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VIA ELECTRONIC FILING

Colette Pollard  
Reports Management Officer, QDAM  
Department of Housing and Urban Development  
451 7<sup>th</sup> Street SW, Room 4176  
Washington, DC 20410  
via [www.regulations.gov](http://www.regulations.gov)

Re: Notice of Proposed Information Collection: Energy Benchmarking, Docket No. FR-5913-N-27

Dear Ms. Pollard:

Stewards of Affordable Housing for the Future (SAHF) is a collaborative of thirteen high capacity, mission driven nonprofits committed to long-term ownership and affordability who provide high quality, affordable rental homes for more than 125,000 households across the country. SAHF's mission is to lead policy innovation and advance excellence in the delivery of affordable rental homes that expand opportunity and promote dignity for residents.

SAHF welcomes the opportunity to provide comment to the Department of Housing and Urban Development on the Notice of Proposed Information Collection: Energy Benchmarking published on October 4, 2016. Below are our responses to each of the questions put forth in the Notice.

1. Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility.

We agree that "HUD has a vested interest in eliminating energy and water waste in the assisted housing stock and stabilizing operating costs in both the insured and assisted stock" and support HUD's efforts to encourage energy and water efficiency in multifamily housing. SAHF and its members also support efficiency and have acted on this shared interest in operating our own portfolios as well as providing tools and resources to the broader multifamily industry. Benchmarking data can support these efforts, but there are ways of achieving efficiency that do not rely on this level of data.

With respect to the practical utility, as detailed below, we believe that for owners there is a stark divide between the utility of data on owner-paid utilities and the utility of data on tenant-paid accounts. HUD faces a different set of opportunities to act on benchmarking data, and the practical utility of the data to HUD ultimately depends on whether the data collection can be achieved at a reasonable level of quality and whether HUD has the systems in place to act on the data.

## A. Practical utility of data to owners

SAHF recognizes the importance of data in identifying opportunities for efficiency and has found valuable opportunities to act on benchmarking data related to owner-paid accounts. Owners can use utility consumption and cost data to prioritize retrofits where the utility cost savings justify the up-front investment in efficient equipment or materials – retrofits that in turn improve properties’ benchmarking scores. Reports such as the EPA’s documentation of savings achieved by commercial and MUSH<sup>1</sup> sector properties using Portfolio Manager from 2008-2011<sup>2</sup> can be credibly taken as indicators of the savings potential from benchmarking of owner-paid utilities in multifamily properties. Indeed, a recent study of benchmarking owner-paid utilities in multifamily properties in Minnesota<sup>3</sup> also affirms that notion that benchmarking can lead to savings.

The expectation that benchmarking utility consumption will lead to savings is more tenuous for tenant-paid utilities, where owners face a split incentive and have more limited ability to act on the data. The types of analyses we apply to owner benchmarking data – looking at costs versus savings – do not readily apply where the savings accrue to the tenants and owners are unable to recover costs. SAHF and its members are committed to reducing energy and water consumption portfolio-wide, including usage related to tenant-paid accounts. Actions we undertake to achieve tenant savings include implementing efficient construction standards and equipment replacement standards as well as accessing utility programs for low-income tenants. These means of eliminating waste do not rely on access to historic tenant utility data, and it is unclear what further actions benchmarking of tenant data would enable without concomitant resources or incentives for improving efficiency.

## B. Practical utility of data to HUD

Given the limited opportunities for owners to act on tenant utility data, the potential value of benchmarking that includes tenant data relies on how HUD will use the data. We acknowledge HUD’s interest in reducing waste and believe there is potential for HUD to use whole-building data to inform policies and programs that would lead to savings. Two factors that are critical to HUD’s being able to act on the data are that the data should be of reasonably good quality and that HUD should have systems in place to receive, analyze, and share the data with partners as needed. Each of these factors raises concerns.

### i. Data quality

Our experience working with utilities on access to tenant-level data raises concerns about the quality of both annual data and the month-to-month allocation of the data. Utilities’ IT systems are structured primarily around individual account holders, and utilities have obligations to protect their customers’ personal information. Even when customers have signed releases, there are limits to what utilities can disclose. Compiling reports that

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<sup>1</sup> Municipalities, Universities, Schools, and Hospitals

<sup>2</sup> [https://www.energystar.gov/sites/default/files/buildings/tools/DataTrends\\_Savings\\_20121002.pdf](https://www.energystar.gov/sites/default/files/buildings/tools/DataTrends_Savings_20121002.pdf)

<sup>3</sup> <http://www.brightpower.com/wp-content/uploads/2015/10/EnergyScoreCards-Minnesota-Report-Overview.pdf>

contain only the authorized data from multiple accounts can be a labor intensive, manual process, and is subject to errors. When these reports are distributed to owners in paper or PDF formats, their entering the data into a useable format is once again a labor intensive, manual effort that is subject to errors. That many utilities' systems for sharing data are as of yet relatively unsophisticated raises concerns about the quality of the data that would be submitted to HUD.

