



Submitted Via Email

January 20, 2022
Aid Camacho-Welch
Secretary, NJ Board of Public Utilities
Post Office Box 350
Trenton, New Jersey 08625

**RE: In the Matter of the Implementation of P.L. 2018, c.17 Energy and Water
Benchmarking of Commercial Buildings, Docket No. QO21071023**

Secretary Camacho-Welch:

The Natural Resources Defense Council are please to submit these comments in the above-referenced matter.

Sincerely,

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I. INTRODUCTION

The Natural Resources Defense Council (“NRDC”) is pleased to provide these comments on the New Jersey Board of Public Utilities (“Board”) Building Benchmarking Policy Proposal and Implementation Outline (“Straw Proposal”).¹ As required by the Clean Energy Act of 2018, no later than May 23, 2023, the Board shall require owners and operators of commercial building over 25,000 square feet to benchmark energy and water use using the U.S. Environmental Protection Agency’s (“EPA”) Portfolio Manager Tool.² In the Straw Proposal, the Board asked for stakeholder comment on several program design options.

The NRDC works on building benchmarking initiatives across numerous states and cities, and recommends the Board look at jurisdictions with successful programs to inform its own. Effective building energy benchmarking has been shown to be a critical first-step tool to increase building energy efficiency and decarbonization. This is especially important in New Jersey, where buildings are the second largest source of climate pollutants after vehicles. Unless New Jersey rapidly decarbonizes its building sector, it will be unable to meet Governor Murphy’s Green House Gas (“GHG”) reduction goal of 50% 2006 levels by 2030.

II. COMMENTS

1. Covered Buildings

The Covered Buildings List should be expanded to include multifamily dwellings and apartments, public school property, and government buildings. The Covered Buildings List in the Straw Proposal explicitly excludes these classes of buildings without clearly articulating a reason for doing so. This exclusion will undermine the achievement of New Jersey’s ambitious decarbonization goals, is inconsistent with the goals articulated in the 2019 Energy Master Plan (“2019 EMP”) and has serious equity implications.

¹ NJ BPU, *Building Benchmarking Policy Proposal and Implementation Outline* (Dec. 2021), [hereinafter, Straw Proposal], available at: <https://www.nj.gov/bpu/pdf/Benchmarking%20Straw%20Proposal%2012-16-21.pdf>

² Clean Energy Act, P.L. 2018, c.17 (C.48:3-87.8 *et. al.*).

In order to achieve New Jersey’s ambitious climate goals, it needs to rapidly decarbonize the building sector, which will require a holistic approach that includes the largest number of building types as possible in decarbonization programs. The New Jersey Department of Environmental Protection’s (“DEP”) 80 x50 Report found that achieving New Jersey’s climate goals require an 89% reduction in commercial building emissions over the next 30 years. It also determined that, based on DEP Emissions Statements, the largest emitters were “*colleges, universities, and professional schools; general medical and surgical hospitals. . .*” (Emphasis added).³ Despite the significant emissions from these building types, the current Covered Buildings List exempts non-profit hospitals and public school properties. Given the significant emissions from these building types, it would be a mistake not to include them in program.

The 2019 EMP further underscores the importance of a holistic approach to building energy benchmarking that includes a broad array of building types. As the Straw Proposal identifies, the 2019 EMP set a goal for building energy benchmarking because it is “a critical component in promoting market-driven increases in energy efficiency.”⁴ However, the 2019 EMP does not stop there. It recommends the setting of performance standards for existing buildings, “in order to drive efficiency and electrification retrofits.”⁵ It further finds that “Data from benchmarking will help characterize the energy and emission intensities by property type and allow the state to identify the high emitting buildings, set an appropriate performance standard for each sector, and develop an appropriate path for decarbonization.”⁶ More simply stated, successful decarbonization of the building sector will require comprehensive decarbonization programs, and the starting point for any such program is building energy benchmarking. Buildings without benchmarking data will be at a massive disadvantage.

The exclusion of multifamily buildings, especially affordable housing, has serious equity implications and it is crucial to the success of this program, as well as other BPU and utility multifamily programs. Affordable multifamily buildings are often the ones most in need of

³ NJ Department of Environment Program, Global Warming Response Act 80x50 Report, at 42. (2020).

⁴ Straw Proposal, at 3.*citing* 2019 New Jersey Energy Master Plan, at 150-151.

⁵ 2019 New Jersey Energy Master Plan, at 151.

⁶ *Id.*

upgrades and in which tenants could benefit from reduced energy costs. In the short-term, benchmarking allows building owners to analyze and compare their energy usage and performance to similar buildings and identify affordable pathways to decrease energy usage by leveraging state- and utility-run energy efficiency programs. In the long-term, building energy benchmarking will provide crucial data for utilities and energy efficiency programs administrators on how to design and provide targeted incentives and outreach to multifamily buildings in their program offerings.

The benefits of including these additional building types are numerous and far outweigh the minimal cost. However, to the extent there is any concern around potential additional costs or challenges for including public, non-profit, and multifamily, those buildings could be provided with additional time to comply with the benchmarking requirement, be provided additional forms of support, or face less onerous compliance requirements than privately-owned commercial buildings. Despite additional considerations for these building types, the success or failure of New Jersey's energy benchmarking program hinges on their inclusion.

2. Data Access

The NRDC broadly supports the Data Access approach outlined by staff in the Straw Proposal.⁷ There are general principles that the NRDC recommends be included in the final building energy benchmarking program. First, utilities should provide aggregated monthly whole-building data where a building includes two or more meters. Utilities can further facilitate building energy benchmarking by mapping meters to building and providing aggregated whole-build energy usage information to building owners on an ongoing basis. Second, it should be easy and accurate to capture data through an automatic upload process, which can be accomplished through the use of the EPA Portfolio Manager tool as outlined in the Straw Proposal. Finally, the building energy benchmarking program should distinguish building owners from other users of customer energy data. This means that, in comparison to third parties, such as those included in the Boards Advanced Metering Infrastructure (“AMI”) proceedings, building owners required aggregated

⁷ Straw Proposal at 7.

data that contains no individual information, and should be able to access these anonymized data about their properties.

3. Public Reporting

The NRDC supports robust and transparent public disclosure of building energy benchmarking data and agrees with Board Staff that the goal of public disclosure should be to raise public awareness while balancing privacy and cybersecurity risk. In particular, The NRDC recommends that New Jersey's program include the program report, building-level database, and poster on the building disclosure approaches.

As the Straw Proposal identifies, publishing an annual benchmarking program report is common practice in nearly all jurisdictions with benchmarking programs. At a minimum, the program report will provide important information on benchmarking program success, including compliance rates and synergies with New Jersey's energy efficiency programs.

Next, the NRDC recommends the creation of a building-level database. Many jurisdictions produce interactive map-based databases that are searchable. For example, both of the largest neighboring cities to New Jersey, New York City and Philadelphia, produce interactive maps that include a range of information including building name, location, age, square footage, compliance, Energy Star Benchmark Scores, and energy intensity.

Both the annual program report and build-level database should be pursued in year 1 of the program and improved upon as the program matures and more building owners have complied with benchmarking requirements. Then, the "poster on the building" approach should be included as part of program compliance once building owners have had adequate time to benchmark their buildings and take steps to become more energy efficiency.

III. CONCLUSION

The NRDC appreciates the opportunity so submit these comments. New Jersey's building energy benchmarking program can and should be a critical tool to identify building energy usage and

create targeted programs to achieve New Jersey's decarbonization goals while decreasing costs for building owners and tenants.