

Aida Camacho-Welch
Secretary of the Board
44 South Clinton Avenue, 1 St.
Floor Post Office Box 350
Trenton, NJ 08625-0350
Email: board.secretary@bpu.nj.gov

Re: IN THE MATTER OF THE IMPLEMENTATION OF P.L. 2018, c.17 ENERGY AND WATER BENCHMARKING
OF COMMERCIAL BUILDINGS, BPU Docket No Q021071023

Dear Secretary Camacho-Welch:

Please accept these comments on behalf of Calico Energy (Calico) in response to the January 6, 2022, Stakeholder meeting and previously published straw proposal regarding New Jersey Building Energy and Water benchmarking. We thank the Board for the opportunity to present these comments on behalf of Calico in this proceeding and commend the board for a well thought out approach to such a valuable initiative.

Calico has extensive expertise and familiarity with building benchmarking programs and the associated processes for utilities providing whole building consumption. We have addressed each of the board's questions individually below.

1. Staff requests stakeholder comment on the proposed definition of “commercial buildings.”

We believe that this is a good list. We also advise the inclusion of multifamily residential in the covered buildings list. Including this type of building is critical to enable the data access necessary to extend efficiency and other programs into prioritized populations and/or enable the advancement of existing programs.

Often disadvantaged populations targeted by low- or moderate-income customer initiatives reside in multifamily structures, and existing utility multifamily energy efficiency programs benefit greatly from an ordinance catalyzing the creation of whole building data (which they do not typically already have). If equity is a priority for the BPU, the 4C building class should be included.

In our experience with building populations in multiple urban centers, around 75% of buildings covered by a policy like New Jersey's are multi-tenant, and half of those are likely to include at least one residential tenant. The BPU's inclusion of mixed-use buildings means that residential customer data will need to be incorporated into utilities' data solutions, so there is no incremental technical impact on the utility side of including multifamily.

2. Staff seeks stakeholder feedback on which buildings should be excluded from the covered buildings list, how campuses should be treated, and why.

We recommend benchmarking be applied to campuses if the total square footage of buildings combined is over 25,000 square feet. This would support the most equitable policy without creating confusion as to what is a campus versus a building.

As above, we do not advise exclusion of multifamily buildings.

3. Staff recommends an appeal process to have buildings removed from the covered buildings list and seeks stakeholder feedback on the criteria for granting appeals.

Any appeals process should be fully transparent and ensure the decision, and any underlying supporting logic behind the decision, to be published.

4. Staff requests stakeholder feedback about the proposed data access approach, privacy and cybersecurity concerns about building owners and building operators accessing tenant data, and eligibility requirements for opt-outs based on privacy and cybersecurity concerns

Utility systems are typically oriented around accounts and do not have the ability for non-account holders to access data. This point was also made by the NJUA in the January 7th presentation and comments. Utility systems and operations are not oriented around buildings and do not provide functionality for building owners and/or anyone they designate to access aggregated whole building data.

Despite the current limitations of utility systems, it has been Calico's experience that these can be addressed without changes to existing core systems. There are off the shelf solutions that can ingest data from utilities and provide all the functionality needed. Calico has first-hand experience with utilities in cities such as Chicago and Philadelphia who provide benchmarking data without changes to existing core systems.

As proven in many other jurisdictions across the nation, it is possible to implement utility and state level data access and data display processes without running afoul of any data privacy laws. We do not see any reason for opt-outs on those grounds.

It has been Calico's experience that Utility customer addressing within Utility systems includes errors and inconsistencies. It is therefore recommended that some form of confirmation process be facilitated whereby the building owner / manager can confirm that all tenants – including those who are no longer active at the property as of the time of the request – are included in the aggregated data. This is best accomplished by confirming tenant occupancy by name and unit number as units may have had multiple tenants during the benchmarking period. This can be done while protecting individual tenant / account data privacy. Calico strongly recommends not relying on meter numbers as a data point for either requesting data or verifying its completeness. In areas where utility meter numbers alone are used for requesting or verifying data this has led to data inaccuracies and decreased building owner customer satisfaction.

