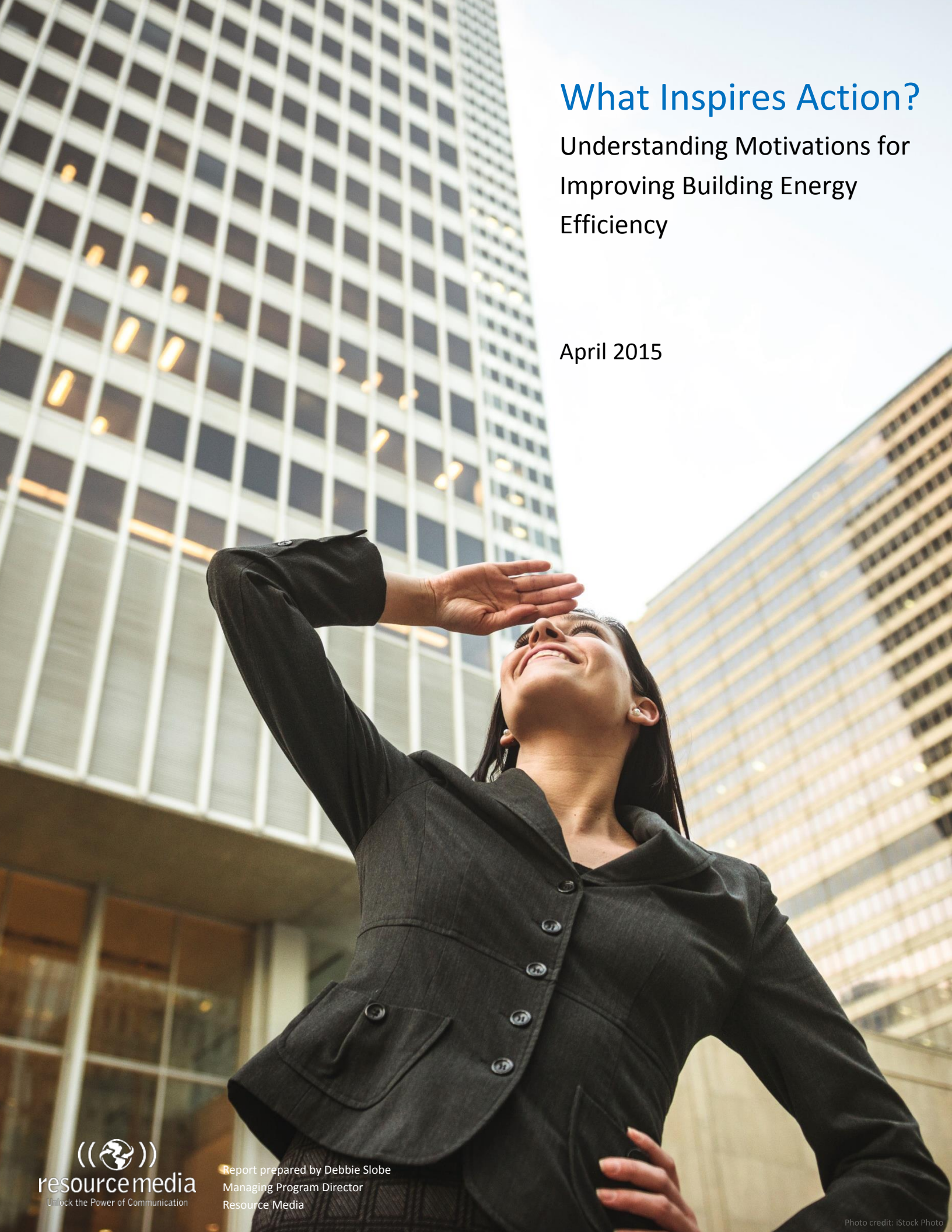
What Inspires Action?

Understanding Motivations for Improving Building Energy Efficiency

April 2015



resource media
Unlock the Power of Communication

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PROJECT BACKGROUND

In January and February 2015, Resource Media and the Seattle Office of Sustainability and Environment (OSE) collaborated on a research project to better understand what motivates and influences Seattle building owners and managers to make energy-saving improvements to their properties. The project involved interviewing and conducting focus groups with 23 building owners, managers and energy service providers. Interviews were conducted with 10 owners, managers and vendors with extensive experience leading energy improvement projects in all types of buildings – commercial, residential, institutional and small business. Focus groups were conducted with 13 owners and managers of lower-performing commercial and multifamily residential properties larger than 20,000 sq. ft. Focus group participants were drawn from OSE's records of properties that had complied with Seattle's benchmarking and reporting ordinance. The residential focus group was primarily comprised of managers of nonprofit, senior and low-income housing complexes.

In addition to discussing their experiences and motivations around improving building energy efficiency, focus group participants were asked to review and react to a hypothetical building energy performance profile based on their and comparable buildings' energy benchmarking data. A sample profile can be found at the end of this report.

Results of this research will help the City of Seattle improve efforts to encourage building owners and managers who have benchmarked their buildings to pursue energy-saving projects or operational improvements. Other cities, utilities and organizations working to engage building owners and managers in benchmarking and energy-saving programs will also benefit. This project was made possible by a grant from a private, Seattle-based foundation.

RECOMMENDATIONS

#1: Personalize building energy profiles as much as possible

The research suggests that building owners and managers want more personalized information about their specific building's energy performance and opportunities for savings, and are less interested in how other buildings are performing if they do not feel the buildings represent their peers. Providing building owners with individual building energy performance profiles is a good first step, but as the focus groups found, the version they saw didn't give enough personalized, actionable information or comparisons to buildings they trusted were their peers.

Possible strategies for personalizing the profiles revealed in the focus groups include:

Building information:

- **Add more building characteristics** such as age, size, occupancy, usage type, number of computers, number of floors, etc.
- **Include energy use trends**. Show the building's current energy use compared to previous years. Also, make the date more prominent on the report so recipients know what year the energy report is based on.
- **Translate energy performance metrics.** Consider a way to translate the energy performance metrics (Energy Use Intensity, or EUI) into terms that the industry already understands, or in a better visual way to help them quickly understand their building's performance. Owners, managers and tenants generally talk in price per square foot, so a good metric might be energy costs per square foot.

Rebate information:

- **Personalize rebate information.** Show a few rebate programs that buildings with similar characteristics have participated in and the average energy and money savings achieved, plus information on how to take advantage of the rebates and who to contact.
- **Show examples of other buildings like theirs taking action and saving energy and money** (see recommendation #2 below)
- **Show savings potential estimates for their specific building or building type.** For example, "if you improved to meet the average performance of buildings like yours, you could save $x/per sq. ft./year or x% per sq. ft./year", or, "for a building your size, a 1 percent improvement could equal $x per sq. ft./year savings."
- **Put rebates/incentive program information on page one.**

Call to action:

- **Add a city staffer's name and contact information** right on the profile for recipients to follow up with.
- **Tailor message for good energy performers.** Instead of including a generic "take action" message on every report, for good performers, list energy-saving programs that a good performing building could benefit from. List opportunities for sharing success stories

and/or information on participating in recognition programs (see recommendation #3 below).

"We want trend numbers. What direction are we moving? That's what we want to see."

"I want to know how I'm doing now compared to last year. Am I improving, staying the same or going down hill?"

"If we get these (profiles), let's get 3-4 specific things we can work on: 'Hey we have new toilets and LEDs, let's talk.'"

"I want specific actions, not just 'Call SCL [Seattle City Light]'"

"Add a person's name. If you customize it, it feels like you won't go into a black hole."

"It would be smart for it to say, 'we did a retrofit of gas boilers in similar buildings of your age and we had savings of this' – a case study – something more similar to your building so it was a teaser on how much money you might save for doing that."

"You could take this score and show if you moved to average, you'd save this much, if you moved to the top 25th percentile, you'd save this much and personalize and monetize the savings."

"Comparing myself to every other building in Seattle, that doesn't do me any good. We want to narrow it down by size, age or surface area of building and what kind of users you have. So you are looking for all this data to really fine tune to get an idea if you are really inefficient in a way you can deal with it or is just it because something you can't change like surface area of building or current tenant usage."

"It loses credibility if it says 'take action' all the time."

Photo: Canadian Pacific/Flickr

Opportunities to explore

Test more personalized version

It may be impractical or costly for OSE to produce and distribute 3,300+ highly individualized, printed or emailed building energy reports. As a starting point, OSE may want to create a more personalized profile for a specific property type and test it again in another focus group made up of owners and managers of that specific type of building. It will also be important for OSE to assess the top 3 to 4 items in a report that are desired. Although users might request "more details," this desire needs to be balanced with an effective action-oriented communication piece that is understandable to a wide audience of property managers and owners. The City also needs to be careful within the context of its existing benchmarking ordinance to not get so granular with data as to disclose private information.

Gather additional feedback on current version

The focus groups provided great clues as to how to improve the profiles, but it would be useful to hear from more owners and managers before the City invests too much time in revising them. The City should consider conducting an online survey or additional focus groups of recipients of profiles in the spring of 2015 to get a better handle on how much and what kind of personalization and changes are desired. Additional focus groups would also be helpful in getting a better understanding on how to best translate EUI information into metrics and graphics that the building industry can more easily understand.

Explore developing an online building energy platform

As an alternative or compliment to the profiles, one way to create personalized, yet scalable energy performance profiles is to put them online in an anonymous or password-protected dashboard-type application or website for owners and managers to pick and choose themselves what building characteristics and information they want to see.

