Parks and Environment Committee

RE: PE4.2: Update on Energy Reporting and Benchmarking By-law for Large Buildings

Councillor Berardinetti and Ms. Kaustinen,

The Real Property Association of Canada (REALpac) and our members would like to thank the City of Toronto for the ongoing collaboration and consultation with respect to RE4.2: Update on Energy Reporting and Benchmarking By-law for Large Buildings. REALpac recognizes that energy management policies have a dual benefit for not only the City of Toronto, but for owners and operators of real estate as well. It is our understanding that the Province of Ontario, specifically the Ministry of Energy is to develop a provincial energy reporting requirement for buildings in the near future. We believe that the City should continue to collaborate with the Ministry on the development of a well-designed reporting regime.

The enactment of a requirement to report energy consumption means that building owners and landlords must collect and organize their building data before it can be submitted to the authority administering the system. Once utility data is sorted and measured, landlords are able to see an accurate picture of their internal usage and can make informed decisions about operational efficiencies and reduction strategies based on their findings. These energy reductions are translated into cost savings for landlords and owners. The financial benefits which follow energy measurement and reporting is a ‘bottom-line’ motivator for participation.

REALpac and its membership, which is comprised of public and private real estate companies, real estate investment trusts (REITs), banks, brokerage firms, pension funds and life insurance companies, have a significant role to play in the enhancement of sustainability policies and practices. As many REALpac members have considerable real estate assets in Toronto, our organization has a vested interest in ensuring that reporting or benchmarking requirements, if enacted, are well-designed and likely to achieve provincial and municipal sustainability goals.

According to a July 2014 staff-commissioned report, we understand the City’s sustainability goals to be:

A. **Improving Energy Security**: Reduced demand for energy places less strain on Toronto’s aging distribution infrastructure and therefore helps to mitigate the risk of power disruptions, while also better managing the needs of a growing city.

B. **Achieving GHG Targets**: Given that approximately half of Toronto’s GHG emissions are generated from buildings, the anticipated investment in buildings retrofits will drive gains in energy conservation, and in turn support the city’s GHG emissions reduction goals (30% reduction by 2020).

C. **Enhanced Programs & Policies**: Developing a more accurate database of building energy consumption information provides the city, utilities and industry stakeholders with a resource to identify areas for improvement and better informs decision-making. This would allow for customization of programs and targeted policies to those buildings most in need of support.
We believe that a provincially-legislated policy for energy reporting, disclosure and benchmarking can achieve these goals. With early partnership with stakeholder groups, such as REALpac, an effective policy can be applied province-wide and ensure greater value for Ontario’s municipalities.

The commercial real estate industry has been a sector leader in this space, embracing energy management mechanisms such as ENERGY STAR Portfolio Manager, BOMA BEST, LEED Certification, and intensity metrics that have a notable impact on emissions standards. Special programs such as the ‘Race to Reduce’ initiative, the former Ontario Power Authority’s CDM program, and the new Conservation First initiatives are also all steps in the right direction.

As we have mentioned, this matter is of significant interest to REALpac member corporations. We look forward to continuing to work with the City on the design of energy reporting policies through the Provincial effort.

With thanks,

Brooks Barnett
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