

Best Practices for Utilities Deploying Data Tools for Multifamily Properties

As interest in energy benchmarking has increased nationwide, utility customers are increasingly looking for easy and user-friendly ways to track their energy usage. For multifamily building owners, however, access to whole building energy information is often hindered where tenants are the utility customer and the usage in specific units is unknown. This guide seeks to inform utilities of the current barriers for multifamily building owners and share best practices for deploying data tools to serve those customers.

NEED + BENEFITS

Just as utilities must deliver online methods for residential customers to view and pay their utility bills, utilities should provide their building owner customers with modern utility data tools tailored to their needs. Today, building owners are in the dark about utility usage. Both owners and residents of multifamily properties are impaired by the information gap.

Owners of these multifamily buildings need information on utility usage in order to improve the buildings - to understand how the buildings are performing and make informed investment decisions. In many cases, simply having “whole building” data (a sum of all the usage of multiple included units) can drive energy-related projects by allowing owners to track trends and compare building energy usage within their portfolios and to similar buildings in their region.

Owners rely on the utility to deliver utility usage information. Data tools such as landlord portals or spreadsheets, can allow owners to prioritize investments that will stabilize or reduce utility and operating expenses, enhance customer satisfaction, encourage owners to make efficiency investments that help the utility meet its efficiency goals, and allow for the increased health and comfort of tenants.



STATUS QUO + BARRIERS

Owners of multifamily buildings currently face many barriers that prevent them from easily obtaining the utility usage information they need. While some utilities have recently implemented effective systems, many have not. In addition, varying data sharing practices make it particularly difficult for owners of portfolios that span many different utility territories to strategically address energy usage across their portfolios in a consistent way. This places a large administrative burden on building owners.

Aggregation

Many owners need whole building data in order to understand energy use in their buildings. If tenants pay some utility bills in the building, then aggregated data is essential for owners to achieve this goal. However, some utilities do not provide aggregated whole building data. For those that do, many require an unnecessarily large number of accounts to be aggregated in order for the owner to receive the summary, which excludes small and medium buildings completely.



Consent procedures

Many multifamily building owners need to obtain permission from their tenants to obtain the tenants' utility information. This occurs when the owner needs the unit-level information for HUD administered utility allowances, to do energy models to estimate savings from projects, and in some cases to track whole-building information if the building has a small number of tenants.

If utilities do not offer an aggregated data tool or if the building owner needs data based on unit type (required by some affordable housing programs), owners must go through the laborious paper based process obtain tenant consent. This difficult process is made more difficult, because there are different practices for tenant consent across utilities. Some utilities require use of only the utility's specific form. Similarly, some utilities require forms to be submitted annually, while others allow for three years or more in between submission. Some utilities even require forms to be notarized or dual consent to be provided in the form of both a signature and also a phone call by the tenant.

Privacy

There is a heightened concern about customer privacy whenever utilities are asked to deliver information because account-level data are tied to individual customers or addresses. These legitimate concerns can be addressed with reasonable procedures to protect customer privacy. Utilities can protect customer privacy by only delivering a whole-building total to the owner (without every included customer's permission) when the total is aggregated of at least 3 or more active accounts. This aggregation reasonably and safely anonymizes customer usage data.

To the extent there are concerns that a whole-building sum of 3 or more accounts leaves some small risk that the owner might "disaggregate" the total to learn something about one of the included tenant's usage, it is worth noting that owners and property managers could access these data at any time, via on-site manual meter reading, though this laborious process is not sustainable as a long-term activity.

BEST PRACTICES

It is recommended that utilities use the following best practices in order to serve their customers - residents and owners of multifamily properties:

I. Deliver Needed Usage Information to Building Owners Using Modern Methods/Tools

- 1 Implement online tools that provide building owners with whole-building usage summaries for multifamily buildings with separately metered spaces. Consider holding a workshop with selected Multifamily owners to design key requirements for system.
- 2 Include capability for owner to automatically upload into industry standard tools such as Portfolio Manager^{®1}, Wegowise, and EnergyScoreCards.²
 - a Most benchmarking tools have "two-way talking" capabilities with Portfolio Manager, so a user of any other tool could receive the benefit of aggregation and automatic population in the tool.
- 3 Provide utility whole building consumption and cost data in a manipulable format that allows owners to compare usage and analyze trends.
 - a Do not provide data as a pdf or scanned file.
 - b Preferred formats include: xls, .csv, .xml, etc.
 - c According to 2016 HUD benchmarking guidance, if whole building data aren't available, utilities should provide a combination of whole owner-paid utility data and sample tenant-paid utility data
- 4 The U.S. Department of Energy's Better Building Energy Data Accelerator identified three primary "first steps" for utilities seeking to develop a whole-building data aggregation policy: (1) map energy meters to buildings; (2) simplify the tenant authorization process; (3) streamline data transfer.³

II. Aggregate Whole Building Data

- 1 Implement procedures to assure building owners can obtain whole-building energy usage information without the need for each included tenant's authorization.
- 2 A data aggregation threshold means the whole building summary is only delivered if comprised of 3 or more included tenants, which guards against any recipient "disaggregating" the total to identify the usage of an individual customer.⁴ For example, Xcel Energy (in Minnesota and Colorado) ensures anonymity using a 4/50 threshold, which includes a minimum of 4 accounts that each use less than 50% of total building consumption. ComEd in Chicago uses a simple 4+ tenant threshold, which states that if a building has four or more tenants, the utility can provide aggregate whole-building data to a building owner without explicit tenant authorization.
- 3 If additional measures are needed to assure the whole building summary does not create any issues, a utility could consider delivering a one-time notice to included customers that the building owner obtains a whole building summary of usage.

