

Benchmarking Collaboration Ad-Hoc Committee Meeting  
January 12, 2015

CALL TO ORDER/ROLL CALL

Meeting was called to order at 4:35pm

Present: Chad Faber, Matt Phair, Zach Brandon, Raj Shukla, John Sumi, Susan Schmitz, Manus McDevitt, Willa Schlecht, Jeannette LeZaks

Absent: David Ahrens

Others Present: Mike Slavish, Sherrie Gruder, Warren Gaskill, Carole Schaeffer, Matt Darga, Jeanne Hoffman, Dennis Sandora, Aris Gialamas, Steve Kismohr

APPROVAL OF MINUTES

Moved approval by Shukla

Seconded by McDevitt

Unanimously Approved

PUBLIC COMMENTS

Warren Gaskill – spoke to the committee. He owns a company called Rapid Improvements that does work in this field of energy benchmarking and energy management. Currently working with clients to benchmark buildings and is working with over 500 buildings. Gaskill works frequently with Energy Star and Portfolio Manager through his work with his own software called Energy Stewards. Rapid Improvements has worked with Sustain Dane and over 80 businesses through the Mpower Champions Program.

Gaskill – mentioned that when building owners benchmark their energy they can see energy usage and if they are getting better or worse over time and ask themselves why is that happening. They can also compare their energy use with other peers.

Gaskill – mentioned that working with utilities can be difficult, but it has gotten a lot easier and for around \$75 per year, Rapid Improvements can gather that data – electrical and gas for any building owner.

Slavish – wanted to know how do new buildings compare to old buildings.

Gaskill – new buildings generally perform better because they are designed with higher energy codes and designers and looking more seriously at energy, however older buildings can perform just as good.

Sherrie Gruder – She used to Chair the City's Energy Design and Sustainable Committee and she also works at UW – Extension on energy related issues.

Gruder made the point that a lot of our carbon emissions and energy use is coming from the commercial sector.

Gruder also mentioned that in Chicago, they passed an energy benchmarking ordinance over one year ago. They found that many buildings were eligible for Energy Star Rating, meaning they performed well – having a building Energy Star Rated would help with marketing of the building.

Gruder also mentioned that in Chicago there are buildings new and old and that they can all be energy efficient. Finally, Gruder mentioned that benchmarking can help economic development as building owners know more about how their building compares to their peers they might pursue energy improvements but it is not required.

Steve Kismohr with MEEA, which is a non-profit that work on various policies across the Mid-West.

Kismohr mentioned that he thinks the committee process has been good and that this is important time to further discuss issues.

Kismohr mentioned that energy benchmarking allows the Building Owners more tools to manage their buildings and the City wants to know how we are doing in terms of reducing energy can GHG emissions for overall city sustainability goals.

Carole Schaeffer – Indicated that the Smart Growth board has met three-four times to discuss energy benchmarking and issues are:

Mandatory vs. voluntary

What are the legal issues?

What are the cost to administer?

What is the future use of the information and how would that impact the building owner?

Schaeffer did mentioned that there is no one place to get all of the information on energy efficiency related programs federal, state, local – this would help building owners.

## DISCLOSURES AND RECUSALS

None

## DISCUSSION

1. Presentation/information gathered to date.

Hoffman – reminded everyone that all information for this committee can be found and Legistar #35501 (started in 2014).

Susan Schmitz – indicated that people care about this issue and people care about the environment and reducing energy and GHG emissions

Schmitz explained today's format - the intent is to gain additional building owner perspective. She noted it shall be formatted as a discussion with the invited guests and not limiting their responses.

McDevitt, Schlecht, Faber, and Schmitz created a visual presentation to summarize the deliberations of the Committee to date. All three presented the material included.

Faber also contributed to the definition of benchmarking, explaining that each building will report a different energy use, when collected together as a city, a bell curve of yearly energy use volumes will be graphed. This potential initiative is not to judge where buildings lie on this curve or to require any improvements to be completed. It is simply to measure and report the current energy use.

Schmitz noted the City of Columbus currently has a voluntary benchmarking initiative, and will move to mandatory disclosure ordinance if the 90% of all buildings greater than a 50K sqft threshold do not report at the end of this year.

McDevitt explained that a number of cities in the U.S. have already established mandatory disclosure ordinances, as seen on a map in the presentation. Many begun as voluntary programs but moved to a mandatory disclosure ordinance to capture a much fuller picture of the building energy use of the city as a whole. Often the number of buildings included increased 4 to 16 times once a mandatory or an all-inclusive ordinance is passed.

Schlecht noted that mandatory reporting creates much more informative data (a greater scope of buildings) and allows a City to develop a targeted approach to assist buildings which have the highest potential for energy savings / those with the most need.

Schmitz noted there are challenges to implementing a benchmarking program, including the disclosure process or how to assist Building Owners to add their data to ENERGY STAR Portfolio Manager in the most expedited and accurate way. She also noted the burden for collecting the base building information and the monthly utility energy use would be on the building owner.

Schmitz noted the feedback the Committee received from cities that had passed these ordinances was very informative, mainly best practices and educational objectives, as to how Madison could proceed. She noted many city representatives highlighted the involvement of business groups during the process, especially calling out the presentation by Rebecca Baker at the City of Seattle.

