

**Commercial and Industrial (C&I) Energy Efficiency Requirements Working Group
Meeting #4 – Friday, January 9, 2014
Summary Notes**

Working Group Participants

- Russ Chitwood, Nexant
- Andy Vissers , Covidian
- Amy Ellsworth, Cadmus
- Adam Knoff, Unico Properties
- Brad Queen, City of Boulder Environmental Advisory Board
- Lauren Smith, Southwest Energy Efficiency Project
- Pam Milmoe, Boulder County Public Health
- Sarah Linke, Boulder County Public Health
- Doug Hargrave, Iconergy

City of Boulder staff and consultant

- Elizabeth Vasatka
- Kendra Tupper
- Colette Crouse

Executive Summary

We spent a lot of time discussing the issue of public disclosure of energy data and metrics tied to specific building addresses. A quick summary of the viewpoints of working group members follows:

<i>Viewpoint of Building Owners and Property Manager</i>	<i>Viewpoint of Service Providers and County/City Staff</i>
<p>Primary concern: energy data alone may drive potential tenant or buyer away without further research</p> <p>Secondary concern: service providers using data to generate leads</p> <p>Recommendation:</p> <ul style="list-style-type: none"> • Have people fill out a query form (who are they, why do they want the data?) in order to access data for a specific address • Do not give the public access to the entire dataset with building addresses – given them access to whole dataset, but only identify buildings by type and size range 	<p>Concern: If individual data isn’t disclosed to the public, then there is a lack of data transparency in the marketplace to drive transformation (non property owners and managers)</p> <p>Recommendation:</p> <ul style="list-style-type: none"> • 1-2 year grace period where we only publically disclose aggregate information • Have people fill out a query form (who are they, why do they want the data?) in order to access the spreadsheet of specific building data. Give access to this info to owners and property managers so they know if someone was looking to lease or buy a potential property.

There were also a number of things discussed that the city needs to implement in the actual design and enforcement of the ordinance. These things had no disagreement and should be acted on:

- *Exemptions:* Consider exemption request for hardship if it is insurmountably costly to gather whole building data (in the case of multiple master meters, and no change to data privacy rules)
- *Metrics Reported:* Include a glossary of terms with the spreadsheet or website that displays this data
- *How to Guide:* Include information on options to overcome multiple meter challenge, including the option with Xcel’s My Account Portal
- *Website:* Set up a query form to allow access to building specific data – have the data go to a valid email address. Store data of who has requested this and why.
- *Covered Building List:* When covered building list is posted 6 months in advance, given owners the opportunity to provide hyperlinks for their buildings, a secondary use type, or to have the contact info for property managers displayed, etc.
- *Ordinance Language:* Require a constant sharing of data with the city – do not allow data to be “unshared” after compliance date

Next Meeting

Meeting #5 will be held at the Cadmus offices: Friday, January 23, 2015 (1-3 pm). The agenda will focus on the discussion of potential energy efficiency requirements and energy services that the city can provide to help with compliance of ordinance. Other items will be exploring the energy services you use today and services you would want from your utility provider.

Post Working Group Timeline:

- Presentation of staff recommendations for the Ordinance (including the feedback from this working group) is schedule for a City Council study session on May 5, 2015.
- City is planning to conduct a webinar before May to raise awareness among other building owners who would be impacted by future ordinance.

Agenda

- Introductions
- Review from Meeting #3
- Metering solution for multi-meter buildings
- Rating and reporting
 - o Disclosure
 - o Enforcement
 - o Phasing

Review from Meeting 3

- Agreement to disclose compliance status of a commercial building.
- Concern (from building owners and property managers) about disclosing specific addresses with energy metrics for that building.
- Nominal benefits to disclosing at point of transaction, some of this already happens between brokers, building owners and potential tenants.

Multiple Meter Challenge and Accessing Whole Building Data (see PowerPoint)

- This challenge likely impacts a majority of large buildings. While a number of barriers exist, there is movement toward addressing them:
 - o PUC data privacy rules are being reviewed
 - o New construction building codes (IECC 2012) should require one master electric meter for whole building, then sub-meters
 - o New utility metering and automatic data uploading options into ENERGY STAR Portfolio Manager (ESPM)
 - o Boulder's PACE program provides benchmarking support to businesses at no cost to the building owner or business
 - o Ordinance will place responsibilities on both building owners to rate and report AND tenants to submit energy use data
- Property owners might be willing to pay for eGauges, or real time energy use monitoring, but expensive up-front costs and investment would depend on building size and tenant interest
- Automatic upload by Xcel Energy to ESPM is planned to be completed by end of 2015
- With improving the existing situation to access whole building data, issues with privacy rules and multiple tenants will not completely be resolved.
- Exemptions could include: e.g. hardship regarding access to data from Xcel, etc.