5. Staff requests stakeholder comment on the utility implementation of data access and web services and other available options that would be secure and efficient and would streamline data upload for building owners/operators.

From Calico's experience building owners often ask building management companies or local engineering firms to handle submission of benchmarking data, so the BPU should consider ensuring a state level mechanism for building owner delegation and authorization of a third party. This would

prevent utilities from having to develop their own varied approaches to confirming that authorization and could be captured as a part of the BPU's CRM.

As represented by NJUA on the call and in comments and above, utility systems are account based and often utilities do not interact with building owners directly, nor do they store meter or account mapping to premises, nor do premises always equate with buildings. In short, their systems are not set up to easily aggregate building level data.

As a result, utilities may feel that there is a burden to add the UBID to their current Customer Information Systems (CIS) or MDMS to handle the BPU's planned approach. It is Calico's experience that there is no need for Utilities to modify their CIS or MDMS systems. Data requests are best handled by exporting current CIS data to a platform designed around building data aggregation and benchmarking enablement. Multiple investor-owned utilities have taken this approach very successfully either internally or through off the shelf software.

While there will be utility effort, both technical and programmatic, it need not be prohibitive in scope or cost. Calico does agree that utilities may need cost recovery for ongoing compliance support beyond an initial implementation of web services or a process design and implementation phase. But we would also note that utilities themselves can benefit greatly from this dataset if they connect it with their existing DSM program data.

Regarding other possible options, the BPU might consider a statewide platform for building owner data requests and access with individual integrations with the necessary utilities. This offers obvious benefits for building managers and owners who hold a portfolio of buildings across multiple utilities. It would also lessen the burden on utilities.

In that scenario, we would suggest that the data platform accept beyond the meter data which can then be aggregated with utility data prior to submission to Portfolio Manager for analysis. One challenge with a utility-by-utility approach is that building owners are left adding third party/beyond the meter data via some other mechanism.

There are also significant benefits to building owners and the energy efficiency community when a two-way integration with Portfolio Manager is established. While the BPU is not currently requiring utility solutions to support that functionality, if the BPU built a single application for Portfolio Manager connection, downstream from utility data provision, then it could be enabled. This would provide benefits to all stakeholders ranging from utility customer segmentation tied to buildings to the targeting of appropriate efficiency programs to relevant stakeholders.

It is also important to reiterate that this approach can be done in a way that both addresses privacy and cybersecurity risk. It has been Calico's experience that privacy and security are two related but distinct issues that can be addressed without significant risk.

It is worth noting that while monthly data is sufficient for Energy Star Portfolio Manager benchmarking, aggregated interval data can have significant value in analyzing buildings to determine efficiency potential and perform measurement and verification of efficiency measures. This benefit accrues to the building owner / manager, the program administration (Utility or BPU) as well as energy analysts and implementors.

Again, if the BPU took a unified approach to some of the technical functionality involved, more advanced capabilities may result.

6. Staff seeks stakeholder feedback on best strategies and recommended approaches for outreach to ensure that all commercial building owners and operators are aware of the benchmarking requirement and its benefits.

The BPU should consider utilizing organizations like BOMA, U.S. Green Building Council (USGBC), the 2030 Challenge, and other city specific initiatives to assist in communicating requirements and benefits. The BPU or its designate such as NJIT can conduct regional statewide meetings (in-person & virtual) with building owners and operators, energy efficiency and support staff.

Calico has also seen that [challenge](#) programs such as “battle of the buildings” have had significant regional impacts within comparable portfolios of buildings.

7. Staff seeks stakeholder feedback about what training content, media, and platforms would be useful to provide building owners and operators, as well as for any other entities.

Some of the best practices we have seen include step by step user guides, training webinars (in-person & virtual), establishment of a centralized support website including links to individual utility support, ordinance info, FAQ’s, etc.

Again, the BPU should consider consolidating some aspects of how building owners and their agents interact not just with the BPU, but with individual utilities.

