



By Rob Detta Colli
 BENG, MBA, CEM, CMVP
 Crossbridge Condominium Services Ltd.



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The Environment

Your Condo and Greenhouse Gas Emissions

Condo Corporations Have Been Mandated to Report Energy and Water Usage by 2019



Grade school sick days had two positives, in my books. Not only did you get to miss a day of school, you also got to watch daytime TV game shows. Family Feud was “must see TV” on those sick days for me. The host of the show at the time was a real character - Richard Dawson. I can hear his voice in my head as I give you this bit of trivia – 100 people were surveyed. Top 6 Answers on the board – “What industry sector in Ontario creates the most Green House Gases (GHGs)?” If you answered “Transportation”, then the “survey says” you got the #1 source of GHGs in Ontario – well done. If you answered “Industry”, then I would congratulate you on capturing the 2nd largest source of GHSs in Ontario. Are you curious on what ranks 3rd? The “survey says” that “Buildings” rank a very close 3rd to industry for GHG emissions, which surprises a lot of people.

The fact is that office towers and residential buildings are a large contributor of

GHGs in Ontario – accounting for 19% of the total in 2013 . It should come as no surprise then, that the Ontario government is looking at buildings to play a more prominent role to help Ontario meet its conservation and GHG reduction targets. To this end, the province is implementing a province-wide benchmarking initiative based on the principle that information can transform building performance.

What is the EWRB?

Ontario’s Energy and Water Reporting and Benchmarking (EWRB) initiative is intended to encourage existing building owners to improve their building’s efficiency, and reduce their emissions. Enabled by Ontario Regulation 20/17, the EWRB will require all buildings (including condominiums) in Ontario over 50,000 ft² (about 50 suites) to report their annual consumption of electricity, gas, and water. Buildings will also have to report their GHG emissions as part of

this initiative. Benchmarking initiatives are meant to be low-cost, so it was a smart move for the government to select EnergyStar’s Portfolio Manager software tool to underpin the program. Portfolio Manager is a free, web-based software tool that combines consumption information with other building parameters to calculate a performance benchmark or score for your condominium complex.

Why Did the Province introduce EWRB?

The idea of implementing a formal benchmarking policy is growing rapidly - 21 major cities in the US now require benchmarking, including New York, Boston, and Chicago. Ontario is the first province in Canada to implement a formal policy for privately owned buildings. Public sector buildings in Ontario have been reporting and benchmarking for four years now. The popularity of benchmarking policies is based on the recognition that many building owners were neither measuring nor tracking energy performance.

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Providing buildings a clear picture of where they rank with respect to building performance is seen as the largest barrier to improving the efficiency in existing buildings. There is evidence that supports the notion that benchmarking results that are made public are an effective way to improve efficiency – the US Environment Protection Agency credits low-cost benchmarking programs with a total reduction of 2.4% per year. Closer to home, CivicAction’s voluntary “Race to Reduce” program achieved a 12% energy reduction from 2010-2014 across 119 buildings.

How Will the EWRB Help My Condominium?

Benchmarking using the internationally recognized Portfolio Manager tool allows you to compare your building’s performance over time. It also allows you to compare your building’s performance with similar buildings. We see this helping in two ways. Firstly, the benchmark provides owners with excellent quality information needed to prioritize energy efficiency decisions with other priorities at their corporation. A poor score delivers a clear message of the opportunity a building has to improve efficiency. Secondly, a credible benchmark makes for an excellent communication tool to justify energy projects and/or to communicate successes to owners. We think every board recognizes that energy reduction projects typically have excellent returns – comparable to or even higher returns than corporations receive on their Reserve Fund balances.

The Elephant in the Room – Public Reporting

Ontario’s EWRB, like many other formal benchmarking policies, requires that some of the reported data is made public. Why is that? The first reason likely has to do with the government’s intent to encourage rather than enforce compliance. The government has successfully used a “shaming” strategy to encourage compliance for public sector buildings – they publish an annual “Buildings that did not report” list. The second reason that supports the public release of benchmarks is quite simply because the public has asked for this kind of data on buildings. Similar to the fuel economy stickers that appear

on new vehicles by law that allow for standardized comparisons, publicly available benchmarks will allow potential owners to compare building performance, which we think will allow more efficient buildings to demand higher property values. Not coincidentally, the government also sees the release of benchmark information as potentially unlocking market forces that will drive buildings to invest in energy efficiency.

