



January 22, 2019

By Hand Delivery and U.S. Mail

Ms. Lora Johnson, CMC
Clerk of Council
Room 1E09, City Hall
1300 Perdido Street
New Orleans, LA 70112

In Re: RESOLUTION AND ORDER ESTABLISHING A DOCKET AND OPENING A
RULEMAKING PROCEEDING TO CONSIDER REVISING THE COUNCIL'S RULES
TO ALLOW RELEASE OF WHOLE-BUILDING DATA TO BUILDING OWNERS
(Docket No. UD-18-04)

Dear Ms. Johnson:

Enclosed please find an original and three (3) copies of the Alliance for Affordable Energy's Comments in the above mentioned docket. Please file the attached communication and this letter in the record of the proceeding and return one timestamped copy to our courier, in accordance with normal procedures. If you have any questions, please do not hesitate to contact me.

Thank you for your time and attention.

Sincerely,

Logan Burke
Executive Director
Alliance for Affordable Energy

Cc: Known parties Docket UD-18-04

Before

The Council of the City of New Orleans

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ESTABLISHING A DOCKET AND
OPENING A RULEMAKING
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UD-18-04**

DOCKET UD-18-04

January 22, 2018

Comments of The Alliance for Affordable Energy

The Alliance for Affordable Energy (“the Alliance”) respectfully submits these comments in response to Council Resolution R-18-539, which provided an opportunity for intervenors to submit information on practical approaches to increase energy efficiency in New Orleans by making data more transparent to building owners who need it. Making energy usage data available on a building basis enables them to identify opportunities for equipment upgrades, tune up their building systems, qualify for new types of financing, and serve tenants’ needs by reducing and stabilizing their operations costs. While the deployment of advanced metering infrastructure (“AMI”) provides an excellent opportunity to create a cost-effective, long-term solution to providing building owners with this data, the Alliance is concerned that delaying data access to accommodate that process may cost New Orleans ratepayers money, comfort, and opportunity. Accordingly, we provide information on the possible scope of the need for data as well as practical, near-term solutions.

Many New Orleans Buildings Can Benefit from More Data

As the parties are aware, the City of New Orleans has sponsored an Energy Challenge¹ to encourage business owners in the Downtown Development District of the city to benchmark their buildings. This effort is part of the City's Climate Action Strategy to reduce emissions by 50% by 2030. In the first year of the challenge, 40 large commercial buildings took part in the effort. In addition, since 2014, the City of New Orleans has undertaken benchmarking of its own properties,² including 69 municipal buildings across the city, impacting over 5 million square feet of space.

Many cities draw on these foundational steps to implement a building performance policy that requires building owners to take simple, low-cost actions like benchmarking their buildings and making their resulting energy scores publicly available.³ Last summer, the City of New Orleans hosted a series of six stakeholder meetings in which representatives from over seventy organizations—including commercial real estate, affordable multifamily housing, academia, architecture and engineering, nonprofits, energy service providers, and Entergy New Orleans—participated to discuss how to improve the efficiency of local buildings. Stakeholders considered how a building performance policy would look in New Orleans and what types of buildings it would cover. To inform this discussion, the City of New Orleans Office of Resilience and Sustainability calculated approximately how many buildings and how much square footage

¹ <https://www.nola.gov/resilience/energy-challenge/>

²

<http://www.bizneworleans.com/October-2014/City-Completes-Energy-Efficiency-Benchmarking-of-Municipal-Buildings/>

³ <https://www.buildingrating.org/>

would be impacted if they applied concepts used by other cities, such as particular building type and square footage cutoffs. For example, cities that have implemented benchmarking and transparency policies often implement progressive thresholds (e.g., requiring buildings larger than 50,000 square feet to comply in an initial year and then gradually phasing in buildings larger than 20,000 square feet over time). If the City of New Orleans set a threshold of 50,000 square feet for commercial buildings to benchmark in an initial year of a policy, this could cover approximately 608 buildings and 130 million square feet (see table below). This means that perhaps as many as 608 buildings⁴ could benefit from access to whole-building energy usage data prior to the full deployment of AMI.

Type	Sector	Size Threshold	Number of Buildings	Total Square Footage Impacted
Non-city property	Non residential	50,000 sq. ft +	608	130,478,218

Source: City of New Orleans, Office of Resilience and Sustainability

Potential Benefits Associated with Expanding Access to Whole-Building Data in the Near Term

As of this filing, Entergy New Orleans (“ENO”) is expected to deploy AMI by the end of December 2020. While the AMI will be a useful tool for providing data access to building owners, it is likely that complete customer billing data will not be available, or software applications will not be completed, for several months to a year after that timeline. As is noted in

⁴ While it is likely to be fewer buildings—many will be owner-occupied—we do not know how much fewer it will be.

our prior comments in this docket, benefits and savings will be lost to customers if they are unable to receive whole-building data ahead of the deployment.