Our data quality concerns are amplified when considering the quality of monthly data. In our experience gathering data from utilities, two practices lead to inaccurate monthly data. In some cases, utilities will provide twelve months of utility data by calculating an annual number and dividing it evenly across the twelve months. This is an inaccurate representation of seasonal variation. A second practice that leads to inaccurate monthly data is that utilities do not always read meters on a monthly basis but sometimes provide estimated bills for a time, using the prior year's usage as the basis for the estimate, and then "true up" the bill in a subsequent month. This practice also generates data quality issues.

Two important aspects of utility data analysis rely on monthly data: weather normalization and disaggregation by end use. Weather normalization is critical to understanding a building's performance when conducting year over year analyses that identify trends in performance and evaluate past improvements. Portfolio Manager's analysis tools include weather normalization, which is applied to monthly data, and inaccurate monthly data undermines the ability to appropriately weather normalize. It also undermines the ability to disaggregate data by end use (e.g., baseload, heating load, and cooling load), which is a key means of monitoring the performance of particular equipment types and related retrofits.

## ii. HUD systems to receive, analyze, and share data

We understand that HUD's intent is to use the data collected to promote efficiency. Despite our own limited ability to act on tenant data, HUD's interest in overseeing an efficient portfolio with more stable operating costs is meaningful to us. HUD's intentions for how to use the data – the types of policies or programs it wishes to pursue that would be informed by the data – are as of yet unclear. The practical utility of HUD's receiving benchmarking data relies on its having such a plan in place, and making the plan public would bolster support among those being tasked with collecting and supplying the data.

Beyond having a clear plan for the policy and program applications of the data, another key element of a utility data management system is information technology capacity. To make the data useful to HUD and its stakeholders, HUD needs an IT system that can retrieve data, link it to other data sources, analyze it, and make it available to relevant parties. Prior to the requirement for owners to provide data going into effect, we believe that it is critical that HUD's IT system be equipped with the capacity to perform the functions.

## 2. The accuracy of the agency’s estimate of the burden of the proposed collection of information

The Notice provides an estimated burden of 0.50 hours per response. Based on our experience, this estimate is tremendously low and rests on faulty assumptions about the underlying availability of data. The Notice acknowledges that the estimate covers only the time to generate a report in Portfolio Manager. Yet collecting tenant consumption data and entering it into Portfolio Manager is a complicated and costly process not required by the current Utility Allowance (UA) policy.

HUD’s current UA policy requires the collection of cost data on tenant utilities. This policy has been widely, though not universally, implemented, and provides insights into the level of difficulty obtaining information from utilities. Importantly, the policy does not require the collection of consumption data, and the impact of adding this requirement ranges from costly to unfeasible. In some cases, the data utilities provide even with signed releases is for cost data only and does not include consumption data. Where available, the additional burden of reporting consumption data includes transcribing another twelve pieces of data per utility per housing unit into Excel in many cases, reviewing the data for quality issues such as accounts with insufficient months of data, formatting the data for upload to Portfolio Manager, setting up properties in Portfolio Manager including characteristics such as square footage, and reviewing data coming out of Portfolio Manager to check for errors.

These actions require considerable time and expense, and also call for a certain level of energy expertise. Consumption information on a utility bill is more difficult to identify than cost data. Staff may also need to translate between different units, particularly on natural gas bills. Understanding what ranges of values are reasonable in order to review the data for quality also requires a fairly high level of energy expertise.

It also is important to note that the Utility Allowance policy is not yet universally implemented. Not all properties yet have experience obtaining any data (cost or consumption) from utilities. Additionally, properties implementing the policy have faced barriers including delays and expenses. Even when the appropriate releases are provided, collecting the data can require repeated follow up with the utilities. Many utilities’ official policies on providing data include that requests are reviewed on a “case by case basis” without an obligation to respond, much less respond in a timely manner.

The level of effort to collect the tenant data varies widely depending on the metering configuration of the property and the utility policies in place for that particular geography. The Multifamily Utility Data Collection Database<sup>4</sup> (MUDCD) developed by Enterprise Community Partners and TRC Solutions as a Better Buildings Challenge Technical Assistance product for Mercy Housing and Winn Companies identifies many challenges to accessing tenant utility data.

That nearly 40% (16 of 42) all of the utilities covered did not respond to the MUDCD survey is one indication of the level of difficulty in obtaining data from utilities. Among those that responded to the survey, the database identifies such barriers as not accepting standard release forms, providing

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<sup>4</sup> <https://www.hudexchange.info/resource/5029/multifamily-utility-data-collection-database/>

data in PDF, or charging for data. While the database provides a resource for owners to understand what barriers they are likely to face, it also highlights the level of difficulty in accessing data from even some of the larger and more sophisticated utilities.

Our experience attempting to implement the utility allowance policies affirms the widespread experience of such data access barriers as well as some particularly egregious examples. For one utility, tenants have to both sign a release and call the utility company to confirm their release. Another utility's method of honoring the release is to send the data back in paper form not to the owner but directly to the tenant.