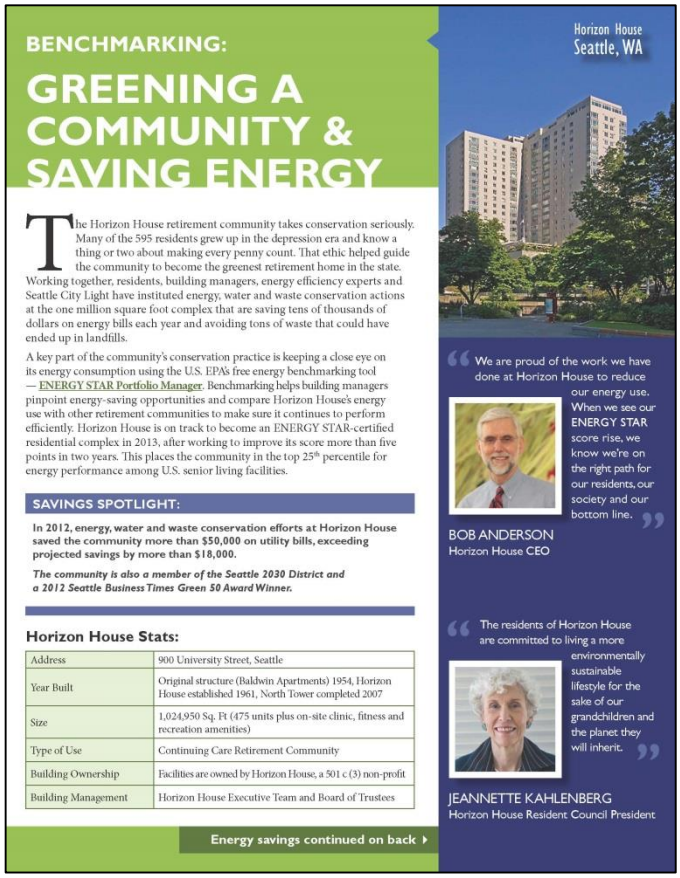
Thanks to the City's benchmarking ordinance, it has access to energy use information on 3,300+ buildings in Seattle. This makes the City uniquely positioned to partner with an outside developer and funder to create a user-friendly online dashboard for owners, managers or other parties responsible for benchmarking the building to look up their properties' energy use and compare it to other buildings anonymously by size, type, age, occupancy, footprint and other factors they deem relevant and that the City has on file. To direct users to relevant rebate programs and professional services, users could answer a short series of questions or provide information on their needs and interests (e.g. check the box: "I'm looking for lighting rebates") that would lead them to information on rebates, grants, professional organizations, audit assistance, or other resources applicable to their building type and needs.

To drive owners to the site when completing their benchmarking for the year, they could get a thank you email from the City with a message/link to the website prompting them to learn more (e.g. "See how your building stacks up and find ways to lower your energy bill – visit

MyBuildingProfile.com"). Benchmarking help desk staff – who personally assist more than half of the buildings required to comply - could also let people know about the site and the help desk voice mail and email signatures could include messages about it. The site could also be promoted on OSE's benchmarking newsletter, Seattle City Light (SCL) and Puget Sound Energy (PSE) communications and utility bills, and through professional organizations (see list at end) in particular local chapters of the Building Owners and Managers Association (BOMA) and International Facility Manager Association (IFMA).

#2: Find and share examples of similar buildings saving energy and money

The proof, they say, is in the pudding. For owners and managers, this means that for the promise of energy savings to be believable, it needs to be backed up by examples of real owners and managers like them actually saving. Focus group participants said they would be very interested to see what others are doing and how they did it.



BENCHMARKING:

GREENING A COMMUNITY & SAVING ENERGY

Horizon House
Seattle, WA

The Horizon House retirement community takes conservation seriously. Many of the 595 residents grew up in the depression era and know a thing or two about making every penny count. That ethic helped guide the community to become the greenest retirement home in the state. Working together, residents, building managers, energy efficiency experts and Seattle City Light have instituted energy, water and waste conservation actions at the one million square foot complex that are saving tens of thousands of dollars on energy bills each year and avoiding tons of waste that could have ended up in landfills.

A key part of the community's conservation practice is keeping a close eye on its energy consumption using the U.S. EPA's free energy benchmarking tool — ENERGY STAR Portfolio Manager. Benchmarking helps building managers pinpoint energy-saving opportunities and compare Horizon House's energy use with other retirement communities to make sure it continues to perform efficiently. Horizon House is on track to become an ENERGY STAR-certified residential complex in 2013, after working to improve its score more than five points in two years. This places the community in the top 25th percentile for energy performance among U.S. senior living facilities.

SAVINGS SPOTLIGHT:

In 2012, energy, water and waste conservation efforts at Horizon House saved the community more than $50,000 on utility bills, exceeding projected savings by more than $18,000.

The community is also a member of the Seattle 2030 District and a 2012 Seattle Business Times Green 50 Award Winner.

Horizon House Stats:

Address	900 University Street, Seattle
Year Built	Original structure (Baldwin Apartments) 1954, Horizon House established 1961, North Tower completed 2007
Size	1,024,950 Sq. Ft (475 units plus on-site clinic, fitness and recreation amenities)
Type of Use	Continuing Care Retirement Community
Building Ownership	Facilities are owned by Horizon House, a 501 c (3) non-profit
Building Management	Horizon House Executive Team and Board of Trustees

Energy savings continued on back

"We are proud of the work we have done at Horizon House to reduce our energy use. When we see our ENERGY STAR score rise, we know we're on the right path for our residents, our society and our bottom line."

BOB ANDERSON
Horizon House CEO

"The residents of Horizon House are committed to living a more environmentally sustainable lifestyle for the sake of our grandchildren and the planet they will inherit."

JEANNETTE KAHLENBERG
Horizon House Resident Council President

"If I see someone saying, 'This is how we got our tenants to use 20 percent less energy and here's the carrots we used', I'm gonna click on that."

"Tell me – this is how this group saved $400 per unit, then yes I'd call."

"Provide an example of how Southwest Housing saved. Real time examples would be great."

"It would be nice to have a case study each month that you could read through with details."

"You could learn exactly what you wanted to know if you were talking to people that actually dealt with the problem. That person would have seen it hands on and used it, it would be great."

Opportunities to explore

Create mini profiles

To meet this demand for real stories of people in similar buildings/situations undertaking energy-saving projects, the City could partner with an outside organization and funder to create mini-profiles on a variety of different types of buildings and businesses (see ConEdison example below) that have undergone energy-savings projects and share those widely on the OSE, SCL and PSE websites, and on the suggested "MyBuildingProfile.com" website above, and through the City's social media channels. These profiles could be made available to building and energy efficiency industry organizations such as Northwest Energy Efficiency Council (NEEC), Northwest Energy Efficiency Alliance (NEEA), Seattle 2030 District, and local chapters of the American Institute of Architects (AIA), U.S. Green Building Council (USGBC), BOMA and IFMA and others to share and post on their sites and use in e-newsletters and social media channels. Profiles could also be integrated into the OSE benchmarking e-newsletter and workshop presentations and materials. They could also be placed in trade publications as paid advertising.

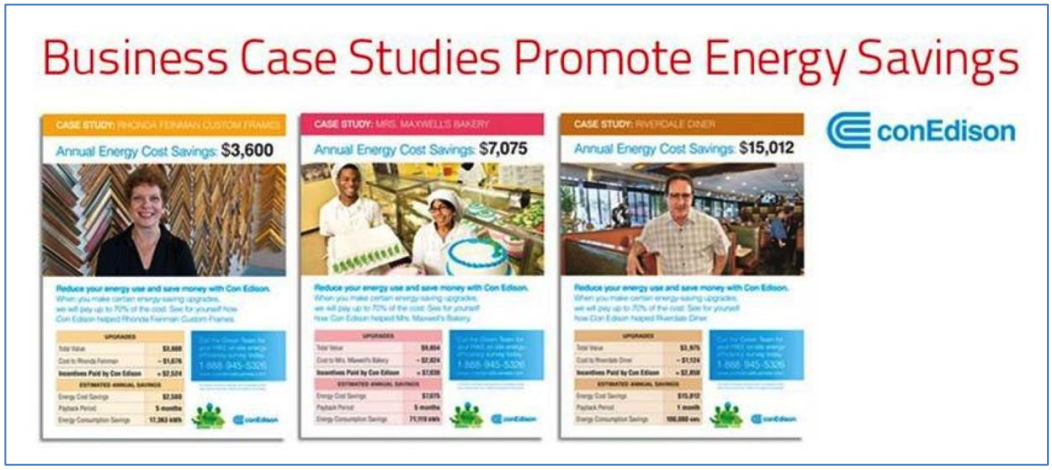


Photo:ConEdison

Mini profiles could be promoted via social networks and websites using meme-like images of owners and managers with short quotes or teasers (e.g. "I saved my tenants $250 on energy last year, find out how.") that include links to full profiles (example below). A Twitter hashtag could also be developed to share and promote the profiles (e.g. #HowISave) and encourage others to share their stories.

Photo: Kidd Group

#3: Help connect owners/managers with others who have already taken the plunge

Thanks to Seattle's benchmarking ordinance, which impacts 3,300+ properties, and Seattle owning and operating its own electric utility *and* running its own benchmarking help desk, the City has many building owner and manager contacts. Focus group participants said that they were keen to learn about what other building owners and managers are doing and often seek each other's recommendations on programs, products and vendors. But, many have little time to connect or know when/where to make those connections.

"Knocking on doors trying to reach the owner is just such a low hit rate that there has to be a better way. Peer-to-peer and through existing trusted relationships is unexplored territory that has real opportunity."

Focus group participants and interviewees listed a number of professional organizations they rely on to stay connected and keep informed, in particular the local BOMA chapter for commercial owners and managers. But the list is huge and varied. And, for multifamily residential market, there are fewer options and no BOMA-like equivalent.

Owners/managers in the multifamily residential focus group were literally jumping out of their seats to exchange cards and contact information.

"It was striking when I got into the field that [a listserv/way for professionals to connect and share information] didn't exist for the housing business – that there was no ready made system like that in place because it is so standard for other industries and organizations."

Opportunities to explore

Work with utilities, partners to expand linkages and services

OSE could work with utilities and partner organizations to make it easier for owners and managers to get the information they need, connect with each other and with professional organizations. Some strategies might be to send out benchmarking completion "thank you" emails (suggested in recommendation #2 above) with information on upcoming meetings, workshops and networking events focused on energy topics. Utility websites, e-newsletters and mailers could also include this information. Benchmarking help desk staff could also make it a practice to share information on upcoming networking opportunities at the close of each call and email.

The City could also identify a handful of owners and managers of high performing buildings that would be willing to serve as mentors or resources for others (perhaps these would be subjects of the mini case studies suggested above), and help facilitate those connections. Benchmarking help desk staff could make it a practice to ask people if they would like to be matched with another property manager or owner.