So what data will be made public? The Ministry of Energy reports that they will publicly disclose the following:

- Property identification (likely condominium corporation number and address);
- Building age;
- ENERGY STAR score;
- Energy, water and GHG intensity (“intensity” means the amount per square foot)
- Confirmation of whether data was verified by an accredited or certified professional.

The Ministry reports they will not publicly disclose the first year of reported data – they want to give everyone a chance to get some experience with the data before it is made public.

When Do Condominiums Have to Report?

The government recognized the non-profit nature of condominiums, so the regulations were written to give condominiums a one year grace period versus their commercial and industrial counterparts. So, condominiums over 100,000 ft² (about 100 suites) will have until July 1, 2019 to report their annual consumption of electricity, gas, and water from the 2018 calendar year. Smaller condominiums are given a further one year grace period – condominiums over 50,000 ft² (about 50 suites) will have until July 1, 2020 to report their annual values from the 2019 calendar year. Some of the details still need to be worked out, but we do know quite a bit on how this will work. The answers to some of the most commonly asked questions are as follows:

- Utilities are required by the regulation to provide building owners with consumption data;

- Building owners will use Portfolio Manager to enter their monthly consumption information;
- Building owners are also required to enter other building information – things like address, how the property is used (multi-unit residential), gross floor area;
- If the building is individually metered for electricity, the total electricity consumption is entered that represents the common area plus all of the suites. Managers may not have suite consumption information, which is why utility participation in this initiative is critical.
- If there are utility meters already in place, then buildings will be entered as separate entities. If there is only one utility meter for an entire complex, then the information will be entered as a complex – individual buildings will be considered part of the complex.

What Should a Building Do to Prepare for the EWRB?

At the present time, we are recommending that condominiums do not spend too much time or effort preparing for EWRB implementation. We have three reasons for making this recommendation:

1. *Let the commercial and industrial buildings work out the bugs:*

It is not a coincidence that condominiums are given one year LONGER to report than their commercial and industrial counterparts – this is by design. As such, we think it would be wise

for condominiums to allow their commercial and industrial counterparts to blaze the EWRB trail. This will allow condominiums to learn from their implementation experiences at no cost, which will lower the cost of compliance for condominiums.

2. *The infrastructure required for compliance is not ready yet:*

The infrastructure to help comply with the benchmarking regulations is still being developed. For example, utility companies are required by the regulation to provide building owners with consumption data for the whole building – despite the fact it might be individually metered. We do not believe the utilities have the infrastructure in place yet to provide this information. Additionally, while we are very encouraged to witness the government's efforts to support the implementation, their own website indicates that information on education and training materials will not be posted until later in 2017. Please do not interpret this as the government introducing regulations that are not ready for implementation. We believe it to be quite the contrary. We were involved in the provincial and City of Toronto consultations back in early 2015, and we see much evidence that the government is taking careful and thoughtful steps towards the implementation of the EWRB. Also, let's not forget that the first reporting

deadline for condominiums is not until July 1, 2019 – that is two years away. There is still time to allow for the infrastructure and support materials to develop.

3. *Take the time to understand your building's energy use:*

Benchmarking is the appropriate tool to use for reporting and tracking performance. But, we see it more as energy "measurement" as opposed to energy "management". So in preparation of the EWRB, we encourage each condominium to make a nominal investment (\$1,250 to \$1,500) in developing an "energy model" of their building. Perhaps better known as a "weather corrected baseline", this tool (which is fairly simple regression analysis) can be used to determine if your building is behaving normally given the current weather conditions. The model can also be used to track the effectiveness of efficiency projects. Many energy engineering firms that conduct energy audits can provide this analysis – all they would need is one to two years worth of your existing monthly utility bills. Regardless of whom you select, energy modelling contributes to an understanding of how your building operates, which usually leads to excellent benchmarking results, lower costs for the building owners, and fewer GHG emissions that contribute to a better province. **CV**

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Toll Free: 1.855.604.3602
www.360communitymanagement.ca

