From: EDC
To: Freedman, Andrea
Subject: FW: Energy Benchmarking and Tune Up Legistar 75280
Date: Wednesday, January 18, 2023 4:44:48 PM

From: Aris Gialamas <aris@gialamas.com>
Sent: Wednesday, January 18, 2023 3:01 PM
To: EDC <EDC@cityofmadison.com>
Cc: bill@smartgrowthgreatermadison.com; Cathy O'Donnell <cathy@gialamas.com>
Subject: Energy Benchmarking and Tune Up Legistar 75280

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Economic Development Committee members:

I'm writing you today on behalf of The Gialamas Company, Inc. and business owners that lease space in our buildings that have shared opinions on the proposed ordinance mandating building energy benchmarking and tune ups (Legistar 75280). We feel strongly that more time and effort needs to be dedicated to this program and would ask that it be delayed to complete this important work or to change this to a voluntary program or to complete a beta study to see if results warrant a mandatory approach and will truly end in savings in energy and cost. Even if the new program remains mandatory, we are requested that it is changes so it does not require reporting of proprietary information to the city government.

The ordinance makes the Madison city government the holder of the reported energy data, which we feel is not appropriate. Once the city government has the data, it can be obtained by anyone through a public records request. The data required to be collected and the use of Energy Star as the data base we feel can produce very unreliable information and is not a true benchmarking tool due to several reasons:

- Use of space has changed drastically since the onset of COVID and hybrid and work from home situations are still largely the new normal. This has two effects, one being energy use in the winter increases without bodies and equipment running to offset mechanical heating and data gathered in the manner required is not accurate as there is no tool yet to calculate hybrid or work from home. Energy Star was contacted on this issue, and they have directed us to use staff counts and PC counts prior to COVID and not rely on current use. This is counter-productive, will provide inaccurate results and would appear to be a large waste of time and energy on the part of building owners.

- We have been informed by business owners that they will not provide staffing or technology count data for this purpose as they feel this is proprietary information and are not willing to share this. They also stressed that they are far more concerned right now with other important business matters with economy, staffing shortages and

process changes to allocate time to this effort.

- We have also been informed that building owners and tenants who pay for utility costs directly feel this is proprietary information that should not be shared publicly. We have talked to utility companies, and they feel that this is information that is proprietary to customers also.

- No information is required regarding to the type of building mechanical systems. This varies greatly building to building and drives various energy use. Electric heat vs gas, heat pumps vs VAV's, water cooling towers vs gas, etc. The data created from this method would not provide anything detailed enough to be of any value to building owners and is dangerous to compare one building type to another in this method.

One question we have is, what real value will this bring to the City and its residents if the data is not accurate or obtainable? Utility companies provide information on use of energy to property owners, and this is already being reviewed carefully by owners trying to find ways to reduce cost and use. Additional questions would be why must this data be reported to the city government and what is the city government planning to do with this data in the future? We were informed early in the process that the point of this was to require the building owners to look at the data, which can be done without requiring reporting to the city government.

Smart Growth, developers and other stakeholders have raised these concerns with the Mayor's office and staff repeatedly, and the response we have received is that the building owner should just enter estimates if accurate data is not available from the commercial tenants. Smart Growth's members object to making up estimated numbers to input into the Energy Star tool to complete a report that is of no value because the numbers are just made up, and to be coerced into doing so by the threat of being fined for failing to report.

Staffing for this effort is a critical concern as there is an extreme shortage of mechanical, maintenance, service staff in the City of Madison and many building owners are struggling just to meet the critical demands of maintaining their buildings. The City of Madison stated that they were working with MG&E and Alliant Energy to download usage information directly to help with this effort, but as of yesterday, we were informed that MG&E has not worked on this, and this is not possible at this time. One concern they have is that this is considered proprietary information for their customers, and they have not resolved this issue.

When building owners have their HVAC systems checked by outside HVAC maintenance technicians, they ask for advice on how to make the HVAC system as efficient as possible. When boilers or windows or roofs need to be replaced, building owners invest in more energy efficient systems. Building owners are extremely aware of the cost of energy and motivated to reduce energy consumption and costs. A mandatory program is not necessary.

It is unlikely that the recommendations of the tune up specialist will produce much savings because building owners already are motivated to make their buildings as energy efficient as is reasonable without sacrificing the comfort of their tenants.

We do not even know how much outside tune up consultants will charge for a tune up because we and the consultants do not know precisely what a tune up requires. In addition to paying the outside tune up consultant, the building owner will have to pay for weeks of work by its own staff to gather and provide the data required by the tune up specialists. It is unlikely that the tune ups will produce more savings than the total cost of the tune up.

The current ordinance states that some of the recommendations from a tune-up will be mandatory if minor in cost and nature, but how "minor" is defined and what is mandated in the future has yet to be fully defined. This is a concern to have a program administrator define and mandate what is required or what is a minimal cost to a building owner or business. There does not appear to be any way to appeal this either, so we feel more work should be completed in this area.

Most building owners are already completing many steps on an annual basis that would be included in a tune-up. The have mechanical service companies ensuring equipment is operating at maximum efficiency, they inspect pipes, exterior building shell, water and electrical functions and use. For these owners, this is an additional financial burden to hire a specialist and staff time required to support these inspections that will reduce the ability to use this time and money more wisely. The savings estimated will be minimal at best or non-existent for those that care for their properties. This additional cost can't be charged to tenants that have leases in place with very specific operating and other costs defined. We feel strongly that this is not understood or addressed in this program.

Thank you for your consideration.

Aris

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