Another strategy could be for OSE, SCL and PSE to organize an annual recognition ceremony that honors those just getting started benchmarking, and those that have made the most improvement, in each building class. The event can include kiosks with the mini profiles and have the "MyBuildingProfile" website available for people to play with.

#4: Promote financial incentives more

Financial incentives can really help owners and managers pull the trigger on energy-saving projects, especially given Seattle's relatively low electricity costs. Upfront costs were cited by most participants as a major barrier to undertaking energy projects.

"I took multiple bids to the homeowners associations, but it still was going to cost $3,000. They didn't want to do it. So they are stuck with old bulbs and happy to keep using more energy."

"The downside to undertaking energy efficiency projects is the alarming cost."

While Seattle has many incentive programs, several of the owners and managers in this project said that they were unaware of what's available or have trouble finding information on programs. Nearly all said rebates and other financial assistance were necessary to get the desired return on investment. OSE, SCL and PSE could explore tactics to better promote programs through their websites, social media networks, email, e-newsletters, mailers, help desks and though trade publications and industry events.

Photo: EnergySmart

"I had read about a Seattle City Light cooperative venture to re-lamp lighting where SCL would pay for part of it. I looked into that. A guy came out and we talked about changing out fluorescent lights. SCL paid 60 percent of upgrade of all lighting including exit signs. So then we had a project – we upgraded all our lighting. SCL paid 60 of total project. We had a return on investment in about 18 months."

"We have done 180 different conservation projects, saving over $2 million dollars annually. We started designing-in energy efficiency in our first building that came on line in 1993. We worked with the City's Energy Smart program to go over above the energy code and put a lot of energy

efficient features in our very first lab building. We received a $900,000.00 incentive check for this lab building from the City."

"(Name withheld) has been a champion of conservation when dealing with our finance people and CEO. He will take the incentive checks to show people how much money we are saving through energy efficiency projects."

"Our rates here are pretty low and our weather is fairly mild, so that works against trying to justify energy savings. So, the SCL and PSE incentives that we receive are critical to our success."

"A huge selling point is incentives from utilities when you can get something to pay back in a few years."

#5: Train managers how to use ENERGY STAR Portfolio Manager data for "pitching" owners

Several interviewees and focus group participants talked about the challenges they had using ENERGY STAR Portfolio Manager (ESPM), yet said having access to good, presentable data on building energy use and trends can be very powerful for pitching energy-saving projects to owners. OSE should continue its benchmarking trainings started in late 2014 that include demonstrations that help participants create charts and graphs using ESPM. OSE could also partner with EPA to create tip sheets on how to create compelling graphics using ESPM data.

"I need data in order to make decisions. If you have to keep going through all the receipts of your natural gas bills and try to manually enter them into a spreadsheet, nobody is going to do that. But if you can push a button and have it download into an Excel spreadsheet and press the graph button, suddenly you have a view of your natural gas usage and associated costs, and now you can begin to operate on a more disciplined level."

"I love data. I love spreadsheets and graphs. They make a powerful story." (That you can take to decision makers)

"I would love to have a dashboard where I have these little graphs showing all the units and telling me I have 5 or 6 units that have a problem."

#6: Increase opportunities for personal contact with city staff

Several times, interview and focus group participants mentioned how instrumental certain individuals at the City were to helping them benchmark their building and/or take on energy-saving projects. It was clear that having trusted, personal relationships with knowledgeable and helpful city staff can go a long way to getting projects done. Placing individual names, phone numbers and email addresses of city staff who administer rebate and customer support programs printed clearly on building owner/manager outreach materials, and ensuring that calls

are returned and emails answered, could go far in building trust and productive relationships that lead to more projects.

Opportunities to explore

Personal Energy Agents

Some also mentioned they would like to have a personal energy agent or assistant – someone who could help them navigate the benchmarking and rebate application process, find good vendors and connect them with opportunities to meet and learn from other owners/managers. This desire was also expressed in interviews with benchmarking help desk users in the help desk evaluation project Resource Media conducted last year. With extra staffing and funding, the City could potentially use its benchmarking help desk staff (who already serve more than half of the buildings required to benchmark and already have great relationships with many owners/managers) or partner with BOMA, Seattle 2030 District, NEEA or NEEC's Smart Buildings Center (the City's main energy efficiency trade organization) to provide such a service to owners and managers.

Photo: plantronicsgermany/Flickr

"There's no question that when somebody comes in and it looks like they want to give you a complete package – and they will carry your paperwork through the city to get the rebate all figured out – that's great. Now it's not taking you so much time to talk to contractors and everything else. You come across someone who is savvy enough to put the package together and that is the person you can spend some time with – a turnkey vendor who sets it up and makes it easy for you."

"You hear the excitement here of having someone extremely competent, somewhat entrepreneurial, someone who understands that there is a bureaucracy, but I will find the way through it. That would be amazing to have one person you could call."

#7 Help managers plan for equipment replacement

One of the main triggers for making an investment in new equipment is, not surprisingly, when equipment fails. Many focus group participants said that oftentimes owners decide to replace equipment with the same technology they had before, even when newer more efficient models exist. There is a natural affinity to stick with what works and not try something new. If managers had the time to plan and save ahead and learn what the best options are before a situation arises or there is a crisis, the results could be dramatically different. Multifamily condos are now required by law to have reserve studies done.

Reserve studies identify when equipment or maintenance needs will occur, what their estimated costs will be and how much money needs to be saved to accommodate these needs. Infiltrating this industry that generates reserve studies could greatly affect the condo market toward energy efficient solutions.

KEY FINDINGS

Reducing energy use is common sense

Building owners and managers involved in the study believe that reducing energy use is common sense because it can lower costs. This belief is largely independent of what owners and managers think about environmental sustainability. This is a good thing as sustainability initiatives can carry with them a stigma of politicization. Therefore, energy efficiency is generally not a controversial, politicized issue in their minds.

Word map of terms focus group participants used to describe energy efficiency.

Boosting the bottom line is the primary driver for energy-efficiency improvements

Hands down, the number one driver for owners and managers to make energy efficiency improvements to buildings is to save money and boost bottom lines. Making buildings more efficient can both reduce operating costs (lower energy bills, lower maintenance/labor costs) and increase property values (better curb appeal, tenant retention). Concern about environmental sustainability is further down the list, and is more of an external pressure coming from tenants, investors, and local government.

Sustainability is the cherry on top

Although many of the people interviewed and in the focus groups are personally committed to the idea of sustainability, it is more ancillary and external rather than a central driver to their decision-making process around building operations. Simply put, energy efficiency has to pay off for owners and managers to pull the trigger on new investments or operational changes. Owners/managers are happy to embrace the idea of sustainability – so long as it doesn't interfere with business success. Even in the case of a church property manager, cost savings – not environmental sustainability – was the top driver for taking on energy-saving measures. Sustainability is a feel-good factor that helps justify improvements, and makes for good PR, but does not drive them.

Owners have final say, but burden of proof falls to managers

The buck stops with building owners. But it is property managers who must prove beyond a shadow of a doubt that energy-saving improvements are worth the investment. Managers are, in fact, the first decision makers – they are the gatekeepers. If an idea doesn't get past them, it won't make it to the owner. This is a key audience for the City to target and support. Focus group participants report that having access to credible data on building energy use, trends and savings opportunities, information on rebates and other financial incentives, trusted vendors, and examples of buildings undertaking similar projects and reaping savings is critical to making their case before financial decision makers.

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Quick return on investment is needed to justify projects

Few projects will get the green light if they don't pay themselves back within 5 years or less. The smaller the building, the less tolerance there is for paybacks more than a year or two. Given Seattle's mild climate and relatively low energy costs, identifying projects with a rapid ROI can be challenging, and often requires government or utility financial incentives or grants to pencil out.

Improvements are triggered by equipment failure, spikes in utility bills, availability of rebates, tenant complaints, and building turnover

When asked what triggered improvements, participants most often cited equipment failure – something breaks down (e.g. HVAC) or burns out (e.g. lights) and needs to be fixed or replaced. Others said unusual spikes in energy or water bills led them to investigate the cause and would sometimes end up in needing to replace or repair systems or fixtures. The availability of rebates and grants also led some to make improvements they were already considering but did not have the upfront capital to do so. Tenant complaints – living and working spaces being too hot, too cold, too dim, etc. led some to make improvements. And finally, when buildings change hands or new tenants move in might lead some to make improvements.

Common barriers to making improvements include split incentives, upfront cost/poor ROI, lack of time and lack of awareness that a building is wasting energy

Similar to what other studies have found, there are a myriad of reasons why owners/managers don't do more to save energy. Although some larger buildings have sophisticated energy monitoring systems and staff dedicated to managing energy use, that is the exception, not the norm. In most buildings, managers may only have access to monthly bills and it is difficult to tease out building performance from them. While ESPM offers information on building performance, it does not show where the problem or opportunity exists. In many buildings,

tenants pay their own energy bills so owners have less incentive to make improvements that don't directly benefit them, nor do they have access to the information to identify issues. Across the board, having the time to sort through options and hire the right people, the budget to get the work done, and the assurance that the project will pay itself back quickly enough are barriers that nearly all owners/managers face.

External pressure is mounting for greater sustainability & transparency in buildings

From city government to investors to tenants, Seattle owners and managers are feeling more and more pressure from external entities to improve building sustainability. Interview and focus group participants alike are finding that more Seattleites are looking to live and work in buildings that adhere to sustainability practices or have green building certifications. Tenants' interest in sustainability is not limited to lower energy use and bills, but also includes waste reduction, recycling, non-toxic cleaning products and other sustainable practices – the whole "green" enchilada. Also, publicly owned buildings and institutions are increasingly voluntarily reporting on sustainability practices and achievements to investors, and investors are coming to expect this type of reporting. Owners and managers feel pressure from city regulations requiring them to rate and report building energy use annually. Simply put, there is a general understanding within the Seattle building community that greater sustainability and transparency is where the market is headed – whether they like it or not.

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However, in the multifamily residential focus group that deals primarily with senior and low-income housing, focus group participants report very little interest from tenants in energy efficiency, sustainability or green building certifications. This lack of interest may only be true for affordable housing. The commercial group, which had some multifamily buildings represented, noted that they are seeing an increased demand for green buildings. It might be a good idea for the City to follow-up with more market rate multifamily housing owners to determine if their tenants are, in fact, interested in green certifications. City staff has noted that many newer apartments are touting various "green" certifications on their leasing websites.