### 3. Ways to enhance the quality, utility, and clarity of the information to be collected

One way to alleviate data quality concerns is to hire third party services to manage and analyze the data. Offering owners resources and incentives to cover the costs of quality data collection and analysis would improve the quality of the data and help address concerns about the data's utility to HUD. HUD also could provide incentives to owners for reducing utility consumption that would add to the utility of the data to owners. Particularly important in this context are incentives that reward savings to tenant meters. The rent setting requirements for LIHTC properties, where owners have an option to increase rents when utility allowances are reduced, is a model for incentivizing owners in properties that receive rental assistance.

In order for the data to be useful to HUD, the Department also should be sure it is retrieving from Portfolio Manager all of the information it would need to analyze its intended policy and program options. The Notice lays out a set of fields that owners would be required to report from Portfolio Manager. The inputs required to generate those metrics are far more numerous and could easily be included in exported reports. From our experience using owner-paid utility data to manage portfolios and design programs, several other factors in addition to the requested fields are relevant. These factors include the number of buildings in a property, number of stories in buildings, which systems are central versus individual, whether or not properties have on-site renewables, and what fuels serve which end uses. We would be happy to have further discussions with HUD on what data available in Portfolio Manager could be of value for HUD's intended uses of the benchmarking data.

### 4. Ways to minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

As identified in the Notice, there is a national trend toward greater availability of aggregated consumption data. Once a California law requiring Investor Owned Utilities to provide aggregated data comes into effect in 2017, approximately 25% of the SAHF portfolio will be served by utilities offering such data. Groups like the Institute for Market Transformation and the Energy Efficiency for All initiative are actively advocating for greater aggregate data access, and SAHF is highly supportive of these efforts.

The greatest step HUD could take to minimize the burden of the collection of information would be to lend its voice in coordination with the Department of Energy and the Federal Energy Regulatory Commission to strengthen and accelerate this movement toward greater access to aggregated data.

Additional tools that would be useful include tools that would help automate quality assurance of data in Portfolio Manager – reviewing both inputs and outputs and flagging data points that are outside normal or expected ranges.

The ability to submit reports electronically is of course welcome, but only after the many hurdles of obtaining data and generating the reports are surpassed.

## Conclusions

HUD's interest in eliminating waste and stabilizing operating costs is appropriate and laudable. Yet the utility of energy benchmarking in achieving these goals is questionable given the current infrastructure for data access and analysis. In the face of the current set of potential benefits against likely costs, SAHF offers the following recommendations for revising the information collection laid out in the Notice:

### Effective date

Implementation of the notice should be delayed until HUD has articulated and communicated a plan for how it intends to use the data, identified the metrics needed to support that plan, and updated its IT systems to be able to receive data exported from Portfolio Manager, link it to other data sources, analyze it, and make it available to relevant parties.

### Data access advocacy

Accessing data through the current system is a cumbersome and costly process, and devoting federal resources to these efforts in the face of its limited utility is a poor use of time and money. Changing the system for how owners access data should be the priority over providing resources and technical assistance to help owners navigate the existing burdensome system. HUD should apply its resources to pressuring utilities for greater data access.

### Exempt properties with poor data access

Owners have poor access to utility data for tenant-paid accounts where utilities do not provide aggregated data. Given that the costs and burdens these properties would face are significantly higher than the burden estimate laid out in the notice, we suggest that HUD offer an express exemption for these properties. Properties with reasonable access to utility data include those at which all of the utilities are paid by the owner and those with access to aggregate data. Whether or not a property has a utility allowance is known to HUD and can be the basis for applying the requirement to properties at which all of the utilities are paid by the owner. Which utilities provide aggregated data also is readily identifiable through the map<sup>5</sup> published by EPA to identify what utilities provide customers with energy benchmarking data.

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<sup>5</sup>[https://www.energystar.gov/buildings/owners\\_and\\_managers/existing\\_buildings/use\\_portfolio\\_manager/find\\_utilities\\_provide\\_data\\_benchmarking](https://www.energystar.gov/buildings/owners_and_managers/existing_buildings/use_portfolio_manager/find_utilities_provide_data_benchmarking)

This set of recommendations offers a path forward for beginning to access, share, and use benchmarking data. With continued advocacy from the wide range of stakeholders lining up in support of improved data access, the properties covered by utilities offering aggregate data will expand over time. As the data set expands, HUD and owners can jointly build our respective capacities to put benchmarking data to use to improve the performance of multifamily housing.

Thank you for the opportunity to comment on these important steps on the path to energy efficiency. Should you have questions about our comments please contact Rebecca Schaaf, SVP for Energy ([rschaaf@sahfnet.org](mailto:rschaaf@sahfnet.org)) or Andrea Ponsor, EVP for Policy ([aponсор@sahfnet.org](mailto:aponсор@sahfnet.org)).

Sincerely,

A handwritten signature in cursive script, appearing to read "Eileen M. Fitzgerald".

Eileen M. Fitzgerald  
President and CEO