

CANADA'S PREMIER MAGAZINE FOR BUILDING OWNERS AND MANAGERS

# Canadian PROPERTY MANAGEMENT

## CONSERVATION & DEMAND MANAGEMENT

**Widespread target setting** for conservation and demand management seems imminent in Ontario. The new Green Energy Act empowers the Minister of Energy and Infrastructure to establish targets for local distribution companies (LDCs) and other entities licensed by the Ontario Energy Board, along with the authority to dictate a number of other conservation and energy efficiency measures.

Consequences for consumers will remain largely unknown until the Act's regulations, which set out the actual content and requirements of these directives, are released, but analysts have flagged several areas of interest for commercial and institutional customers. Notably, the Act's recognition of the so-called smart grid and associated technologies to ensure system reliability and promote demand management and energy efficiency is seen as a positive sign. (Nevertheless, the Ontario Energy Board recently issued a compliance bulletin aimed at halting sub-metering in multi-residential rental buildings.)

Other elements of the Act have created some nervousness. The Act introduces a mandatory requirement for vendors and/or lessors to provide prospective purchasers and/or renters with information about a property's energy consumption and efficiency rating. It has been framed as a requirement primarily for residential buildings, but the Act itself refers to "real property" – a definition that could be stretched to include non-residential buildings.

Such energy audits could cost tens of thousands of dollars in larger buildings. Beyond that, energy management specialists argue that a rating system that measures energy use on a per-square-foot basis, for example, wouldn't account for how the building's occupancy affects energy consumption or truly reflect the building's energy performance.

"It causes me some concern whenever they start labelling. A label is just a letter. It doesn't give you any details," cautions

Wayne Proulx, Program Director of BOMA Toronto's incentive program for conservation and demand management.

"If it doesn't address whether it's a data centre or a simple office building, there is really no use in that. I think generally that's part of the dilemma for rating systems – how do we have a rating system that fairly compares like facilities, and has a consistent basis for it?" concurs Mike McGee, President of the energy management consulting firm, Energy Profiles Ltd. "In a way, this [requirement] might be a good thing because it could force a coordination and consolidation in the building rating schemes that are out there."

Meanwhile, the Act's apparent move to further disseminate responsibility for conservation and demand management programs from the centralized Ontario Power Authority (OPA) to the 80+ LDCs throughout Ontario garners mixed reviews. Industry players generally endorse the OPA's approach of working in partnership with delivery agencies such as BOMA Toronto to develop and administer incentive programs, but frequently express frustration about red tape and protracted timelines for program start-up, while LDC-sponsored programs are piecemeal by nature and present a time-consuming exercise in multiple applications for property owners with holdings in several jurisdictions.

"I think LDCs can be quite effective on message delivery, but I don't think they are the program delivery agencies. We need some standardization," Proulx maintains.

Property owners/managers with portfolios solely in one jurisdiction offer a different perspective. "We have been using LDC conservation demand programs to the maximum," reports Rajan Balchandani, Manager of Energy Management for the City of Mississauga. "We find them easier. The coordination is simpler and the approval time is much less. They understand our needs better and they are familiar with our facilities."