

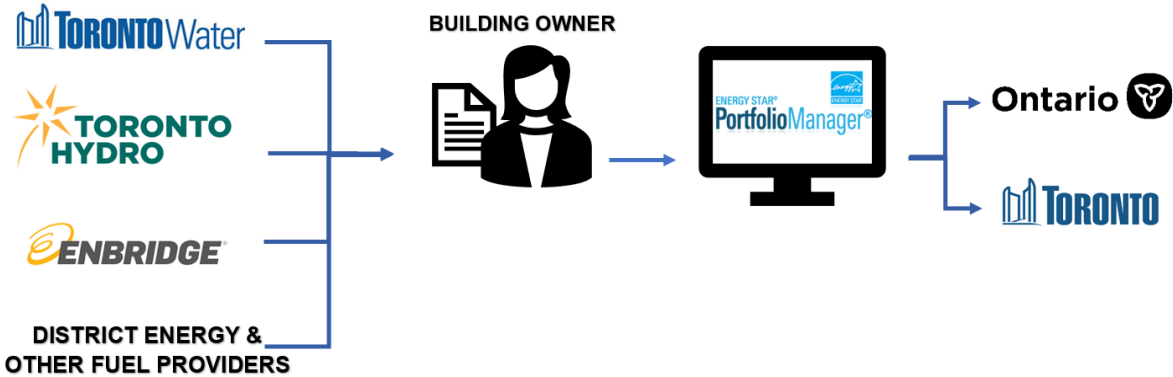
Attachment 2 – Impacted Stakeholders

Key players impacted by the Building Emissions Performance Reporting By-law

Collaboration between multiple stakeholders will be essential to the successful implementation of the proposed Building Emissions Performance Reporting By-law, including coordination between water, electric and gas utilities, City divisions, property owners, and tenants.

Figure 1, below, shows the flow of data between different players during the submission of report information under the proposed By-law..

Figure 1: Flow of report information during the reporting process



Property Owners & Tenants

Many property owners with large building portfolios already track and benchmark emissions and energy use to better manage costs. As the scope of the Building Emissions Performance By-law expands, the eventual goal to requiring all buildings to report energy and water use, reporting needs to be streamlined to ensure the process is not onerous for the property owners with small buildings.

Additionally, multi-tenant buildings may present particular challenges as reporting expands to property owners of smaller buildings. In some instances, the property owner required to comply with the proposed By-law may not be the authorized customer for all energy consumed at the property. When tenants are billed directly by the utility, the property owner (i.e. the landlord) is considered a third party – meaning the tenants may be required to formally authorize the utility to release energy data. The process of pursuing multiple authorizations may present a barrier to compliance.

The City of Toronto will need to collaborate with local utilities to ensure property owners are provided with whole-building energy-use data in a straightforward and easy to use manner as reporting requirements are extended to property owners with smaller buildings.

Utilities

Local utilities play a key role in streamlining property owners' compliance under the By-law by providing consumption data in electronic format. Utilities gaining the ability to upload customer data directly into the reporting tool (Energy Star Portfolio Manager (ESPM)) will be an important part of making reporting easier for all property owners, but particularly for property owners of small buildings. Currently, property owners must obtain consumption data from their utilities and then enter that data into ESPM themselves. Enabling consumption data to be uploaded directly into to ESPM by utilities would streamline the reporting process for property owners and improve data quality by reducing the risk of human error.

Ontario energy utilities have been mandated by the Province under O.Reg. 633/21: Energy Data under Electricity Act, 1998 to enable Green Button 'Download my Data' and Green Button 'Connect my Data' by November 1, 2023. 'Download my Data' allows users to download their energy data in standard format. This makes it easier for property owners to upload their data into other applications that support the standard format. Natural Resources Canada has committed to enabling functionality within ESPM that will allow users to upload 'Download my data'-formatted data by early 2024. 'Connect my Data' allows the utility to directly upload customer data into 'Connect my Data'-compatible 3rd party applications (with customer consent). However, Energy Star Portfolio Manger (ESPM) is not yet a Green Button 'Connect my Data'-compatible reporting tool. Adding 'Connect my Data' functionality to ESPM would require NRCan and the EPA to modify the ESPM application. Adding 'Connect-my-Data' functionality to ESPM is on a list of potential updates to ESPM, but such a project is not currently underway.