III. Simplify and Standardize Tenant Data Requests

- 1 Implement a standardized and simple procedure for owners to use when they are requesting an individual customer's (not whole-building) usage data. For example, an owner of an affordable housing building seeking to use new utility allowance models that provide the owner with incentives to invest in energy efficiency upgrades.
- 2 Any process must reasonably assure the recipient of the customer information has obtained the customer's permission. Create a reasonably streamlined process.⁵
 - a Minimize instances in which tenant authorization is needed.
 - Allow data release forms to be good for 3 years or more,⁶ with a simplified reauthorization process.
 - For example, after the initial consent term, the utility could provide written notification (letter via mail, e-mail, etc.) that consent will be automatically reauthorized unless the customer opts out.
 - Provide customers with an online process to convey permission to the owner.
 - Allow the owner to submit permission forms electronically.

- 3 Develop a simplified customer authorization form.
 - a Through governing authority (e.g., PUC or PSC), establish a common authorization form that can be used across all utilities.
 - b Provide flexibility for the owner to obtain valid permission from the customer with terms integrated in the owner's standard lease agreement.
 - c If a common authorization form cannot be used, allow for flexibility in the tenant release form when specific tenant authorization is needed, as long as it includes the following:
 - Full legal name
 - Mailing address
 - Utility service address (if different from mailing address)
 - Time period for which consent is provided
 - Building owner or property manager, if known
 - Signature
 - Date
 - d Do not require original paper-based signatures. Allow for electronic signatures.
 - e Do not require notarized signatures or dual authorization (signature and phone authorization).



CASE STUDIES

- 1 EVERSOURCE** has established a 4/50 data aggregation level for its customers in Massachusetts. If this threshold is not met, the utility requires written authorization from each tenant before providing aggregated whole-building data. Currently, building owners receive data in a spreadsheet format for manual uploading into Portfolio Manager®, but Eversource has stated publicly that it intends to incorporate automatic Portfolio Manager® uploading in the future.
- 2 XCEL ENERGY** has voluntarily developed a 4/50 data aggregation threshold for its customers in Minnesota and Colorado. Xcel has also developed a User Guide to help building owners through the customer consent process as part of its data portal which uploads aggregated, whole-building energy usage data directly into Portfolio Manager. For more information, see www.xcelenergy.com/energybenchmarking.
- 3 PUGET SOUND ENERGY** provides whole-building data access to customers in western Washington State. Its MyData tool allows customers to select either automatic uploads to their Portfolio Manager accounts, or manually download data via Excel spreadsheets. For more information on the MyData tool, see <https://pse.com/accountsandservices/YourProperty/Pages/Automated-Benchmarking.aspx>.
- 4 PEPCO** provides aggregated energy use data for customers in its territory. Pepco uses a 5+ unit aggregation threshold. Pepco's online energy management tool, Resource Advisor, aggregates whole building data on a monthly basis and automatically uploads it into Portfolio Manager. For more information, see <https://www.pepco.com/pages/myhome/energymanagement/energybenchmarking.aspx>.

CONCLUSION

Multifamily building owners across the country are interested in tracking the energy usage in their buildings to make investments that could help stabilize operating expenses and improve the health and comfort of their tenants. Greater access to energy information helps building owners conserve energy, allowing utilities to meet their efficiency and conservation goals, and also improves the utility-customer relationship. By following the best practices in this guide, utilities can take steps to benefit building owners, residents, and utilities themselves.

- 1 See the Xcel Energy portal, which automatically uploads into Portfolio Manager, currently used in Minnesota and Colorado: www.xcelenergy.com/energybenchmarking
- 2 U.S. Department of Energy, Better Buildings; <https://betterbuildingssolutioncenter.energy.gov/sites/default/files/attachments/Best%20Practices%20for%20Providing%20Whole-Building%20Energy%20Data%20-%20Guide%20for%20Utilities.pdf>
- 3 See footnote 1, *supra*
- 4 A data aggregation threshold reasonably allows for customer privacy. See Philip Henderson & Charlie Harak, *How Utilities Can Give Building Owners the Information Needed for Energy Efficiency while Protecting Customer Privacy*, *The Electricity Journal*, Vol. 28 Issue 9, pp. 33-44 (Nov. 2015).
- 5 Information on the procedure that other utilities require can be found in the HUD Multifamily Utility Data Collection Database. See <https://www.hudexchange.info/resource/5029/multifamily-utility-data-collection-database/>
- 6 Xcel Energy has developed a consent form for customers to sign that authorizes data transfer for a period of three years. <https://www.xcelenergy.com/staticfiles/xcel/PDF/Regulatory/MI,MN,NM,ND,SD,TX,WI-B&P-Authorization-for-Release-of-CEUD.pdf>