



EVERYTHING MATTERS

Mandatory Disclosure of Commercial Office Building Energy Efficiency

FMA Luncheon Forum

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Sydney 14 October 2009

Overview



- Background
- Who does the proposed scheme apply to?
- What does the proposed scheme apply to?
- What must be disclosed?
- When and where to disclose
- BEEC's and EEAR's
- Penalties
- Issues from submissions
- Being prepared

Background



- 18 December 2008 - DEWHA issued a consultation regulation document and RIS:
 - Mandatory Disclosure of Commercial Office Building Energy Efficiency**
- Part of the National Framework for Energy Efficiency
- January/February 2009 - 400 attend information forums
- March 2009 – workshop on tenancy issues
- 41 written submissions were received
- Potential for significant change
- Proposed start: mid 2010

Who does the proposed scheme apply to?



- Constitutional Corporations
 - Companies
 - Trading trusts
- COAG support – National Strategy on Energy Efficiency
 - No Commonwealth power over sale/leasing
 - No State handover of powers
- Overlap with existing schemes
 - NGERS
 - EEO

What does the proposed scheme apply to?



	Net Lettable Area	Building / Tenancy Type	Mandatory?
Constitutional Corporations	> 2000 m²	Whole Building	Mandatory
		Tenancy	Mandatory
		Sub-lease	Mandatory
	< 2000 m²	Whole Building	Voluntary
		Tenancy	Voluntary
		Sub-lease	Voluntary
Parties other than Constitutional Corporations	any	Whole Building	Voluntary
		Tenancy	Voluntary
		Sub-lease	Voluntary

What does the proposed scheme apply to?



- Corporations
- > 2000m² Whole building or tenancy or sub-tenancy
 - Increase to 5,000m²?
- Class 5 Commercial Office Buildings
 - Mixed use?
 - Phase 2: hotels, retail, hospitals, schools...
- Exemptions?
 - Buildings awaiting demolition/redevelopment
 - Data not available – eg metering issues, new buildings
 - Short term leases

What must be disclosed?



- Energy Efficiency Rating by:
 - NABERS Energy Rating System (initially)
 - Whole Building – Not Base building
 - Tenancy
 - Without Green Power
 - Building Energy Efficiency Certificate
 - Energy Efficiency Assessment Report