Projects can lead to unexpected benefits

Several participants who had undertaken energy-saving projects were surprised by the non-monetary benefits from doing so. A few interviewees noted that they felt a strong sense of pride in making their properties perform better, which was evident in the way they talked about their buildings. Others said that lighting projects improved occupant safety, and that HVAC improvements increased tenant comfort and decreased on the number of complaints and angry emails. A few others noted that the deep examination of energy use led them to examine other

areas of the building that needed sprucing up, in one case launching a capital campaign to repaint and put in new carpeting.

Explicit sustainability or energy savings goals are not a prerequisite for projects to happen

It was hit or miss as to whether the properties represented and serviced by interview and focus group participants had established organizational sustainability goals or whole-building energy management plans. In fact, very few interviewees knew what a whole-building energy management plan was. Nevertheless, the lack of explicit goals or a plan did not prevent owners and managers from undertaking or wanting to undertake energy-saving improvements.

Personalized, relatable information is preferred

Focus group participants were presented with a mock energy performance profile for a sample building (included at the end of this report) and asked what types of information would be the most helpful and motivating for them to take action. Overwhelmingly, participants favored more personalized information about their building, more accurate comparisons with similar buildings, and specific actions they could take and information about available rebates. They also expressed great interest in seeing examples of what other buildings like theirs had done. They were less interested in comparisons of their building to broad swaths of properties, and in seeing sector-wide savings projections. Owners and managers want to know what *they could save*. Thousands of dollars that they could save is much more impressive than millions of dollars everyone could save.

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Owners/managers rely on peers, vendors, and personal contacts at utilities

Interviews and focus groups alike revealed that owners/managers look to their peers, trusted vendors and city and utility staff to help them tackle energy issues in their buildings. On the whole, focus group participants had fairly neutral or negative (especially the multifamily residential focus group) views about SCL, PSE and OSE. Some complained about being given the run around, not getting the information they needed from utilities and expressed frustrations with the benchmarking process.

But it was clear that if an owner or manager was able to establish a trusted relationship with a city staffer, doors and minds opened. Positive, productive and personal relationships are extremely important to owners and managers. One person could make or break their impression of the City and their willingness and ability to move forward on energy-saving projects. Several subjects mentioned specific people by name who were instrumental in helping them apply for rebates or benchmark their buildings. Owners/managers also rely on professional organizations such as BOMA (a full list of professional organizations that were

mentioned as trusted sources is included at the end of this report), to get information about energy programs and network with their peers.

Positive, productive and personal relationships are extremely important to owners and managers. One person could make or break their impression of the City and their willingness and ability to move forward on energy-saving projects.

POLICY CONSIDERATIONS

The City of Seattle's building energy benchmarking ordinance does not currently require public disclosure of energy data, and the City is limited by the ordinance to collecting only a small number of performance metrics. However, this research found that there is a desire among owners and managers for more detailed information about their buildings and comparable buildings, and that they are seeing more interest from tenants and investors for this kind of information. The research also found there is a desire for greater access to the information. Interviewees – who were asked their opinions about Philadelphia's new building energy visualization tool[1] – were pretty much in agreement that such a tool would be helpful and useful for Seattle. This suggests there may be an appetite and tolerance for the city to collect and share more detailed information on building energy use.

Additionally, the research reveals that water use and costs are a huge concern for owners and managers, in particular those that oversee multifamily residential properties. However, tracking water usage is not currently required by the City's benchmarking ordinance; yet reducing water use ultimately saves energy too.

All of these approaches – collecting more building energy information, disclosing more information and including water use tracking – would require a policy change that should perhaps be considered in the future.

DETAILED FINDINGS

Reducing energy use is common sense

Most participants said managing energy use and costs are a high priority, even if it isn't the first thing that's invested in. Energy use is one of the biggest costs of owning and operating a building and is one of the most controllable. The primary goal of owners and managers is to manage costs and increase profitability, and addressing energy use is seen as common-sense strategy to do so:

"When it comes to reducing operating costs – energy is #1."

"Water is usually pretty constant, and electricity tends to spike, that's why it's a number one concern. Also, electricity is easiest to fix."

"Energy is a huge priority!"

Moderator: "Is increasing energy efficiency important to you?" Focus group participant answer: "It should be if you have a job."

"Energy is one (cost) you have control over. You can't do much about taxes and insurance."

Water use and costs major concern among multifamily residential owners and managers

Among multifamily residential focus group participants, water use and costs were of even greater concern than energy. Unlike energy, which is usually metered separately for each unit and each tenant pays their own bills; water use is tracked on a single meter for the whole building and owners are generally responsible for paying the bill. Although water use costs are passed through to tenants via rent charges, the cost of a large or sudden increase in water use can't easily be recouped until the negotiation of a new lease with a new tenant, or in a general rent increase at the start of a new year. In most cases, owners don't know about water leaks or excessive use until the bill comes or a tenant complains:

Photo: Alli/Flickr

"We struggle with the fact that we can't control tenant action. We've done unit inspections and found water use out of control. We found a tenant keeping her water running because her cat won't drink out of a bowl."

"What we are really finding is our biggest issues always revolve around water. Our greatest cost is around water."

"I really depend on everyone (tenants) feeling comfortable telling me as soon as they have a drippy faucet or a runny toilet rather than depending on them to notify me in writing or hear it from a neighbor."

Boosting the bottom line is the primary driver for energy-efficiency improvements

Overwhelmingly, interview and focus group participants cited improving bottom lines as the number one driver for embarking on energy-improvement projects. Improving sustainability or meeting environmental goals is generally an ancillary or external driver:

"Reducing operating costs while increasing value of the assets. As long as you have those two things together, it's pretty much a home run."

"It usually has a clear financial value. If you do this, then you will reduce operation costs by this much -there is a direct relationship. When you tackle other sustainability issues like waste and indoor air quality, it becomes difficult to track how well you are actually doing and how you can translate that to a financial or dollar amount."

Although addressing energy efficiency is generally accepted as a good way to boost bottom lines, it is not always at the top of owners/managers' lists of ways to improve property values:

"Our buildings are all affordable housing. Our operating costs keep creeping closer and closer to rental costs. Our revenues are beginning to reach a point it will be less than it costs to operate our building. So we have a find a way to reduce costs. The biggest thing is water."

"If you have a building that is fully occupied or you have no problem leasing it, then energy might take second, third, or even fifth place. If your building is full and you are making money, the incentive of doing more upgrades or spending more money is pretty limited."

Photo: Jim Culp/Flickr

"Aesthetic plays a huge part. If you are going to lease a building, it has to look good. It doesn't matter how energy efficient it is at the end of the day."

Sustainability is the cherry on top

While many participants personally believe in the environmental underpinnings for making energy-saving improvements to buildings, it is more of an ancillary and external driver. Even in the case of a church, money savings is what ultimately drove decision makers to upgrade lights and install sensors:

"From an ethical and environmentally sensitive point of view, we wanted to do these things [to save energy]. But those tend to be kind of touchy feely things that are hard to get much drive behind. It's the dollars that ultimately make a huge difference. If we could lower the church's costs, we could afford a new piano or give more to charity or give our choir director a raise."

"It's a nice badge to walk around on (green buildings and LEED certification). But there are a whole lot of people in the final analysis that just care about how much they are paying in occupancy costs."

As one energy-service provider put it:

"There are two kinds of clients – there are ones that get the value of sustainability for their occupants and greater community and are committed to resource conservation, but there still has to be a bottom line benefit too. Then you have the people that are bottom line driven. It may be that they aren't uncommitted (to sustainability), but they may be a non-profit. If there is something they can do that will pay back that year, then they will move forward."

Owners have final say, but burden of proof falls to property managers

While owners are the ones who make the final decisions on investments, unless buildings are owner occupied and operated, they rely heavily on property managers to do the necessary research to figure out what the best investments are. Managers are, then, the first decision makers. They are the gatekeepers – if an idea doesn't get past them – it won't get to the owner. This is especially true with larger properties where owners are generally less engaged in day-to-day management:

"There are a lot of hoops to jump through before it gets to the owner. Before we present anything to the landlord, we really have to do our research and have our ducks in a row. They are going to look at the financial return first before anything else."

"If you do a good job, they (owners) don't have to be involved."

"During budgeting time you basically have to come to them with a plan and say, we have already investigated it, this is what is going to cost us to do the work, this is the rebate we can get from the City. This is how much we are going to save. This is how long it's going to take to payoff that investment. If it's a short enough payback then generally ownerships will say yes if there are not other buildings in other states that are competing for that capital budget at that time."

"They put a lot of trust in us, if the money is there, owners will generally do it."

Conversely, if an owner loses faith in a manager or feels like they are not on top of things, a manager's job is on the line:

"People get fired because of problems with the utility companies. I don't need a $10K water bill. I don't need it to begin with."

This can make many managers risk averse. No one wants to be a pioneer on a new technology.

"We rely on the vendor to say this is the sweet spot between uber energy efficiency and inefficiency and try to find a balance there. A lot of times if you try to go to bleeding edge of energy efficiency – we've had problems with that or you don't get good payback. So you try to find the sweet spot."

Quick return on investment is needed to justify projects

Owners are looking for investments that pay themselves back quickly, which can be a challenge with Seattle's mild climate and low energy costs. It can also be a challenge to meet ROI requirements when going after deeper energy savings where the investment and payback may be even greater and longer. In Seattle, having access to grants and other financial incentives is sometimes necessary for projects to pencil out. And it's not just hard dollars that are being counted, but labor and time are valuable investments that factor into the equation, also project/tenant disruption:

"Cost is scary. It's a huge cost to get your properties to operate efficiently. Although some owners are willing to pay it, some are not. So maybe just having some guidance on if there are grants or incentives available. It would be nice to have that information out in the market more than it is."

"In Seattle, the weather is mild. Energy is unbelievably cheap. So return on investment is usually horrible. A project could have a 50 or 100-year payback."

"Our (energy) rates are pretty low and weather is fairly mild. That works against trying to justify energy savings. So the City Light and PSE incentives we receive are critical to our success."

