate reductions in the project's total embodied carbon compared to its baseline (Option 2);
- Conducting an environmental product declaration analysis by materials (Option 3); and/or
- Tracking carbon emissions from construction activities (Option 4).

## Renewable energy in v5

The proposed LEED v5 renewable energy credit has tiers, where the highest tiers receive more points proportionally. Tier 1 rewards on-site renewable energy. Tier 2 is for new off-site renewable electricity and is limited to new generation assets contracted to be operational within two years of building occupancy, or that are recently operational (within the past five years). Tier 3 is for off-site renewable electricity or renewable fuels that are Green-e Energy certified or equivalent. Both Tier 2 and Tier 3 off-site renewable energy purchases must meet criteria for environmental attributes such as energy source and location.

This credit also offers an exciting innovation with the option for a project to build a new renewable energy project at an equity site. Under this option, a project can be credited in LEED for new renewable generation on the site of an equity project, provided that the renewable power system is provided, installed, and commissioned at no cost to the equity entity, which will own the system and hold the rights to the power provided. An equity entity is defined as a building or project site providing housing and/or community services (e.g., community centers, schools, or recreational facilities) to historically marginalized communities. This provides new opportunities for win-win situations.

## Projects Implement a Comprehensive Approach to Sustainability

Achieving positive outcomes for biodiversity and quality of life requires a comprehensive approach to sustainability and health. LEED provides requirements and best practices to reduce waste – which contributes to inequitable exposure to pollution, through landfills and incinerators; water efficiency, stormwater, and wastewater – which have direct impacts on habitats and wildlife, as well as human health where water is scarce or waterways are polluted; and environmental quality, indoors and on land – which can affect community health.

Waste reduction has always been a core component of LEED. As the construction and demolition waste reduction practices promoted by LEED have become more mainstream, LEED v5 has a new Materials & Resource prerequisite to set projects up for future zero waste operations. This new requirement will highlight to teams and owners practical considerations to enable waste minimization during operations.

To limit the building project's contribution to environmental degradation on and off site, the system guides the use and design of land and rainwater management, and efficient resource use. LEED v5 includes strategies to address targeted impact opportunities such as protecting and restoring natural habitats, open space, reducing light pollution and deterring bird collision. The new Biodiverse Habitat Credit, for example, rewards strategies including a baseline requirement for preserving a portion of greenfield sites and restoring a portion of previously disturbed areas to specified soil and vegetation restoration criteria.

LEED v5 priorities health through prerequisites and credits reflecting evolved best practices, such as for ventilation and for selection of building materials, and opportunities to promote occupant and community wellbeing, as well as the people-centered equity and resilience prerequisites.

USGBC is also updating the online platform supporting LEED certification. Look for announcements in Fall 2024!

## LEED v5 Will Work with Key Energy Certifications

LEED takes a holistic approach to buildings that is lost when projects only pursue energy- and carbon-centric certifications. Instead, where particular such certifications are a component of local programs, jurisdictions can look

to dual certification, which LEED enables. Alternative compliance paths will streamline LEED certification when ENERGY STAR, Zero Energy Ready Homes, or Passive House/Phius is the base energy certification. Projects pursuing any of these certifications will be able to submit proof of certification to achieve certain prerequisites and points in LEED v5. For example, a multifamily project achieving Phius would be credited with certain prerequisites and points in the Energy & Atmosphere and Indoor Environmental Quality categories. Then, to achieve LEED certification, the project would need to satisfy prerequisites across all impact categories, including Integrative Process, Location and Transportation, Sustainable Sites, Water Efficiency, and Materials and Resources, and achieve additional credits to reach the desired LEED point total.

## **Achieving All-Electric and Net Zero Operating Emissions Buildings**

For the first time, Platinum projects must – along with earning 80 points – meet stringent decarbonization outcomes incorporating energy efficiency, electrification, renewable energy, refrigerants, and embodied carbon to help align with global climate goals. LEED v5 BD+C Platinum will create opportunities for communities to go beyond code to zero operating carbon, as all new Platinum projects must be highly energy-efficient, have no on-site combustion (ie, be all-electric) except for emergency support systems, be powered by 100% renewable energy, and achieve a 20% reduction in embodied carbon.

With LEED v5, the intent is to provide certification pathways that align with the National Definition of a Zero Emissions Building, Part 1: Operational Emissions from Energy Use, which is anticipated to be used in key federal programs such as the Greenhouse Gas Reduction Fund. By referencing the national definition-aligned LEED certifications in policy and incentives, jurisdictions can advance the use of electrification and carbon goals in their community while also setting up local projects for potential financial assistance.

## **How Local Governments can use LEED**

Governments at all levels have put LEED into practice in their own buildings (“leadership by example”) and by offering various incentives to promote private sector use of LEED. Local governments can use LEED v5 to continue improving public and private buildings, including new construction, renovation, and operations, aligned with their goals.

First, jurisdictions can commit to “leadership by example” through public building requirements that go above code to address sustainability and resilience – and build green. Importantly, these policies can have significant spillover effects on the private sector and support upskilling the local building workforce. Public buildings are highly visible and can help educate citizens, builders, and the market on the benefits and realities of green building. While most such policies focus on construction projects, several jurisdictions have policies to advance sustainability leadership in their existing buildings as well, an approach expected to grow as the importance of decarbonizing existing buildings is increasingly recognized.

