

**Commercial and Industrial (C&I) Energy Efficiency Requirements Working Group  
Second Meeting – Friday, Nov. 14, 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  
Traci DelReal, Tebo Properties  
Chris Riley, W.W. Reynolds  
Lauren Smith, Southwest Energy Efficiency Project  
Dan Powers, Boulder Tomorrow  
Eric Rutherford, Wright Kingdom  
Nicole Hammer, WSP consulting  
Pam Milmoie, Boulder County Public Health  
Colin Tomb, Boulder County Public Health  
Bill Hayes, Boulder County Public Health

**City of Boulder staff and consultant:**

Elizabeth Vasatka  
Kendra Tupper  
Colette Crouse  
Sharon Procopio,

**Next meetings:**

- Friday, December 5, 2014 (1-3 pm)
- Friday, January 9, 2015 (1-3pm)

**Agenda**

- Introductions and ground rules
- Scope of working group
- What does public disclosure/reporting look like? Examples from San Francisco, Philadelphia, NYC, Austin, Seattle, and D.C. Variability in display (i.e. online versus spreadsheet) and depth of data
- Mixed use buildings
- Recognition and incentives
- ENERGY STAR Portfolio Manager demo

Split incentives: in general, onus on building owner

- Each city has different approach
- In some cases, tenant can be fined if they do not disclose data building owner needs to rate and report

How to promote compliance?

- Services available?
- Long timeline—planning horizon
- Incentives
  - o How do you deal with incentives for a requirement?
- Exemptions (e.g. ENERGY STAR certified buildings, building owners experiencing financial hardship, agricultural, hazardous use, occupancy)
  - o Exemption could be based on total energy use below a certain amount (assumption here is that energy use is so low that cost of audit wouldn't be recouped in a short time)

Who's claiming energy savings? Building owners or municipalities or utilities?

Any communities have exemption for buildings that are achieving energy savings through RECs?

- No. On-site renewables, perhaps.

Messaging should be around savings and increased value for property owners. Talk pay backs and rebates rather than audits and requirements.

Regulatory model should focus on bottom line—should produce neutral cash flow and self-funding action. Cash flow is a big concern for building owners.

Can exempt 10% of building's use based on square footage from Portfolio Manager. Generally, this isn't in the building plan and has a distinct use from the rest of the building. This type of multi-use exemption won't work well in Boulder.

- In rating and reporting pilot program, roughly half of the businesses were able to report their scores. Goal at this time is to get majority (80-85%) of buildings through program.
- In Boulder, no building will be exempted from reporting. Only exemptions given are based on energy efficiency (rating)
  - o Any exemptions based on efficiency ratings must be current

Commercial Building Energy Survey (CBES): score in Portfolio Manager based on this survey, which is out of date (2003-2005). In the process of being updated, so scores will change when the data is updated.

What about efficiency requirements for server rooms and data centers?

Server rooms and data centers are unique space types included in Portfolio Manager, and it normalizes for these types of uses.

Tech tenants work long and non-regular hours. Desire to make this a different space use. This requires building owners to have thorough understanding of Portfolio Manager.

Marijuana grow facilities

- Industry singled out b/c very energy intensive, but data centers and server rooms are even more intensive
- Would marijuana growers be brought into this program? Industry, with efficiency measured per unit produced?
  - o One metric might be energy in terms of economic production
- Many marijuana growers in industrial facilities and warehouse type spaces, but some are in office spaces, so are separated across different meters

Audit assumes you're measuring actual efficiency of structure itself as well as what's going on inside. How does audit address distinction between envelope and inside use?

- Operational component is addressed in Portfolio Manager and is used to generate a score

Can look at per capita efficiency. EUI doesn't include occupancy, whereas Portfolio Manager does. If you want a good idea of what's going on, you want both EUI and Portfolio Manager score (Adam)

- For this reason, prescribed EUI would not make sense

Rating and reporting will be required on an annual basis. Simply about measuring and reporting. Doesn't include additional efficiency requirements, or if ordinance did, it would kick in a number of years after rating and reporting began, so data could inform efficiency requirements. Must avoid year over year improvement requirement

Building owners can voluntarily report water usage through Portfolio Manager, but water usage will not be a part of Boulder's rating and reporting ordinance.

### **Importance of recognition**

- Majority of Class A and B buildings already benchmarking—market-driven, and so no added benefit to reporting
- Value is impressing brokerage and tenants—not in comparing/competing with others
- Recognition much more valuable to residential than to commercial sector
- Early adopter incentives are helpful

Demand for energy efficient buildings does not currently exist.

- Low utility costs are appealing (energy is number one triple net expense), so indirect incentive to make building more energy incentive. In Boulder, everyone competes on the same triple nets (Adam)

What factors into deciding to rent a space? Triple Nets

- Base rent
- Taxes, insurance and common area maintenance (expense passed from landlord to tenant)
- Utilities

Xcel is working toward providing electronic data uploads to Portfolio Manager by end of 2015. Currently, this is subject to 15/15 rule currently being evaluated at the Public Utility Commission. Utility support would funnel data directly to Portfolio Manager and would reduce data entry error.

### **Portfolio Manager Questions**

- # of hours needed to enter data in (assuming no utility assistance)
  - o Data would be entered each month
  - o Set-up takes some time, but for larger buildings with fewer meters and few tenants, as quick as 5 minutes. With buildings with multiple tenants, can be a really onerous process.

### **Major questions/concerns**

- Lighter offering along lines of small-business tune up for buildings that are exempted from this ordinance