NABERS Energy rating issues

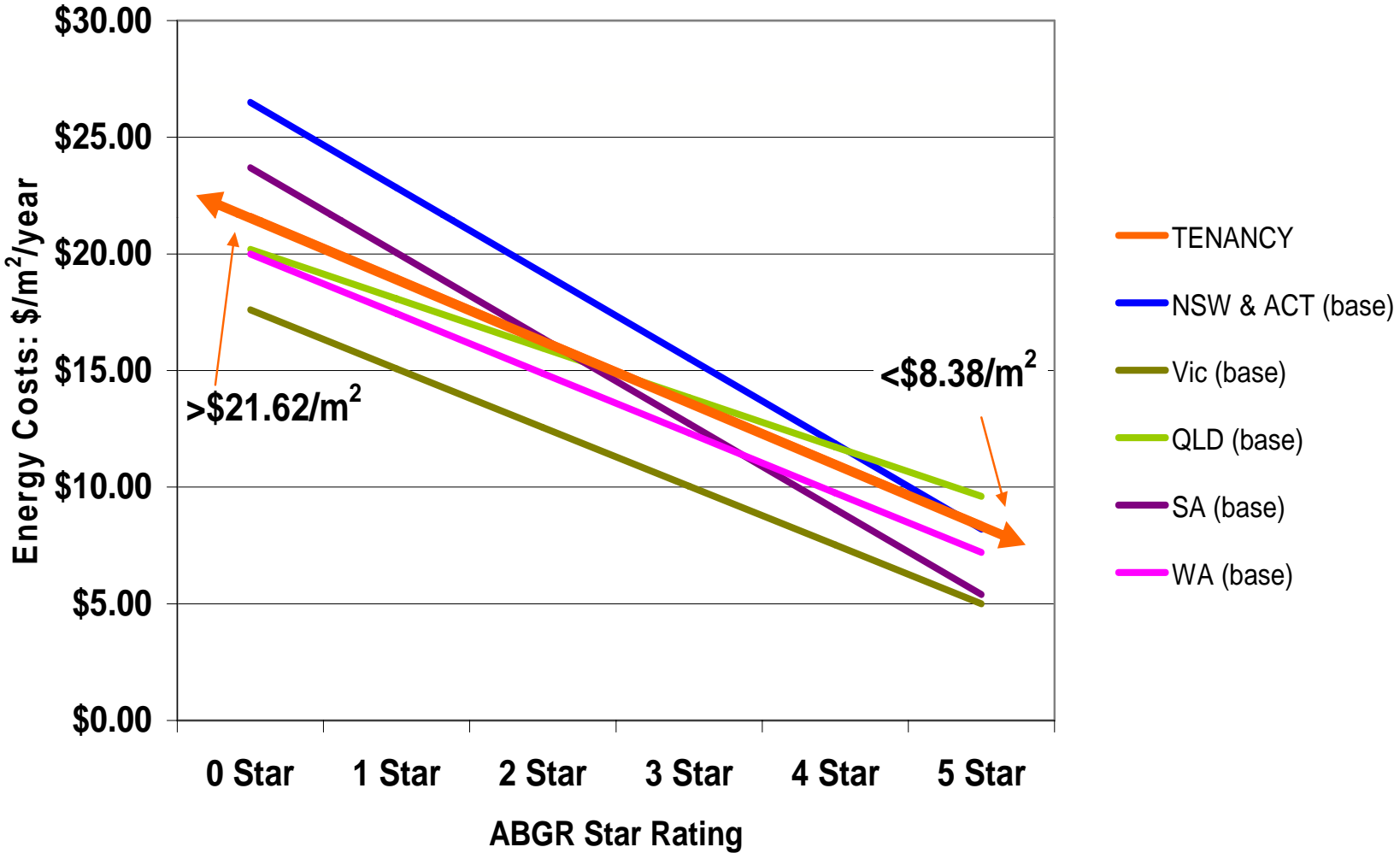


- Voluntary and aspirational
- Different baselines for each State, not fuel type
- Measures greenhouse gas emissions, not energy
- Permits adjustment for Green Power
- Fluctuations in performance
- Hours of service
- Coverage of meters
- Access to tenancy data
- High energy uses
- Changes coming?

NABERS Issues



NABERS issues



When and where to disclose



- In advertisements about sale or lease
 - stars only, without Green Power
- To prospective buyers and tenants
 - BEEC and EEAR
- To a central registry
 - BEEC and EEAR

Building Energy Efficiency Certificate (BEEC)



- Sets out NABERS rating (excluding Green Power)
- Formal requirements:
 - Certificate Number
 - Certificate Date
 - Validity Date (12 months) – is this practical?
 - Building name and address
 - Building type and NLA (office only)
 - Type of rating – whole building/tenancy
 - Assessor details
 - Co/tri-generation

Building Energy Efficiency Certificate



- Optional Information:
 - Green Power offsets
 - Historical performance
 - Benchmarking or comparative information
 - Fuel type information
- Issues
 - Duplicates star rating?
 - Cost - \$4-5,000? Pass through to tenant
 - Availability of assessors?
 - Capacity of DECC

Energy Efficiency Assessment Report



- Include information from the BEEC and:
 - Targets for future energy efficiency savings
 - Building controls
 - HVAC systems
 - Lighting systems
 - Hot water systems
 - Building envelope changes
 - Office equipment
 - Landlord / tenant opportunities
 - 7 year life

Energy Efficiency Assessment Report



- Also, diagnosis and advice on:
 - Maintenance and operation issues
 - Age / standard of equipment and related efficiency
 - Replacement costs
 - Sub-metering – building management system use
 - Lifts and common area lighting
 - For tenants – information on key equipment
- Issues
 - Cost - \$.90 - \$1.50/m²
 - Assessors?
 - DEWHA capacity

Penalties



- Compulsory Scheme
- Enforcement options
 - Civil penalty imposed by infringement notice scheme
 - Civil penalty after court action
 - Civil enforcement
 - Other statutory rights, eg withhold payment
 - Criminal offences (beyond TPA)

Issues from Submissions



- 41 submissions received – broad support, but key issues
 - Whole building should be Base building
 - Tenancy ratings very problematic
 - not relevant
 - potentially misleading
 - no information available to landlords
 - Cost on landlords, benefit for tenant
 - Split incentives
 - Mismatch with existing NGERs and EEO schemes
 - Capacity of DECC/DEWHA to administer
 - Capacity of assessors/reviewers in industry

Being prepared



- Collect data
 - Electricity, gas and diesel bills
 - Green Power bills
 - NLA surveys – PCA or BOMA guidelines
 - Occupancy level (eg leases)
 - Hours of use (prior leases?)
 - Operational efficiency
- Consider assessing now
- Reality check outcomes
- Recognise state of current buildings

Questions