Schmitz presented possible resources to be available to building owners. The idea of transparency of data, or disclosure, brought up discussion amongst the group. Many requested further explanation of the logistics and how this would work – including

energy data acquisition. Schmitz noted this should be included in any educational materials produced.

## 2. Open Discussion with invited Property Owners

Zach Brandon – Indicated that the way it was introduced in the past was not helpful. That the Chamber felt that the previous ordinance made it seem like businesses do not care, the City is going to audit you to make sure you are telling the truth. Instead we should be looking for public/private partnership.

Brandon did indicate - Reducing energy and saving the environment are goals of the Chamber and that he can understand that the City needs a full data in order to track progress.

Brandon asked what is to be gained from this initiative - how can both building owners and the City simultaneously gain from the effort?

Hoffman noted the City needs the data to understand the progression towards the City's stated goals as outlined in the Sustainability Plan, while building owners gain additional information on how to better manage their building's energy use and control the comfort.

Dennis Sandora indicated that Gialamas can't get energy data from tenants. Unless the tenant signs off.

McDevitt asked what do we need to make this work for the business groups?

Matt Darga – indicated that once the data aggregated – I do not think the data is that big of deal as it is data for the whole building.

Brandon – Asked if potential tenants use information against landlords.

Darga – Indicated that ULI has used it to our advantage, but that getting the data from the tenant can take time.

Slavish – agreed that as a building owner, if it is mandatory, you (building owners and the City) will get more data.

Slavish – used the Churchill Building as an example it is over 100 years. Hovde can't make any more improvements they are competing with ULI, etc. Hovde is concerned about how the data will be used. He also noted that in the letter from Vanta that 43% of all commercial buildings are owned by the state, city, or county.

Raj Shukla indicated that is not about picking on poor performing buildings but about how can we put resources towards the building that need assistance.

Willa Schlecht also indicated that it is very important to have aggregate information for the City.

McDevitt – indicated that the Committee has learned a lot from other cities and that the committee needs to know what building owners need, such as maybe helping building owners work with tenants to get data or assistance with energy audits?

Jeannette LeZaks – mentioned that it will be important for information to get out about what resources are available. And also emphasized that the aggregate data is important. Through benchmarking perhaps a one-stop-shop could be created to help businesses understand the resources available. LeZaks also mentioned that there is currently \$1.0 million in the sustainability fund.

Brandon indicated that the Chamber benchmarked their building – not sure if it is right and wondered if the program can be voluntary.

Darga indicated that ULI now indicates in the lease that energy information needs to be provided but for tenants that do not have the provision and do not provide energy data ULI gets averages from MGE.

John Sumi – There is an exception to provide averages in the PSC rules.

McDevitt – reminded the Committee that disclosure can be done a very different ways.

Gruder indicated that currently very few private sector commercial businesses benchmark through Portfolio Manager.

Brandon – wondered if it is so good, why aren't building owners doing it more?

Sandora indicated that education is the key. There are some tenants that use a lot more energy, such as Baker Tilly during tax season they are working 7 day a week 24 hours per day.

McDevitt – indicated that through Portfolio Manager you can account for that.

Darga - indicated that having incentives to encourage energy efficiency helps.

Slavish agreed and indicated that setting up a program that creates an incentive would be good.

Gruder mentioned that Seattle's benchmarking report indicates that there has been \$77 million dollars in savings so far.

Schlecht – indicated that most tenants pay the utilizes and therefore might what to partner with building owners to increase energy efficiency and lower energy bills.

Slavish – indicated that older buildings are very different with heat included in lease payments.

Sandora – did indicated that some of these buildings where the owner does pay for utilities – there is a lot of incentive to keep costs down.

Slavish – indicated again that the program needs an incentive to help after benchmarking.

Darga – yes to incentives.

LeZaks – indicated that this was great feedback and that the committee would need to work with building owners to know exactly what you need.

McDevitt – Building owners know there is an issue getting data and the committee can work on that issue.

Sandora – There will probably be some building owners that will not benchmark.

McDevitt – The committee can consider that too and look for ways to help owners benchmark. Ultimately we are interested in aggregate data such as building types.

Jeanne Hoffman indicated that usually ordinances start with large building then go down in size.

LeZaks indicated that if there is a verification process that can be private and done by 3<sup>rd</sup> party.

Gruder – showed aggregate information on Seattle ..

Darga – indicated that we can provide this information in aggregate and then would like carrots. One question is getting tenant information. He mentioned that they do put it in the lease but for older tenants this can still be a problem.

McDevitt indicated that the discussion today sounds very similar to the conversations the committee had with other cities – the issues and concerns are similar to the other cities.

Sandora – indicated that he is concerned about businesses moving to Middleton?

Brandon – also indicated this could be a problem.

LeZaks – indicated that there are many reasons why businesses locate where they locate.

McDevitt indicated that the facts are clear voluntary programs result in low participation rate. If disclosure is a huge issue, we can figure it out.

Slavish indicated that disclosure by building type is better.

Darga - indicated that to get the data it would need to be mandatory.

Schmitz – Indicated we have homework. To work on disclosure, How can help the building owners. Also look at verification

How the ordinance would be Administered  
And there is the issue of data security