"For me, it's not energy efficient if it takes more time and energy and resources to keep it running. That has to be factored in when you think about what is energy efficient."

"Payback period is a huge thing. In Seattle, the electricity costs are so low it can be hard to get a 2-year payback. You can get owners to get behind doing an upgrade if you have a 2-year payback. But if it's a 5- or 10-year payback - they might sell the building before that so what do they care?"

Improvements are triggered by equipment failure, spikes in utility bills, availability of rebates, tenant complains and building turnover

Even though owners and managers see value in addressing energy use in buildings, energy-efficiency projects don't just happen. There has to be a trigger, and more often than not, they are triggered by an acute or immediate need like equipment failure or spike in utility bills:

Our leases are triple net –it's (energy costs are) going to their leases. So on turnover, we might do something proactive."

"Most people react when they get the bill."

"Equipment failure is important – when you are replacing something, that's when you would think about it."

There also exists a myth among some managers and owners that energy efficient equipment is less reliable, and that it's better to stick with old stuff and old ways. One bad experience can taint a manager or owner's opinion of efficient equipment. Thus, pro-efficiency managers, vendors and advocates can be challenged in convincing owners to plan ahead for equipment failure and chose more efficient and cost-effective solutions:

"When you are facing upgrades to equipment – I try to advocate to owners that we need to figure out (a more efficient solution) ahead of time. What can happen is you have an equipment failure and replace with like kind rather than trying to steer that (to more efficient replacement)."

"When I think of energy efficiency, I am visualizing the building 5 and 10 years down the line. And I want people to say - Wow he really put everything in place. That guy was really thinking ahead."

"The quality of these products is low because they are part of a government mandated program. They are cheap and badly designed. And if you are the guy plunging toilets for people or changing out things that don't work – those are big expenses. For me that's a dude in a truck. I can't imagine many of these programs work."

"I have trouble convincing owners how far we can really go with energy savings. They are bean counters that don't see the future in having a really green building – not so much about certification but in terms of performance."

Common barriers to making improvements include split incentives, upfront cost/poor ROI, lack of time and lack of awareness a building is wasting energy

Most often cited barriers to making improvements to buildings include upfront costs or lack of acceptable return on investment. Another big one was split incentives – when tenants pay their own energy (and water) bills, there is less incentive for owners to make improvements. Lack of time was also cited as a common barrier. Owners and managers are often simply too busy with the day to day management of their building to investigate or act on energy-saving options:

"If tenants don't have a long term lease, it's not obvious how you divvy up costs vs. benefit. Overall there is good return, but the owner doesn't have the incentive and tenant doesn't

necessarily reap all rewards. If they have a shorter-term lease the equipment will pay back years after they move out. It's difficult to line up incentives with decision making."

"Sometimes EE means spending money that clients aren't ready for yet. Although in the long run it is understandable and reasonable that it would be. You have to spend money to save money. And you have to sell that."

"Our problem is time. We love to save money. We see lots of ways to save money. If someone comes along and says I can take care of your time and I'll do it … then it helps everyone out."

"We try to add value where we can. Energy efficiency – I would like to spend more time on that for our bottom line. But I don't have enough time."

"There is a lot of information that gets pushed out to us all the time but there are not enough hours in a lifetime to keep track of that stuff."

External pressure is mounting for greater sustainability and transparency in buildings

Seattle is known for having one of the "greenest" building stocks in the nation. In 2013, the American Council for an Energy Efficient Economy named the city #1 for buildings[2], and a 2014 report from CB Richard Ellis found that nearly 50% of commercial office real estate in the Seattle-Puget Sound region is certified green[3] (carry an ENERGY STAR label or are LEED certification). It is also the home of the first 2030 District – a voluntary effort of downtown building owners and managers committed to reducing energy and water use and carbon emissions 50% by 2030. Clearly, Seattle is a market leader. Keeping up with the market is of increasing importance to building owners and managers, who are also feeling the pressure from city regulations to rate and report energy use:

"Seattle is fairly progressive. There are more and more tenants asking for ENERGY STAR scores. A lot of them are doing their own carbon reporting. It's changing a little bit. It's becoming a little more transparent in that way."

"When I think of EE, I am visualizing the building 5 and 10 years down the line. And I want people to say, 'wow he really put everything in place. That guy was really thinking ahead.'"

"I have a lot of big national insurance companies as tenants in my building so I'm starting to see more questionnaires. Literally today I filled one out from one of my national insurance tenants wanting to know all our green practices. As I'm filling this out, I'm thinking, 'if I wasn't LEED certified and not doing anything green, would you not renew here?'"

Projects can lead to other unexpected benefits

Undertaking energy improvement projects can lead to a number of unexpected benefits that help managers and owners take greater pride in and care of their buildings, make tenants happier and make them *feel good* about what they are doing:

"Out of all this self-examination came the realization, not only are we being bad stewards of the environment, we are not even being good stewards of the building."

"There were social benefits. There is an inherent social aspect to grouping folks together and bringing resources. There is this sense that we are all doing this together, we are doing the right thing and enhancing the value of our community. Even in communities that have a strong social network, it's enhancing that and building that. It is a way to build community."

"We are putting life back into the property. Our asset is important to us and we are maintaining that asset."

Explicit sustainability or energy savings goals are not a prerequisite for projects to happen

Very few participants knew what a whole-building energy management plan was or were aware if their building had one. Some buildings had larger corporate sustainability goals, but it doesn't seem necessary for a building to have goals and plans to embark on energy-saving projects:

"A lot of times when we are getting to know a client, we will do research on the company and bring information (about sustainability goals) we found on the company's website. And they say – 'where did you get that, I didn't even know that existed'."

Personalized, relatable information is preferred

It was very clear from the focus group participants' reactions to the building energy performance profiles that they need more personalized and relatable information and want to hear about what other similar buildings are doing:

"Comparing myself to every other building in Seattle, that doesn't do me any good. We want to narrow it down by size, age or surface area of building and what kind of users you have. So you are looking for all this data to really fine tune to get an idea if you are really inefficient in a way you can deal with it or is just it because something you can't change like surface area of building or current tenant usage."

"We finally realized that we needed three demonstrations nationally. So that you have these peer groups that would be willing to step out there and say we tried this, here were the results, challenges and benefits and we would do it again."

"I don't care if I'm last place, if we've made those huge improvements. Everything they have given us I don't need, everything I want, I'm not getting."

"It would be nice to have a case study each month (of similar buildings taking action) that you could read through with details."

Owners/managers rely on peers, vendors, and personal contacts at utilities

Owners and managers are busy people and want to get credible answers to questions as quickly and efficiently as possible. (As evidence of how busy this group is, more than 500 owners and managers were contacted by phone, email and/or direct mail to participate in focus groups, and only 20 said yes, even when offered a $125 incentive.) When asked where they turned to for information about managing and reducing building energy use, people mentioned trusted vendors, peers and utilities – with the caveat that having a trusted personal contact there is key:

"Knocking on doors trying to reach the owner is just such a low hit rate that there has to be a better way. Peer to peer and through existing trusted relationships is unexplored territory that has real opportunity."

"You still need to deliver and have a pilot that shows real business have real benefit and low hassle, then you can really market it."

"Had she (benchmarking help desk staffer) not been there, I would have thrown the whole software package out. I would have gone back to a manual thing and it would not have been nearly as effective."

"You would think you could go to the utility, that's the last place I would waste my time." This focus group participant went on to say, *"Then someone really effective comes along. (Name withheld) is the reason for all of our projects. He was motivated. He was knowledgeable. He changed all of our attitudes about working with the City. We sat in a coffee shop and he started on a napkin saying I think we can do this, this and this. It was such a non city way of doing it."*

"I really enjoy working with SCL lately. It's been over a year now and finally found a few good people that I like working with."

"I just hang up and call back until I get one."

Reactions to Philadelphia's online benchmarking data visualization tool:

Interviewees were asked to review Philadelphia's new online building energy data visualization platform. Nearly all interviewees responded positively to this tool and thought it would be a good idea for Seattle. This is to be expected, as they own and manage high performing buildings and would be happy to share their data:

"I think it's great. I know a lot of owners might think it's a little scary. They don't want to look bad. But it can spur more investment. That's why the Seattle 2030 District was a big thing for us. We were able to show our ownership - hey this is the average building for Seattle and you guys are down here. Maybe we should do something about it."

"Competition drives change, maybe more so than anything else. If you can see all your peers – you may think - why am I not up there? I don't want to be the only 5 (ENERGY STAR score) on the map."

Reactions to building energy performance profiles

Multifamily Focus Group: The initial reaction of the multifamily residential focus group was to launch into a tangent about their frustrations with utilities and the City and the benchmarking process.

"We don't understand why we are having to collect data that SCL and PSE already have."

"It's frustrating. I want the information, it is not a bad idea, but the application (Portfolio Manager & benchmarking process) could not have been worse."

"It's interesting that we enter data into Portfolio Manager directly from the bills we get from the utility then we get a notification that there is something wrong with the data in Portfolio Manager. Let the utilities enter it automatically."

"You can count on them messing up your stuff."

When redirected back to the profile and asked what stood out for them the most, participants in the residential group zoned in on the rankings and comparisons. In general, they felt the rankings were meaningless for a number of reasons: 1) they cannot control tenant energy use, which can limit their ability to rise in the rankings; 2) they did not believe it was an apples to apples comparison; some residential properties have smaller units, higher occupant density and therefore bigger energy use, while others are larger units, lower occupant density and thus lower use – comparing buildings by energy use per capita was mentioned as perhaps a more accurate metric than per square foot; 3) however, residential properties have different occupant habits – seniors/retirees might be home all day using a ton of energy while working people are not. Others felt that a low ranking might shut down the conversation entirely:

"What sets them (owners) off is rank and compare. When they see they are (low down on the numbers) they think, oh God I am failing and then they just shut down. If we took off this whole competitive edge thing it would be better."

One participant loved the profile, saying he'd post it publicly and use it to push tenants to be more aware of their energy use.

Overall, participants were more interested in seeing energy use trend data than rankings and comparisons with other properties. They also wanted more real-time, actionable information:

"We want trend numbers. What direction are we moving? That's what we want to see."

"It would be great to have individual units usage to find leaks. Then you could knock on door and see what's going on, and not find out about it the next billing cycle."