Disclosing Individual Property Data

- Of 10 cities with disclosure ordinances, eight of them disclose individual property data and for most, this is a spreadsheet anyone can download
 - o As far as staff knows, disclosing individual building data has not been identified as a significant issue in these other cities
 - o Cities that have had disclosure ordinance for a number of years are tying 2-3% energy savings per year because of the act of measuring energy performance.
- WG Concerns:
 - o Primary concern: data alone may drive potential tenant or buyer away without further research (property owners and managers)
 - o Secondary concern: service providers using data to generate leads (property owners and managers)
 - o Third concern: if individual data isn't disclosed to the public, then there is a lack of data transparency in the marketplace to drive transformation (non property owners and managers)
- Proposed compromise for public disclosure: request sent by interested party to the building owner, and building owner can see some data about person inquiring (e.g. commercial broker, potential tenant, property manager, energy professional, researcher, etc.) such as who they are and why they are seeking info
 - o Could pull data on who is looking at data overtime
 - o Property name on website could be a link to a building site or to request form
 - o Must validate email address for person making the inquiry
 - o Full data sets available without request; individual building data including address available only with request
- City would release aggregate data but not individual building data to be used as a reference document

What Metrics should be disclosed?

- Occupant density (not reflected by EUI): range okay
- On-site renewables (can get this out of ESPM too)
- Secondary property type—could add at same time as city sending out covered building list
- Electricity use in kWh and natural gas use in therms
- Education—include link to glossary that explains acronyms, site and source energy use used by ESPM, what kWh means, etc.
- For Industrial: Have manufacturing buildings report a metric of their choosing with help from the Colorado Industrial Energy Challenge

Enforcement

Summary: Considering one year grace period for fines and for disclosing specific building information (just require compliance status in the first year). Fines issued after written and verbal notification. Fines would be per day (\$25-\$500/day in other cities) and would fall upon the building owner, or tenant, if the tenant was failing to provide information to the building owner. Fine amount would remain constant moving forward, regardless of amendments to ordinance.

- Fine must be greater than cost of compliance
- Fine amount could depend on rate of compliance (low fines and enforcement if high compliance rates)

- Those not compliant would not be eligible for city benefits, rebates and recognition (e.g. economic vitality rebates)
- City will exercise enforcement discretion (e.g. to allow building owners more time to submit data)
- Revenue generated from fines would fund program implementation and possible incentive programs
- Must specify how long the buildings' information is "shared" with the city in ESPM in the ordinance. This is important so the information doesn't disappear after the compliance date. e.g. in Seattle, building owners are un-sharing ESPM data)

Phase-in of Additional Buildings and Requirements

- Two years for buildings >50,000 sq ft
- After two years, then phase in next tier of building size
- Delay efficiency requirements

Table 1: Which Buildings will be covered?

	Options	Recommendations
Municipal (City of Boulder Buildings)	<ol style="list-style-type: none"> 10,000 sf and above 20,000 sf and above 80% of building stock's energy use/cost 	<ul style="list-style-type: none"> - All buildings above 5,000 sq ft excluding vacant, w/o mechanical systems - Yes, do include parking structures and parking lots (as a pilot) - Have exemptions for unconditioned buildings, and on a case by case basis
Private Sector Commercial and Industrial	<ol style="list-style-type: none"> ≥ 10,000 sf (90% of sf) ≥ 20,000 sf (73% of sf) ≥ 40,000 sf (52% of sf) ≥ 50,000 sf (45% of sf) 	<ul style="list-style-type: none"> - Start with a small number of buildings, and do it right (quality over quantity) from the start - Think about how to address owner-occupied versus tenant-occupied buildings - 1st Phase: >50,000 sf
Private Sector Multi-family	<ol style="list-style-type: none"> SmartRegs exemptions? Only require for predominately owner occupied? 	<ul style="list-style-type: none"> - Phase in after 2018 - 1st phase will include the commercial portion of MFUs that trigger requirement based on square footage
Multiple buildings on one tax parcel or served by one HVAC system	<ol style="list-style-type: none"> Sum of multiple buildings on one parcel ≥ 100,000 sf Sum of sf served by common HVAC system None – just use individual building limits 	

Table 2: Disclosure Options

Disclosed to:	Options	Recommendations
City	Building info, ENERGY STAR Portfolio Manager (ESPM) rating and Statement of Energy Performance (SEP), Energy use Intensity (EUI), GHG, overall energy use, etc.	<ul style="list-style-type: none"> - Have a column that recognizes business as wind source participant, owner of PV system, etc.
Public	<ol style="list-style-type: none"> 1. Compliance status 2. Aggregate energy metrics 3. Individual energy metrics 	<ul style="list-style-type: none"> - Need way of updating rating more often than once a year to avoid leasing space being excluded from search based on ESPM score - Provide an option for a building that is undergoing renovations to not disclose the current score - 1-2 year grace period before disclosing individual data - Do disclose compliance status and aggregate data, but don't reveal address with a specific score (from owners) - Make people go through an additional request step or query to reach the data for specific buildings. Give access to who has accessed this data and why to owners
Potential buyers or leasers	<ol style="list-style-type: none"> 1. Requirement to disclose when advertising for lease or sale 2. Disclose at point of transaction 3. Disclose upon request 	<ul style="list-style-type: none"> - Disclosure at point of transaction already happens, no need to require

Table 3: Enforcement Options

	Options	Recommendations
Grace Period	<ol style="list-style-type: none"> 1. One year grace period for fines 	The City shouldn't publicize that we're going to have a grace period for fines, but leave it to staff discretion to give people extra time in the first year.
Fines	<p>Governed by Boulder's Municipal Code</p> <ol style="list-style-type: none"> 1. Issued after one written and one verbal warning 2. \$x/day of violation 	\$100/day?