However, Energy Star Portfolio Manager does have the functionality to enable utilities to directly upload customers' consumption data (with consent), using ESPM web services (which does not require data to be in Green Button 'Connect-my-Data format'). Toronto Hydro has had initial exploratory discussions with Natural Resources Canada regarding using ESPM Web Services to upload whole-building electricity consumption data directly into customers' Energy Star Portfolio Manager accounts. Toronto Hydro is prepared to work with the City and Natural Resources Canada to identify feasible options to support efficient energy reporting and benchmarking. Staff have engaged in preliminary discussions with Enbridge Gas; however, plans to enable upload functionality via ESPM web services have not been confirmed. Toronto Water has not previously engaged with NRCan regarding enabling automatic uploading of consumption data into ESPM but has considered the possibility including discussion with Technology Services. Environment & Climate Division, Toronto Water, and Technology Services staff are supportive of enabling direct uploading of water data to ESPM via ESPM web services, and a recommendation to prioritize this project has been included in the report. Environment & Climate Division staff will explore options to help temporarily fill these gaps if implementation is delayed. Further detail is included under *Responding to requests for aggregated whole-building water data*, below.

Ideally, automatic direct uploading of consumption data will have been enabled for all 3 major utilities before the smallest buildings under the proposed By-law are required to report emissions performance information. Environment & Climate Division staff will

work with Toronto Hydro and Enbridge Gas to enable streamlined reporting options for their customers, for example through direct uploading via ESPM web services, and/or to encourage NRCan and the EPA to build green button 'Connect my Data' functionality into ESPM, or through other direct reporting options. As the proposed By-law expands in the future to require more and more property owners to report their buildings' information, the value proposition further improves for utilities to provide direct reporting to improve customer experience.

Toronto Water and Revenue Services

Responding to requests for aggregated whole-building water data

Under the proposed By-law, property owners will be required to report water consumption information at the building level. Where a building has multiple water accounts, the property owner will need the water consumption data from those accounts to be aggregated into total monthly water consumption for the whole building. In providing support to property owners required to report water consumption to the Province under the Energy and Water Reporting and Benchmarking (EWRB) program under O.Reg. 506/18: Reporting of Energy Consumption and Water Use (O.Reg. 506/18) since 2018, staff from Environment & Climate Division, Revenue Services, and Toronto Water have all been involved in processing requests for aggregated whole-building water usage data when requests fall into any of the following three categories:

- a) A property contains a building with four (4) or more water accounts
- b) A property owner does not have access to their building's data from water accounts which are held by tenants
- c) A property owner cannot access full annual water usage data for their building using the MyWaterToronto online self-serve portal (e.g. where a meter has not been reading or transmitting properly, and the property owner requires a usage estimate).

Requests have typically been received from property owners by Environment & Climate Division staff, who have required the assistance of Toronto Water, and sometimes Revenue Services to fulfill the requests.

When the property owner requesting the data provided all of the water account numbers that needed to be aggregated, then Environment & Climate Division staff would send Toronto Water a request for the aggregated data summed from all of the account numbers provided. If the property owner did not have all the water account numbers for their building available to them (e.g. in the case of buildings where multiple tenants pay for their own water consumption), then Environment & Climate Division staff would provide Revenue Services with the property tax assessment roll number for the property, and Revenue Services would provide all of the Toronto Water account numbers that were associated with the property, which Environment & Climate Division staff then used to request aggregated data from Toronto Water.

Anticipated staffing impacts due to increased requests for water data

If requests for aggregated water data increase proportionally with the number of buildings that would be affected by the proposed By-law, then staff time spent

processing water requests can be expected to increase significantly in the months leading up to the report deadline each year.

Toronto Water noticed a marked increase in the number of water data requests in 2023 compared to previous years – approximately twice the number of requests, which roughly aligns with the 75% increase in the number of buildings required to submit EWRB reports in 2023 as a result of the 2023 expansion of the provincial EWRB program to buildings as small as 50,000 square feet (~4,645 square meters). Toronto Water does not currently have the existing staff capacity to process the current increased number of requests for aggregated water data that they received in 2023, nor to deal with the anticipated increase in the number of requests for aggregated whole-building water data that can be anticipated from dropping the threshold for reporting to buildings with gross floor area equal to or greater than 929 square meters (10,000 square feet). Similarly, Revenue Services experienced an increased number of requests for water account numbers in 2023, and likewise does not currently have the existing staff capacity to process the current increased number of requests, nor the staff capacity to deal with the anticipated increase in number of requests in 2024 and beyond. Environment & Climate Division expects its own staff time spent processing water requests to increase three to four-fold in the months leading up to the report deadline.

Proposed information technology solution to avoid need to increase staffing

For this reason, a technology solution to automate the aggregation of whole building water consumption data is recommended. In anticipation of requiring such a technology solution, Environment & Climate Division staff have initiated discussions with staff from Toronto Water, Revenue Services, and Technology Services regarding reviving a previously deferred project to automate the aggregation of data from multiple water accounts to provide whole-building water consumption for property owners, based on property tax assessment roll number. The original project cost was estimated at \$400,000 in 2019.