8. Staff recommends developing a Portfolio Manager certification program with the assistance of New Jersey Institute of Technology’s (“NJIT’s”) Center for Building Knowledge and seeks feedback on how it might be implemented.

Calico would advise that the more divergent individual utility approaches and tools are from one another, the more support building owners will need. It is not just Portfolio Manager training that might be necessary for building owners or their representatives to successfully benchmark, but also support for requesting data from individual utilities.

9. Staff seeks stakeholder feedback on a public reporting approach that takes into account public awareness and transparency goals, privacy considerations, and minimization of cybersecurity risk.

As planned, the BPU should establish a statewide central reporting website to communicate Energy STAR scores and other metrics publicly. EUI and Energy Star Portfolio Manager scores do not expose privacy or cyber security risks.

Longer term, the state might consider future policies around time of rent or sale disclosures of buildings or unit level energy costs.

10. Staff seeks feedback on how to optimize reporting compliance.

Establish and clearly communicate deadline dates and specific rules / penalties related to non-compliance. Communicate potential benefits such as awards, incentives, etc. Making benchmarking a prerequisite to participation in energy efficiency programs may provide an incentive. It may also conflict with other savings goals. From Calico’s experience publicizing any potential issues with non-

compliance is a good idea. However, delaying implementation of such measures for the first year or two may be beneficial in making the relationship between the BPU and the real estate community cooperative and may lead to increased participation.

11. Staff seeks suggestions about how to design the benchmarking program so as to potentially be able to expand in future years (e.g., by accommodating additional buildings, etc.) and form the foundation for future efforts in increasing energy efficiency in buildings.

Calico believes New Jersey's benchmarking law will be the first in a series of building focused energy policies that will be able to evolve to include building energy performance standards next, as we've seen in many other jurisdictions. We also believe that the more the BPU can do now to establish scalable processes for access to accurate data, the more successful and impactful this and those future initiatives will be. Washington state's HB1257 is a strong model in its incorporation of utilities and utility data.

With that in mind, the BPU should seek to ensure not just data provision by utilities but data accuracy and include a mechanism for building owners/representatives who believe the data they are receiving is incomplete or otherwise inaccurate to report this. The BPU should also contemplate a trajectory of additional engagement with utilities around more frequent and higher resolution data provision.

Further, as the building sector is a significant contributor to carbon emissions that cannot be ignored, a benchmarking program like this one is the foundation of enabling advanced energy management strategies in New Jersey's buildings at scale, such as grid-interactivity (GEBs).

12. Staff seeks comments on additional elements of the benchmarking program that would maximize its benefits.

In the past 10 years we've seen significant momentum around building-focused energy policies and their evolution. However, as noted by the NJUA and Calico throughout these comments, utilities are not yet incorporating buildings into their operations, programs, or data structures. While they are becoming increasingly customer focused, they remain account-based in every way. The regulations, incentives, and metrics they operate against are likewise account-based.

Utilities are the only stakeholders around buildings who have a legal right to see both individual customer data AND building level data, but currently they do not have that building level view. And they will not unless regulators catalyze this.

Utility regulators like the NJBPU are the missing link between building sector focused energy policies and the utilities that serve those buildings. With the right recalibration of utility regulation and success metrics, a state level benchmarking program like this one could catalyze utility incorporation of building level data, engagement, and even controls over time.

Benchmarking program data – EUI and/or Energy Star score – is valuable for utility programs and to date, utilities typically are not leveraging it. A building whose score has decreased year over year could be a candidate for a retro commissioning program. This view should be the first step of an energy audit. At a minimum, utilities could be using this data for lead generation for existing programs.

We encourage the BPU to consider additional utility side collaboration that could shift the utility side implications of this program from cost recovery to benefit attainment.

This document is being filed electronically with the Secretary of the Board. No paper copies will follow.

Very Truly Yours

A handwritten signature in blue ink, appearing to read "Rich Huntley", with a long horizontal flourish extending to the right.

Richard Huntley

Calico Energy