Second, jurisdictions can incentivize or condition private building projects. Many local governments have developed incentives for private buildings to reward LEED certification. These often are non-financial, such as density bonuses or faster permitting processes. Other jurisdictions offer financial incentives such as property tax abatements, or fee waivers or reductions. And some local governments use permit conditions to achieve private green buildings.

In some jurisdictions, where indoor and outdoor air quality is impacting community health, policymakers are focusing on reducing on-site fuel use by buildings. Here, referencing the LEED v5 BD+C certification pathway aligned with the national definition, or a directed use of LEED, whereby specific credits are required, can be leveraged to incentivize this goal.

USGBC's [public policy library](#) includes hundreds of green building policies. The USGBC Policy Library is an interactive tool that showcases policies that incentivize, require, or encourage high-performance buildings, including but not limited to LEED, across state and local jurisdictions in the United States. USGBC staff are available as a technical resource to governments and advocates to craft an approach to meet local priorities.

## Why Certification Matters

Third-party certification offers several important benefits to jurisdictions. Having a certification requirement for public buildings can help ensure that a locality's priorities for sustainability features are retained and not value engineered out. Certification also provides a straight line of accountability from design through construction and operations which can protect public money. Some LEED users also report anecdotally a reduction in change orders, attributed to the benefits of an integrative design process that is central to LEED projects.

In the context of local government incentives, independent third party certification is key to verifying that the project meets the incentive requirements and properly qualifies. Some jurisdictions with incentives that are granted pre-construction – such as density bonuses – use bonds or other financial assurances to hold the developer accountable, with the bond or funds released after the certification is provided. USGBC can help jurisdictions understand their options.

## Next steps for LEED v5

Through 2024, USGBC will be reviewing public comments, incorporating input and refining the rating systems as needed. Then in the winter, we will bring the program to ballot. We aim to open LEED v5 for use in early 2025. There will be a sunset period for LEED v4 and v4.1, with registrations ending for those versions at a date to be announced.

Soon, USGBC will be initiating an update to LEED's program for single family and low-rise residential projects, LEED for Homes. One can follow the LEED v5 updates and timeline at [www.usgbc.org/leed/v5](http://www.usgbc.org/leed/v5).

## Directed Use of LEED

Some jurisdictions have established policies with directed use of LEED – meaning that the jurisdiction specifies which credits or points projects must achieve in addition to LEED certification level. This approach is effective in addressing several situations.

First, jurisdictions can direct specific credits that reflect their highest priorities, for example, a locality in an arid region might direct the heat island reduction and maximize water efficiency points.

Second, where a policy allows projects to choose from several different green building certification programs, directing the required credits and points for each certification program can help ensure the jurisdiction's minimum goals are met regardless of which certification is used. In other words, specifying credits can provide more comparable results.

Third, in places with advanced building energy codes, directed credits and points can be used either to complement the code with additional priority outcomes, or to ensure that projects are above-code.

For example, the City of Alexandria, Virginia uses standard permit conditions requiring green building certification for projects over a certain threshold; the policy specifies the credits and points that projects must achieve for LEED and for several other accepted certifications. Another example is the City and County of San Francisco, California, which codifies its green building requirements for public projects in an ordinance, specifying several credits as well as practices and forms. Additional examples are available in USGBC's public policy library.

## Next steps for Local Governments

There's a lot to be excited about in LEED v5. We see new opportunities for jurisdictions to leverage LEED v5 in policies to drive low and zero emissions buildings. We encourage jurisdictions with existing green building policies to consider whether moving to LEED v5 and/or directed use of LEED would be advantageous in light of local goals. For jurisdictions without green building policies, we have resources to support your goals and can provide technical assistance in determining the policies that fit your needs.

### What local communities say about why they use LEED

Here are some examples of what we hear from jurisdictions and local communities about some of the benefits they see in using LEED in policies:

- Provides a holistic and comprehensive framework for building practices beyond energy, ensuring that project teams are working on sustainable outcomes (water use reduction, low-impact materials, construction waste, indoor environment, urban heat, rainwater/ stormwater systems, site foliage, etc) without requiring active oversight by the local government staff.
- Is actively maintained by leading subject matter experts through a broad stakeholder consensus approval process.
- Is widely used and helps project teams communicate with common language
- Clear and consistent standards – with available guidance and support – help in efficiently providing high performance buildings.
- Has a robust ecosystem of training and technical knowledge.
- The benefit of having an external framework like LEED is that it allows for revision cycles that are moving at pace with the industry and ensures that developers build better and projects have improved performance with every cycle.
- Certification is attractive to developers and owners, as it can translate into improved capital stack as well as being a market advantage.

USGBC, and our community of members and volunteers, are committed to transforming the built environment to advance human and environmental well-being. Through policy, education, events, membership, professional credentialing and our suite of rating systems – including LEED, SITES and LEED for Cities – we can help transform your community.

Contact us at [publicpolicies@usgbc.org](mailto:publicpolicies@usgbc.org) for more information.