In addition, Environment & Climate Division staff, in consultation with staff from Toronto Water and Technology Services, recommends that to maximize ease of compliance with the proposed By-law, an information technology solution should be developed to enable Toronto Water account data to be automatically uploaded to Energy Star Portfolio Manager via ESPM web services. This project still requires scoping for both the initial setup and ongoing maintenance, however, as an example, Manitoba Hydro used internal resources to implement a similar project and reported that 1,000 hours of staff time were used over a period of 12 months from decision to project completion¹. As such, Environment & Climate Division staff expect this project is likely a cost-effective approach to support the reporting requirement under the proposed By-law, the existing Provincial reporting requirement, and to prepare for potential future work.

In sum, staff from the Environment & Climate Division, Toronto Water, and Revenue Services Division no longer feel that continuing to manually process requests for

¹ NRCan (n.d.). Energy Star Portfolio Manager Web Services Guide, p. 21,

https://drive.google.com/drive/folders/1GBT7qXz5eBQDDNWgG4Xx0m8At8_jTVJm

aggregated water consumption data is a feasible approach. Staff from these divisions, as well as Technology Services Division, are all supportive of automating the aggregation of whole-building water consumption data, and a recommendation to prioritize this project has been included in the Recommendations section of this report. In the absence of an automated solution for aggregating whole-building water consumption data, including in the interim while an automated solution is being developed, staff capacity will need to be increased. These staffing impacts will be addressed through the budget process.

Stakeholder Engagement

Summary of 2015 Stakeholder Engagement

In March 2014, the Parks & Environment Committee adopted a recommendation directing the development of a by-law & implementation plan to require the owners of large buildings to report energy & water usage to the City (item [PE26.3](#)). In August 2014, City Council adopted a recommendation authorizing the Chief Corporate Officer to enter into all necessary agreements with the Ontario Power Authority, utility companies, government agencies and other partners, in forms satisfactory to the City Solicitor, to support research, program design and implementation activities in connection with the energy reporting requirement, as required ([PE29.2](#)).

As a result, by June 2015, Environment & Climate Division staff had conducted extensive planning, research, and stakeholder consultations, which included joint City-Province outreach to industry.

As part of the planning process, the City established a cross-corporate working group to support the development of a proposed energy reporting requirement (ERR), which included representatives from Toronto Water, Tower Renewal, Legal Services, City Planning, Toronto Building, Toronto Hydro, Enbridge Gas, and the Toronto Atmospheric Fund (TAF). Environment & Climate Division staff also gave presentations and had discussions with industry associations like Real Estate Property Association of Canada (REALPac), Building Owners and Managers Association (BOMA), and the Canadian Green Building Council (CaGBC) to introduce the concept of an energy reporting requirement, and to ask the associations to reach out to their memberships and work with the City as part of the by-law design process.

Research which staff engaged in to support the development of an ERR by-law included a jurisdictional scan of best practices, a regulatory review, an analysis of Toronto's existing building stock, an impact study, and a review of tools and data platforms. As a result of this research, the following by-law elements were proposed:

- Reporting:
Commercial, industrial, and multi-residential buildings larger than 50,000 square feet (4,645 square meters) would report annually using the Portfolio Manager tool.
- Disclosure:
Public disclosure of specific results and annual reports.

- Data verification:
Report submissions would be periodically verified by certified professionals.

For the stakeholder consultations, the City hired an external consultant to develop and implement an extensive consultation plan that engaged key stakeholders, including property owners/managers, utility companies, government agencies, industry organizations and associations, energy management professionals, tenants' associations, and academic institutions. Stakeholder consultation also included joint City-Province outreach with industry on key elements of the ERR by-law such as reporting, disclosure, and data verification.

The consultation and engagement process was completed in three phases:

- a) A series of targeted key informant interviews, wherein the consultants and staff met with 10 stakeholder groups to solicit feedback to high-level policy concepts;
- b) A best practices summit, which was an opportunity for local stakeholders to learn from examples of successful voluntary and mandatory benchmarking initiatives implemented locally and across various US jurisdictions; and
- c) A series of three policy workshops, which were half-day sessions where stakeholders had the opportunity to provide structured feedback to a detailed ERR by-law proposal.

Stakeholder consultations with industry yielded the following feedback about key elements of the proposed by-law:

- Reporting:
Stakeholders felt the market was ready for an ERR by-law, and there was support for the proposed building types, size thresholds, and choice of reporting tool.
- Disclosure:
Stakeholders felt that public disclosure of report information could motivate market transformation, but they expressed concern around 'sensitive'/proprietary information that may be used for a competitive advantage, and concern that data should be normalized so that benchmarks would be fair and meaningful. Some stakeholders also expressed concern that the energy and water consumption of tenants in small multi-residential buildings might be identifiable in aggregated whole-building data due to the small number of tenants in the building. However, according to the Office of the Information and Privacy Commissioner of Ontario, in buildings with 10 units or more, as long as energy and water use data is aggregated at the building level, consumption data at the level of the individual suite cannot be inferred or calculated, and thus the privacy of individual tenants remains protected (Integral Group, 2015, p. 8).
- Data verification:
Stakeholders supported adopting a data verification requirement to ensure the quality of the information submitted and to level the playing field, making the ERR by-law more effective.