"I want to know RIGHT AWAY if the water bill jumps up and what floor it is on. The problem could be underground, or could be in the unit."

They also wanted to see specifically what other similar buildings were doing, one suggesting he'd like to get a monthly newsletter highlighting things other residential properties were doing:

"If I see someone saying, 'This is how we got our tenants to use 20 percent less energy and here's the carrots we used', I'm gonna click on that."

Photo: The Giant Vermin/Flickr

Participants also wanted more personalized information and real world examples in the "Take Action" section:

"I want specific actions, not just 'Call SCL'"

"If we get these, let's get 3-4 specific things we can work on: 'Hey we have new toilets and LEDs, let's talk.'"

"Tell me – this is how this group saved $400 per unit, then yes I'd call."

"Provide an example of how Southwest Housing saved. Real time examples would be great."

As for the citywide energy and money savings potential ($55-$90 million), no one was impressed. They felt it was a vague number and wanted to know what *they could save*, not what everyone could save:

"I don't know what to do with $55 million, but I know what to do with $2,600."

"If this is what I saw, I would not know what to do – What share of that is mine – 55 cents or $55 hundred?"

Commercial Focus Group: Reaction from the commercial group was more tempered than the residential group. Participants initial reactions were that the profiles were too wordy and the numbers and comparison metrics confusing and not personalized enough. They also would like to see the rebate information on the front:

"Is high (EUI vs. ENERGY STAR score) good or bad?"

"Put rebates on the front."

"I don't really understand the numbers. They aren't relevant. That's other people's savings, not mine."

"KBTU per square foot – what is that?

"Does high equal bad or good?"

"Should be a speedometer – there is bad and good and you are doing 70."

"You need to be able to tell very quickly is this good or bad."

"It should be simple."

"It needs to be more specific."

"Give me a list of three things (programs/actions) tailor made to my building."

"Add a person's name. If you customize it, feel like it won't go into a black hole."

When asked how the profiles could be improved, suggestions included replacing energy use per square foot (EUI) with energy costs per square foot – which is already how owners/managers understand and talk about property value. They also wanted more personalized savings projections, rather than citywide projections.

"You could take this score and show if you moved to average, you'd save this much, if you moved to the top 25th percentile, you'd save this much and personalize and monetize the savings."

"For a building your size, a 1 percent improvement could equal $x per year. It's a smaller number but it's relevant to me."

"It takes a village kind of things bothers me"

When asked what stood out the most, participants didn't point to any single feature, but continued to offer ways to improve it, such as more building details, energy use trends and case studies:

"Add information that is in the ENERGY STAR Portfolio Manager – like # of computers so you can verify info."

"Add the date – this is your energy performance as of x date."

"Add degree days"

"To me, what would make a difference is how I'm doing now compared to last year. Am I improving, staying the same or going down hill?"

"It would be smart for SCL to say - well we did a retrofit of gas boilers in similar buildings of your age an we had savings of this – a case study – something more similar to your building so it was a teaser on how much money you might save for doing that."

When asked how they felt about the ranking, participants were unmoved overall because they didn't put much stock in the rank because there are so many factors that could impact score, such as tenant behavior or unequal access to resources to improve buildings:

"With bigger companies like mine, there are more resources we have to understand what we ought to be doing. I always wonder how much support smaller buildings need."

"I feel like a building like mine, of course we are going to be doing stuff. But there are smaller or out of country owners or tenants paying utilities in other buildings."

"If your building gets a low rating through no fault of your own, then they (tenants) are going to want you to do things. I'd rather keep tenants in the dark."

"There are facilities like telecom where energy use is off the chart. We once moved computer gamers into a space and energy use went through the roof. I didn't see that go into ENERGY STAR."

When asked what action they might take after receiving a profile, participants again offered ways to improve the take action section, including moving it to the front page, or removing it if a building was already a high performer and replacing it with a congratulatory message:

"One thing you can do with the take action arrow – if you are way over here (low energy user) you wouldn't have take action, you would have a congrats message. Then if you were here (high energy user), there are untapped potential savings."

"It loses credibility if it says take action all the time."

Clearly, rebate information was an attention-getter, but some participants were skeptical that taking action would lead anywhere:

"The rebate websites got my attention."

"I'd hand it to engineer and say it looks like they have this pot of money this year."

"Usually if you go to these places, it's cryptic or takes too long. You are going to sit on hold for a while."

"If it said we have this bucket (of money) and targeting this improvement, yes I would contact them."

While most participants wanted more personalized information and proactive response from the City, a few expressed concern that the City knows too much and are acting like "big brother":

"There needs to be a more direct way for the City to say you are on our watch list, because you are falling behind other buildings."

"This stuff all worries me, it's a slippery slope. When I'm on a watch list. The more command and control, it scares the crap out of me."

METHODOLOGY

A number of methods were used to recruit participants for focus groups and interviews. For the focus groups, the City of Seattle used its database of commercial and multifamily residential buildings that had already gone through the benchmarking process to find individuals associated with buildings that were lower performing. The goal of the focus groups was to hear from representatives of buildings that had the greatest opportunity for improvement, hence the focus on lower performing buildings. Individuals included building owners, managers and others responsible for benchmarking their buildings. A total of 500+ names and contact information were provided to a professional recruiting firm, which called all contacts and screened them to identify people with decision-making authority over building operations and investments. People were offered a $125 incentive payment to participate in the focus groups. A total of 10 people were recruited for each group (10 for commercial and 10 for residential). On the day of the actual focus groups, 5 attended the residential group, and 8 attended the commercial group. The focus group recruitment phone screener and discussion guide are included in the appendix.

For the interviews, the City of Seattle provided Resource Media a contact list of several dozen individuals with extensive experience leading or managing building energy improvement projects. Individuals included building owners, managers and energy service providers. The goal of the interviews was to hear from people that were already undertaking building improvements to see what motivated and influenced their decision-making. Resource Media and city staff recruited potential interview candidates by phone and email, and ended up interviewing 10 people by phone for this project. The interview recruitment email and interview questions are included in the appendix.

ABOUT RESOURCE MEDIA

Resource Media is a nonprofit communication organization dedicated to providing expert strategy, message and outreach services to nonprofits, foundations, government entities and others who are working to protect communities, public health and the environment. Resource Media's staff of 24 includes communication professionals with decades of experience in journalism, public relations, advertising, public affairs, advocacy and organizing. Resource Media's primary offices are in Seattle, San Francisco and Boulder, Colorado and there are field offices in Portland and Washington D.C. Resource Media believes strategic communication is a vital tool to:

- Inform and influence decisions, behavior, investments and culture
- Connect people with shared interests and values
- Translate complex information into values-based narratives
- Build movements for social change

Since 2008, Resource Media has been providing strategic communication support to cities and national organizations engaged in building energy benchmarking initiatives. Our support has included market research, media relations, building industry outreach and case study development.

APPENDIX

Sample building energy performance profile

SEATTLE ENERGY BENCHMARKING & REPORTING

SEATTLE MULTIFAMILY BUILDING
ENERGY PERFORMANCE PROFILE

PREPARED FOR:

Sample Apartment Building
99999 100th St.
Seattle, WA 98106

Primary Use: Office
Year Built: 1985
Size: 48,000 sf
Seattle Building ID: 99999

2014 ANNUAL ENERGY USE/SF:

39 kBtu/sf. This usage is:

HIGH

Rank: **1,146/1,400**
Compared to other Seattle multifamily properties, 1,145 used less energy per square foot than this building.

TAKE ACTION!

This building's 2014 EUI: 39 kBtu/sf

LOWEST USE	MEDIUM-LOW	MEDIUM-HIGH	HIGHEST USE
24 or less	25 - 31	32 - 41	42 or more

This **Energy Use Intensity (EUI)** scale compares this building's 2014 annual energy use per square foot (sf) to the other Seattle multifamily buildings that reported.

EUI = Total Annual Energy Use for all fuels (kBtu) ÷ Total Square Feet (SF).

Your Building's **ENERGY STAR** Score: **53**

** Default data alert: please update Portfolio Manager with actual "use details" for a more accurate score.*

Seattle Median **ENERGY STAR** Score for Multfamily: **67**

The **multifamily ENERGY STAR®** score compares the energy use to other U.S. buildings from 1 (least efficient) to 100 (most efficient). Unlike EUI, ENERGY STAR takes "use details" into account when scoring, such as number units and bedrooms, and number of floors. Buildings scoring 75 or more may be eligible to earn ENERGY STAR certification. More at www.energystar.gov.

A higher ENERGY STAR score indicates a more energy efficient building.

The information in this report is self-reported and subject to verification. The City is sending this report to the building owner and the person that reported the building.

www.seattle.gov/EnergyBenchmarking

SEATTLE ENERGY BENCHMARKING & REPORTING

TAKE ACTION
DON'T MISS OUT ON SAVINGS

Benchmarking is the first step toward reducing energy use, saving money, and making your property more desirable to tenants and buyers. Whether your building scored in the red or in the blue, there is always room for improvements—some of which may be low or no cost:

$55 MILLION
saved each year if all buildings with high energy use improved to become average energy users—a 25% total energy savings.

$90 MILLION
saved each year if all buildings with high energy use improved to become low energy users—a 40% total energy savings.

Combined savings based on energy performance analysis of 2,600 Seattle buildings

Get Rebates and Bonuses

Seattle City Light

FREE Energy Savings Assessment A Seattle City Light energy management analyst will visit your building to identify energy-saving opportunities, many of which may qualify for rebates.
▸ Sign up at **www.seattle.gov/light/benchmark** or call **206-684-3800.**

Access additional funding through The Works!, a program that can provide up to 30% more funding to help pay for energy efficient lighting upgrades throughout a building. With increased incentives, your ROI goes up and the payback period goes down.
▸ Visit **www.seattle.gov/light/theworks** or call **206-684-3800.**

PLUS THE WORKS!

Manage Your Assets

SEATTLE 2030 DISTRICT

If your building is in or near downtown, check out the **Seattle 2030 District** for professional support and networking—including a free program tailored for commercial buildings less than 50,000 square feet. Visit **www.2030district.org/seattle** or contact **206-877-2400**, seattle@2030districts.org.