In response to the Council's request for information in Resolution R-18-539, the Alliance has worked with the City Energy Project, a program of Natural Resources Defense Council and the Institute for Market Transformation, to derive an estimate of potential benefits that customers could realize as a result of a short-term solution for the buildings described above. This analysis is intended to be informative rather than exact, as many factors go into saving energy. Benchmarking and transparency policies are correlated with energy savings, but are not necessarily their sole cause.

The analysis uses cost data from the Energy Information Administration ("EIA"), and assumptions based on per square footage electric energy usage from the City of Atlanta, which passed a benchmarking and transparency policy covering commercial and multifamily buildings over 50,000 square feet in 2015.⁵ Atlanta's data was used as a proxy for the energy intensity per square foot of New Orleans buildings, given that information is not currently known. In addition, this assessment uses two estimates for savings as a percentage of kWh: a "low" estimate derived from the City of Chicago's savings experience, and a "high" estimate based on EPA's assessment of average energy savings from those buildings that submitted their information to ENERGY STAR Portfolio Manager.⁶ This analysis does not use a savings number from any "top saving" cities, so these estimates may be considered conservative. The analysis shows that annual energy savings for the 608 buildings could range from 32 to 58 million kWh, with corresponding utility bill savings ranging from \$3,182,710 to \$5,728,878. This calculation does

⁵ <https://www.buildingrating.org/jurisdiction/Atlanta>

⁶ https://emp.lbl.gov/sites/default/files/lbnl_benchmarking_final_050417_0.pdf

not assess the impact of changes to demand charges from reduced peak or off-peak energy use.

See Attachment A for full calculation.

There May Be Cheaper Near-Term Solutions to Providing These Building Owners with the Data They Need

New Orleans ratepayers could save significantly from gaining useful information that helps them become more energy efficient. ENO has reasonably raised the prospect of cost in providing data in the near term, prior to implementation of AMI. However, it is likely that a cost-effective solution exists that has not yet been considered that could help create these millions of dollars in benefits, and New Orleans ratepayers should not be prevented from becoming more efficient simply because ENO's newest technology has yet to be deployed. For example, Energy Smart program managers could use access to customer data to provide an interim benchmarking solution. The Alliance believes that a preexisting offering could provide the path to enabling more building owners to receive data, while having the co-benefit of them also being entered directly into Energy Smart services. No additional software is necessary as the service already exists. The Alliance encourages the Council and ENO to consider coordinating existing and future Energy Smart programming to provide this service.

It is somewhat unclear why Entergy expects the cost of aggregating information directly from their own billing system should cost hundreds of thousands of dollars. Bringing building owners into the program should also be fairly uncomplicated. Entergy could use a system similar to Rocky Mountain Power, which requires that building owners fill out a form and submit meter numbers⁷. Portland General Electric uses a similar system⁸. Neither of these systems

⁷ https://www.rockymountainpower.net/epe/energy_benchmarking.html

⁸ <https://www.portlandgeneral.com/forms/city-of-portland-energy-performance-reporting>

require the utility to conduct physical verification, saving precious time and money.

Alternatively, a private market solution could also be created to help building owners/managers benchmark their properties in order to capture savings before 2021.

The Long Term Solution Should Be Carefully Planned

Longer-term, ENO is tasked with developing an approach to provide whole-building data leveraging its AMI. Regardless of whether ENO were to use AMI or any other approach (e.g., querying its billing systems), there are certain principles it should consider, such as how to make the experience user-friendly and smooth for building owners to request and receive data. The Alliance believes that any steps ENO takes in the short term—around benchmarking buildings, or mapping meters by working directly with customers, should help smooth that future process—it is never time wasted to gain a better understanding of customer buildings and use that information to work with those customers more closely around efficiency.

Conclusion

There is significant potential for benefits to customers and energy savings to be reaped by implementing a temporary solution for large commercial buildings that could access their energy information ahead of AMI deployment. Even greater savings could be realized by coordinating with the Energy Smart efficiency program for commercial customers. The Alliance suggests steps be taken to support between \$3.2 million and \$5.7 million in savings for Entergy New Orleans customers.