Summary of 2023 Stakeholder engagement activities and learnings

In August and September 2023, Environment & Climate Division staff conducted additional stakeholder engagement to obtain updated stakeholder feedback on the proposal to implement an emissions performance reporting by-law for property owners who owned buildings with gross floor area greater than or equal to 600 square meters (6,458 square feet) .

Environment & Climate Division staff engaged a third-party consultant to deliver the stakeholder engagement activities, and the consultation and engagement process was completed in three phases:

- a) An online survey, sent to a targeted list of relevant stakeholders, as well as select relevant City of Toronto mailing lists (e.g. EWRB reporting, Green Will Initiative, Economic Development & Culture Division's BusinessTO News).
- b) A series of 31 targeted key informant interviews, wherein the consultants spoke with approximately 42 key stakeholders to solicit feedback on key elements of the proposed By-law;
- c) A series of online group discussions, where stakeholders had the opportunity to provide feedback on key elements of the proposed By-law.

The following themes emerged from feedback provided by the stakeholders during the consultation and engagement activities:

- General support for the concept of or an emissions performance reporting by-law for large buildings.
More than 70% of property owners who responded to the stakeholder survey indicated support for the City's proposal to implement an emissions performance reporting by-law. Stakeholders viewed the proposed By-law as a step in the right direction.
- Concern about the proposed lower building size threshold of 600 square meters (6,458 square feet)
The majority of stakeholders felt that buildings that were 600 square meters (6,458 square feet) were too small for the reporting By-law to apply to. Some noted that property owners are already struggling with the 4,645 square meters (50,000 square feet) threshold reporting requirement for the Province's EWRB, and equal numbers of respondents suggested 4,645 square meters (50,000 square feet), 2,323 square meters (25,000 square feet) and 929 square meters (10,000 square feet) as more appropriate lower thresholds for the By-law.
- Key concern about access to utility data
Stakeholders specifically called out the need to get data from utilities as a source of concern, since many have experienced difficulty and delays with accessing utility data for EWRB reporting purposes. They noted the need for easy and timely access to whole building data, and expressed concern about whether utilities would be able to handle the increased request for consumption data if the reporting requirement threshold were set at 600 square meters (6,458 square feet). Tellingly, a number of stakeholders indicated that they will support the by-law if the City "gets utilities on board."
- Desire to minimize cost and administrative burden
Stakeholders highlighted the need to minimize the time and effort required by property owners to gather the required data and report it to the City, and expressed that reporting could be administratively burdensome for property owners of small buildings with limited staff capacity.

Many stakeholders interviewed noted that using the reporting portal interface needs to be easy. Many were also familiar with ESPM and said it is simple enough if you know what you're doing, but asserted that with a DIY reporting process (as opposed to automatic uploads of data directly from the utility), it is almost guaranteed that there will be errors in the data (which is why property owners of larger buildings rely on consultants to do the reporting for them). One stakeholder suggested that it would be helpful if the City could pre-screen consultants and help pay for consultants to support small property owners report for the first time (e.g. for the first 100 buildings).

Another stakeholder suggested that the City coordinate with the Province so that property owners would only have to report to one government body, not two.

- Public Disclosure

Stakeholders indicated that the City should expect push-back around public disclosure of reported building performance information and questions about why data cannot be published anonymously. Although stakeholders sometimes had difficulty articulating exactly what their privacy concerns were, some reasons that were cited for preferring anonymity were the expectation that disclosure would allow businesses to target poor performers with unwanted offers of services to improve energy performance, and the fear that people could make simplistic and unfair judgments about bad (or good) performers, without a full understanding of the building context.

- Provide clear value proposition for reporting

Some stakeholders asserted that the City needs to be clear and transparent about why it is requiring reporting, and to what uses the information being reported will be put. Some also suggested that property owners that were required to report their building information needed to see some benefit from reporting immediately afterwards, for example, an online report showing where their building(s) benchmark relative to other buildings.

- Data verification:

Some stakeholders expressed mistrust in unverified data, citing the “garbage in garbage out” adage and worried about unverified data giving false impressions. At the same time, one focus group participant raised the point that verification creates an added cost, and others suggested some form of periodic or randomized auditing by the City as an alternative to requiring property owners to provide proof of data verification.