Gain Recognition

ENERGY STAR scores of 75 or higher may be able to apply for **ENERGY STAR certification.** Login to your Portfolio Manager account to see if your building is eligible or visit **www.energystar.gov/benchmark.**

Already a Low Energy User?

Congratulations! — and do keep in mind that energy use tends to increase over time as systems become less efficient. Stay on top of your assets by checking out the opportunities above.

SEATTLE OFFICE OF Sustainability & Environment

QUESTIONS OR COMMENTS?
Email energybenchmarking@seattle.gov
or call 206-233-7184

www.seattle.gov/EnergyBenchmarking

List of trusted professional organizations and publications cited by participants:

- American Association of Engineering Societies
- American Institute of Architects (AIA)
- Association of Energy Engineers
- Building Owners and Managers Association (BOMA)
- Capitol Hill Ecodistrict
- Chambers of Commerce
- Concierge Guild of Seattle
- CoreNet Global
- Downtown Seattle Association
- Institute of Real Estate Management (IREM)
- International Council of Shopping Centers
- International Facility Management Association (IFMA)
- Laboratories for the ^{2}1st century (DOE)
- LeadingAge Washington
- International Living Future Institute (ILFI)
- Mechanical Contractors Association of Western Washington
- NAIOP Commercial Real Estate Development Association
- National Association of Residential Property Managers
- Puget Sound Business Journal
- Seattle 2030 District
- U.S. Green Building Council (USGBC)
- Urban Land Institute (ULI)
- Washington Multi-family Housing Association (WMFHA)
- Washington State Society of Healthcare Engineers

Focus group phone screener

FINAL

Seattle Office of Sustainability and Environment (OSE)
Focus Groups

Building Owner/Manager Recruitment Screener

Introduction: Hello, my name is _____ and I'm calling from Pacific Market Research on behalf of the Seattle Office of Sustainability and Environment. I'm calling for <insert name from recruit list>. Would that be you?

- *If yes* – We're conducting discussion groups (also known as a focus group) with Seattle building owners and managers and would like to possibly have you participate. The purpose of the groups will be to discuss issues related to building operations and energy use. The results will help the City Sustainability Office improve services and outreach to building owners and managers interested in lowering energy use and costs. Discussions will remain completely confidential. This work in being funded through a Seattle-based private foundation grant.

- *If no* – Ask them if <name from recruit list> is available. If not, ask when a good time would be to call back. (If they ask what you are calling about, explain to them that the Seattle Office of Sustainability and Environment is conducting discussion groups with building owners and managers to discuss issues related to building operations and energy use.

The focus groups would last 1 and 1/2 hours with about 8-10 other building owners and managers. There will be two groups – one focused on multifamily residential properties, and the other focused on non-residential commercial properties. Your participation is needed in just one. Focus groups will take place on a weekday evening in late February and a light meal will be served, plus participants will receive a $125 honorarium.

If they have questions about participating, tell them that they can call Bruce Brown, Director of Research at PRR, Inc. at (866) 777-0232.
****

We are looking to get a mix of property owners and managers that have decision-making authority or lead building operations. In order to accomplish this, I need to ask you a few questions.

1. Do you work with commercial or residential buildings or both?
    - Commercial
    - Residential
    - Both

- If both, which do you work more with – commercial or residential? (use answers to determine which focus group they should participate in)
    - Commercial
    - Residential

2. Do you own, manage or have operational oversight over the building(s)?
    - Yes (recruit an equal number of residential vs. non residential owners)
    - No (ask if there is someone else at their company with decision making authority that you can talk to)
- If Yes, how would you best describe your role?
    - Owner

FINAL

- Property Manager
- Facility Manager (on-site)
- Other: please describe

3. Is the building or buildings you manage at least 20,000 sq. ft. in size?
   - Yes
   - No (if no, ask what size, if they are 10-20K it would be ok to have one or two of this size in each group)

4. Has your building or buildings undergone any energy-saving improvements in the past 5 years?
   - Yes
   - No

5. Has your building or buildings undergone energy benchmarking in the past year?
   - Yes (ask if it was done as part of the city's benchmarking requirement, or on their own)
   - No
   - Don't know

6. How many years have you owned or managed properties? (recruit a mix if possible, with no more than 1 person with less than 1.5 years of experience in each group)
   - Less than 1.5 years
   - 1.5 years to less than 5 years
   - 5-10 years
   - 11 years or more

(Note if person is male or female by inferring by name and voice, do not ask gender directly.)

Standard Invitation: As I mentioned before, we are conducting focus groups with owners and managers of multifamily residential and non-residential commercial properties. The purpose of the groups will be to discuss issues related to building operations and energy use. The results will help the City of Seattle improve services and outreach to building owners and managers interested in lowering energy use and costs.

Before the group meeting, we will share a one-page sample building energy profile that the City is developing to help owners and managers better understand their building's energy use. We'd like your thoughts on the energy performance profile, including anything that was confusing, parts you especially liked, and other ideas that come to mind. During the meeting, we will ask participants if they have suggestions to make the document more helpful and easy to use. If you think of ideas before this meeting, please write them down and bring your notes so you can offer those suggestions during the discussion. Any and all ideas are welcome!

The discussion will last 1 and 1/2 hours, a light meal will be served, and you will receive $125.00 to thank you for your participation.

The focus group for multifamily residential property owners and managers will be held on:

- Wednesday, Feb. 25th at *PRR* from 6:30-8:00 pm.
  (PRR is located at 1501 Fourth Avenue in Seattle)

The focus group for non-residential commercial property owners and managers will be held on:

- Thursday Feb. 26th at *PRR* from 6:30-8:00 pm.
  (PRR is located at 1501 Fourth Avenue in Seattle)

FINAL

Will you be able to join us?

- ❑ Yes *(proceed to "address" paragraph at the end of this document)*
- ❑ No – not interested after all *(try and convince them how important their opinion is. If cannot be swayed, thank them for their time and end call)*
- ❑ No – (thank them for their time and end call)

Contact Info

So that we can send you the advance material, a confirmation letter and directions, may I please have *(or, confirm)* your name and address?

Name: (VERIFY CORRECT SPELLING) _____

Address: _____

City: _____ State: ____ Zip: _____

Telephone: _____ Email: _____

Fax: (only if don't have email):_____

We will need to call you the day before the focus group to remind you about the group. Is it ok to call you at this number?

☐ YES, OK TO CALL THIS NUMBER
☐ NO, CALL DIFFERENT NUMBER -- > RECORD NUMBER BELOW

NUMBER TO CALL TO REMIND:_____

Thank you for agreeing to participate. We look forward to seeing you.

Focus group discussion guide

FOCUS GROUP DISCUSSION GUIDE

I. **Introduction/Warm-Up (10 minutes)**

- [Moderator introduces herself]
- [Explain:] A focus group is a group discussion where we can learn more in-depth about peoples' ideas and opinions (compared to telephone or written surveys).
- My job is to facilitate the discussion and make sure that everyone has an opportunity to speak and to make sure that no one dominates the conversation.
- Housekeeping – Toilets and refreshments.
- [Mention ground rules.]
  - There are no right or wrong answers; we're interested in your honest and candid opinions and ideas.
  - Our discussion is totally anonymous. We will not use your names or organization in any report.
  - Our discussion today is being recorded. These recordings allow us to write a more complete report, and to make sure we accurately reflect your opinions. However, please only speak one at a time, so that the recorder can pick up all your comments.
  - That is a one-way mirror behind me and a couple of my colleagues are observing our discussion
  - It is important to tell us YOUR thoughts, not what you think others will think, or what you think others want to hear.
  - Please turn off cell phones
  - Your stipend will be provided as you leave.
  - Relax and enjoy
- Very generally, we're going to spend our time today talking about building operations and energy efficiency, and how you go about managing and improving your properties. We'd also like to get your feedback on a sample building energy profile. Any questions about the purpose of our focus group or the ground rules before we begin?

I'd like you each to introduce yourselves. Please tell us:

- Your first name
- What role do you play for your building or buildings? Owner or manager? Or both?
- What types of buildings do you own/manage? Office, retail, mixed use, multifamily, other?
- What size are the building(s) you own or manage?

II. **Day-to-day building operations and core concerns (15 minutes)**

- First, I'm going to ask you to think about a typical day managing your building. In thinking through the day, what issues occupy your time the most?
- Of all the issues you deal with, are there ones that you care about more than others, or wish you had more time to address?
- How does building energy use and bills rank in the spectrum of things you deal with or care about? (provide rank – high, med or low)
- Think about a time recently you were able to make a change in your building. What was done? What prompted it to happen?
  (Prompts, if needed):
  - Tenant complaints/requests?
  - Things breaking/needing maintenance issues?

- When tenants vacate?
- When new tenants move in?
- Getting property ready for sale or lease?
- When new owners take over?
- High energy or water bills?
- Other triggers?

- Think about a time you made a change to the building that required a new investment. What was done? What were the deciding factors that justified the investment? What mattered most and why?

(Prompts, if needed):

- Return on investment
- Building aesthetics
- Tenant/occupant retention
- Tenant/occupant comfort
- Tenant/occupant safety
- Other concerns?

- Who makes investment decisions? Where does the buck stop?
- Can you talk about a time you convinced that person or group to make an investment to change something about the building – what was the situation and how did you do it? How was the project financed?
- How involved are owners in the day-to-day operations of the building and investment decisions?

ASK OBSERVERS IF THEY HAVE ANY ADDITIONAL QUESTIONS AT THIS POINT

III. **Experience with and views on building energy efficiency (20 minutes)**

Start with mind-mapping exercise: "What does energy efficiency mean to you?" Have participants write down 2-3 ideas, phrases or personal experiences that come to mind.

- We are going to start with a little written exercise. In front of you is a **notecard and pencil**. Here's the question, "What does energy efficiency mean to YOU in your job as a building owner or manager?" Please write down two to three ideas or thoughts that come to mind. (Give folks 2-3 min to write down their ideas)
- Let's share what you wrote (go around room)
- Is saving energy and increasing energy efficiency in your building important to you? Why or why not?
- Where do your buildings' energy bills go? Do you see them first, or someone else?
- Who pays the bills? Property owner, management firm or tenants?
- How big a cost is energy compared to other operating costs?
- Are you concerned about your building's energy costs? What concerns you?
- Most of you indicated when we recruited you for this focus group that you have already done some work to improve your building's energy efficiency. What was done? What prompted you to make the improvements?
- How did you determine what to work on? What was most important to address & why?
- What sources of information did you turn to, or groups/organizations did you contact to get started?
- Who did you have to convince to make it happen? How did you do that?
- What was the ultimate deciding factor to go forward on the project?
- What were some of the benefits to making energy efficiency improvements to your building?
- What were some of the drawbacks?

- If you have been thinking about making energy upgrades, but haven't yet, what's standing in your way?
- Do you think making your building more energy efficient or "green" makes it more attractive to potential tenants or buyers? Why or why not?
- Do tenants or buyers ask about the building's energy efficiency or "green" attributes, is it important to them or not?

ASK OBSERVERS IF THEY HAVE ANY ADDITIONAL QUESTIONS AT THIS POINT

IV. **Resources for improving energy efficiency/information channels (15 min)**

Now we're going to talk about your preferred ways of getting information and assistance to improve building energy efficiency.

- If you suspected that your building might be wasting energy or its energy systems aren't working right (e.g. tenants are complaining its too cold/hot), or just wanted to save money on energy bills, who would you turn to first? Why?
- Have you ever reached out to energy service providers or been approached by service providers? What did you contact them about? How did it go/what has been your experience with that? How could it have been improved?
- Have you ever reached out to the City, Seattle City Light or Puget Sound Energy, or have the city or utilities approached you? What did you contact them about? What has been your experience with that? How could it have been improved?
- For those of you that have made energy efficiency improvements to buildings, what information did you seek out to get started and to help you along the way? What was the most helpful?
  (Prompts if needed:)
  - Information on rebates and incentives
  - Information on qualified energy specialists
  - Information on how your specific building uses energy
  - Information on savings potential for your specific building
  - Information on what other buildings have done and how they did it
  - Information on how your building's energy performance compares to similar buildings
- If you could design your ideal informational resource – what types of information would it have?
- How did you find the information? What was the most helpful? What was not very helpful for you?
  (Prompts if needed):
  - Did a Google search (what did you search for?)
  - Asked a colleague/friend (who did you ask?)
  - Attended an industry workshop or networking event (what was it?)
  - Contacted my utility (how, by phone, email, etc?)
  - Accessed city/utility websites
  - Received city/utility e-newsletters or emails
  - Called or emailed the city benchmarking help desk
  - Contacted energy service providers
  - Other ways?
- If you could have your own personal energy agent – what would they do for you?
- What professional organizations do you belong to? How often do you go to their meetings? How often do you read their newsletters? Do they ever talk about energy efficiency or provide members information about it?
- What publications do you read for news and information about building operations and management?

- Are you curious what other building owners and managers are doing to save energy? Why or why not? Do you think it would it be useful to learn from their experiences?

ASK OBSERVERS IF THEY HAVE ANY ADDITIONAL QUESTIONS AT THIS POINT

V. **Benchmarking & building energy performance profiles (30 min)**

You may be aware that the City requires building owners to benchmark and report the energy use of their buildings every year. The City would like to get your opinion on individualized building energy reports that may be distributed to building owners that complied with Seattle's benchmarking requirements. Copies of these were emailed, but I will pass them out again as well.

[Distribute copies to everyone]

- What was your first gut reaction when seeing this profile?
- Any other reactions or observations you'd like to share before we ask any questions?

Front Page

- What stands out to you most about the profile?
- Is this too much / too little / about the right amount of information?
- Is anything confusing?
- Does anything raise questions for you? The ranking? kBtu? Energy Use Intensity (EUI)?
- What do you think of the EUI scale?
- Too much information – what would you remove?
- Too little information – what would you add? (Would it be helpful to have an energy cost estimate in $$ for this building?)
- If this were your building (that you owned or managed) how would it make you feel?
- What would you do with it?
    - Would you share it with anyone? If yes, who and why? If no, why not?
    - What do you think the City of Seattle wants you to do with this?
- Looking at the "Compare Your Building to Others in the U.S." section:
    - What stands out?
    - What do you think of the ENERGY STAR score?
    - Does the "default data" note make sense? Is it useful?

Back Page – Take Action

- Does this information inspire you to "Take Action"? Why or why not?
- Is this too much / too little / about the right amount of information?
- Would you visit any of the links (or suggest them to someone else?)
- What would you expect to find once they clicked on the website?
- Would you call or email the city benchmarking help desk? What would you expect or hope to happen when you call/email?
- Any reactions / thoughts on the $55 million and $90 million figures?

Closing exercise: Give people a blank sheet of paper and have them mark it up/create their own building energy profile.

- If you could make your own profile, what would be the key things you would want on it and scribble that down. (Have group share/discuss what they created)

ASK OBSERVERS IF THEY HAVE ANY ADDITIONAL QUESTIONS AT THIS POINT

Interview and focus group recruitment letters

Email/Interviews

EMAIL SUBJECT LINE: Interview Request from the City of Seattle

Dear (*Name*),

You are among a select group of leading building industry professionals that the Seattle Office of Sustainability and Environment (OSE) is interested in possibly interviewing for a research project on what motivates and inspires people and businesses to improve building energy performance. Resource Media – a nonprofit communications firm – will be conducting interviews on behalf of OSE.

You were referred to us by (*referring person's name here*) as someone experienced in leading successful building energy performance improvement projects. We are hoping you'd be willing to participate in a short 30-minute phone interview between now and Feb. 13.

Results of these interviews will help inform a grant-funded research project aimed at helping OSE and its partners improve their services and outreach to building owners interested in improving building energy performance. We are interviewing 6-8 professionals, whose responses will remain anonymous in the final research report. As part of this project, we will also be conducting focus groups with building owners/managers who are newer to making building energy performance improvements. We anticipate a final report will be complete by the end of April, and would be happy to share that with you if you are interested.

Please let me know at your earliest convenience if you are available to be interviewed. Also, please feel free to recommend other colleagues that might be interested in participating. Thank you!

Sincerely,

Debbie Slobe
Resource Media

Email/Letter: Focus groups
EMAIL SUBJECT LINE: Building Industry Focus Group Opportunity

SEATTLE OFFICE OF
Sustainability & Environment

Dear (*Name*),

The Seattle Office of Sustainability and Environment (OSE) is currently seeking local building owners and managers to participate in a 1.5-hour focus group on either Wednesday, February 25 or Thursday, February 26 to share their insights and opinions on building operations and energy use. A light meal will be served and participants will receive a $125 honorarium at the conclusion of the discussion. Focus groups are supported by a Seattle-based private foundation grant.

OSE would like to hear from owners and managers of multifamily residential properties as well as non-residential commercial properties that are 20,000 sq. ft. and larger. Focus group participants should be parties responsible for managing and/or leading operations and building-related improvements.

The groups will be organized by building type (multifamily or commercial) and take place at the office of PRR in Seattle. Directions to PRR will be provided after your appointment is made.

Focus Group #1 Multifamily Residential
Date: Wednesday, Feb. 25
Time: 6:30-8:00p

Focus Group #2 Non-Residential Commercial
Date: Thursday, Feb. 26
Time: 6:30-8:00p

Results of these focus groups will help inform a grant-funded research project aimed at helping OSE and its partners improve services and outreach to building owners interested in improving building energy performance. Focus group discussions will remain completely confidential.

Please let us know at your earliest convenience if you are interested in participating in a focus group, and which one (multifamily residential or non-residential commercial) by contacting Christine Jones at Pacific Market Research. **Space is limited so you must be confirmed by a recruiter to reserve your space** Please feel free to pass this notice on to any of your colleagues that might be interested in participating.

Thank you!

Sincerely,
Christine Jones
Pacific Market Research
Ph: (425) 271-2300
Email: CJones@pacificmarketresearch.com

Interview questions

INTERVIEW QUESTIONS

- What is your role in your company, and what types of buildings do you manage/own/service?
- Have you led (or influenced) or managed energy-efficiency improvements to these building(s)?
- What kinds of improvements were made? Can you provide a brief overview?
- What drove you to make these improvements? What were the biggest influences on your decision-making process? What was the ultimate deciding factor?
- Who did you need to convince to make it happen? Financial decision makers, tenants, other party? How did you do that?
- Does your company or building have larger corporate sustainability goals?
- Does the property have a whole-building energy management plan?
- Were there any surprising, unexpected benefits or perks of adopting energy efficiency for you or your company?
- Are there downsides to going efficient that you've noticed? If so, how have you navigated them, or how do you think they could be addressed?
- What would have helped during this process? Are there gaps/roles the city government could play? For example, more coaching, more help finding vendors, audit support, etc.
- The City is seeking ways to better engage more owners and managers. What would you say are the best relationships for the cities to develop to access this audience?
- Are there organizations that the City should partner with or would serve as good messengers – people or organizations that owners/managers trust?
- Do you promote building efficiency to prospective tenants/lenders, does it come up in conversation? Do your buildings carry certifications such as LEED and ENERGY STAR and are those helpful in marketing your building? How so?
- As you know there have been a lot of questions in the benchmarking circles about the actual impact of making benchmarking data public. So we'd like to ask…

  Philadelphia recently launched a website that visually maps the energy use of commercial buildings in that City and allows comparisons between buildings. What do you think about this? Would you use this type of tool in your work?

  (If they are really interested and like the idea you could share Philly's website)
  http://visualization.phillybuildingbenchmarking.com/#/

  (If interviewees ask, Seattle cannot currently provide this data because Seattle's law does not include public disclosure. We are just interested whether owners/managers would actually use the data this way and if they have other comments about it.)
- Has a tenant, buyer or owner asked for documentation of or information on the building's energy performance?
- Would you be willing to share your experience/story with others?

Footnotes:

[1] City of Philadelphia's Building Energy Use Visualization Tool: http://visualization.phillybuildingbenchmarking.com/#/

[2] American Council for an Energy Efficient Economy 2013 City Energy Efficiency Scorecard: http://aceee.org/files/pdf/summary/e13g-summary.pdf

[3] 2014 CB Richard Ellis Report, "*Seattle ranked as one of the top ten U.S. cities for green commercial real estate*" http://www.cbre.us/o/seattle/AssetLibrary/CBRE_Seattle_PR_-RGRC_Maastricht_62514.pdf