



February 4, 2010

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Office of Management and Budget
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LPB Energy Management provides the following comments in response to the Department of Energy's request for public comments on a proposed emergency agency collection of information posted in the Federal Register on January 21, 2010 [pages 3454-3455].

Thank you for the opportunity to comment and for your consideration of the following recommendations.

Sincerely,

A handwritten signature in black ink that reads 'Brent Walton Merchant'. The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Brent Walton Merchant
Director, Government Affairs
LPB Energy Management

a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility

We believe this proposed collection of information *is* necessary for the proper performance of the functions of the agency and that the information *will* provide practical utility.

To accurately assess and optimize the impact of Recovery Act energy efficiency investments, performance must be matched against projections through the collection of utility bills and the analysis and objective reporting of energy consumption and cost reduction, as well as carbon emissions, through a robust data input and reporting/analytic output process.

The foundation for such a process must be monthly utility bill data, to include the capture of account and meter numbers. Monthly utility bill data is *objective* and provides for *reliable* analysis and actionable reporting through the actual billing data. Analysis and reporting of utility bills delivers to agency program managers and decision-makers insight that helps identify whether or not programmatic goals and objectives are being met, and compares projects to replicate successes, thereby helping to maximize the impact of the Recovery Act.

Collecting, analyzing, and reporting on utility bill data through a data input and analytic/reporting process will:

- Promote accountability of expenditures and verifiability of savings through the objective and reliable analysis of the effectiveness of energy efficiency retrofits and energy cost savings measures funded through the Recovery Act
- Measure progress toward energy consumption and greenhouse gas emissions reductions objectives
- Improve agency reporting capabilities and analysis tools
- Increase transparency without creating additional administrative burden
- Ensure effective expenditure of taxpayer dollars

(b) The accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used

Given our understanding of the Department's data management systems and availability of resources (personnel and financial), we do not think the agency's estimate of "zero" burden of the proposed collection of information to be accurate, due to the reasons below:

- It is our understanding that capture of utility data in the format that is suggested (via Letter of Authorization for 12-month historical usage) is not available without cost in some regions. Many utilities may attempt to charge a fee or recoup administrative costs when providing the data.
- Agency man hours: to collect, report and analyze the utility bill data and report on cost and consumption historically and forward, must be taken into account.

We recommend the following to optimize the effectiveness of this proposal.

In order to ensure accuracy, maximize the analytical and reporting benefits of the collection of utility bill data, to ensure accuracy, and ease the administrative burden associated with the collection of massive amounts of utility bill data across the entire country, we recommend that the Department of Energy consider development of a web-based Comprehensive Energy Data Management System (EM System).

This EM system should be able to provide comprehensive and robust reporting on the utility bill data collected within a web-based, secure reporting system.

In order to ensure objective, reliable, and accurate analysis and reporting, we recommend that the Department engage with an independent, third-party entity to manage and operate the EM System.

(c) Ways to enhance the quality, utility, and clarity of the information to be collected

In order to enhance the quality, utility, and clarity of the information to be collected, we reiterate our recommendation that the Department consider development of a web-based Comprehensive Energy Data Management System (EM System), operated and managed by a third-party, independent provider.

The provider would input, manage, and analyze the utility bill data collected, develop a database to house the data collected, and provide a comprehensive web-based EM System accessible to selected agency personnel and management through a password-protected secure website. This EM System would provide to program staff, managers, and decision-makers ready-access to energy consumption and cost information and reports.

Data input capabilities for the EM System should be as broad as possible, with a platform that allows all designated and necessary entities (utilities, customers, DOE, the third party provider) to upload, enter, correct, and fill in missing data. In our experience, a utilities-only approach will lead to missing or incorrect data.

It is our experience that the EM System should be “*data-input agnostic*.” Some energy users relevant to this proposal may outsource data entry to third-party, some may never outsource (due to legal or labor constraints). Certain utilities required to upload electronic data may not co-operate, or may not co-operate within a timeframe that is useful. This view is based on extensive experience in this field. Our experience also tells us that an optimal system would not differentiate between which entity is entering the data, instead requiring only that it be entered on a pre-payment basis.

In order to optimize the quality, utility, and clarity of the data, the EM System which houses the collected data should normalize the data through a variety of independent, customizable and user-definable variable factors, including, but not limited to weather (HDD & CDD), square footage, building occupants, and various demand factors.

In order to most effectively validate the effectiveness of the energy management projects, and to deliver the most beneficial analysis and reporting to program personnel and decision-makers, the EM System which houses and reports on the collected data should have the ability to capture and record both financial and energy-related attributes of relevant projects, including amount invested, expected and actual consumption reduction, and expected and actual cost reduction.

In order to ensure quality of data, the Department should employ an EM System that can perform utility bill validation checks to prevent data and accounting errors, and ensure historical data transfers even when a meter switches from one utility to another.

Additionally, it is our experience (supported by the Institute of Management and Administration) that, at a minimum, 3% of utility invoices have billings errors. The integrity of utility data input into an EM System would be further enhanced by validation checks of the utility bill data to ensure accurate consumption information is recorded.

In order to track and understand true costs associated with commercial and residential buildings, in particular in those deregulated states where building owners have elected a third party commodity supplier, the EM System must have the ability to collect both the utility bill consumption and cost as well as the supplier costs without duplicating usage data.

The EM System should *seamlessly* convert energy consumption data to greenhouse gas emissions calculations and reporting, and electronically integrate building attributes and historical and future utility bill data with the Environmental Protection Agency's Portfolio Manager System.

(d) Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology

Wherever possible, utility bills should be captured electronically, ideally as part of the pre-payment process. Where electronic billing is not available, we recommend that DOE employ an EM System that allows for the seamless transfer of paper bills to an electronic version and ensures accuracy as data is entered into the system.

We also recommend that DOE utilize an EM System that employs rigorous, effective, and proven validity checks to prevent data and accounting errors.

In order to ensure accurate data, the EM System must ensure seamless transfer of a utility account from one retail supplier to another, without discontinuity of historical consumption and cost data.

Account numbers can change. In order to ensure veracity of data, site level detail must be incorporated as well as the meter and account number(s). The unique identifier most important to this process will be the meter number. When a building owner sells their commercial or residential property, most utilities (most notably in the Northeast) will change the account number. The only constants are the meter number (until switched out) and the service address and site info.

LPB recommends that the guidance, and associated “Authorization” form be clarified where necessary, to state that:

Historical data will be gathered in year one via a “Letter of Authorization” form. With this form, the utility will provide monthly consumption and cost data only. We also suggest that the authorization form be adjusted to account for the Department to gather cost and usage history from third-party suppliers, where applicable.

We recommend additional provisions to collect and monitor utility billings monthly going forward, electronically where available, to continue until return on investment (ROI)/payback period of relevant project is exhausted. At that time, we would recommend that the Department evaluate current ROI/payback data to determine whether or not it is consistent with project’s original proposal of savings objectives. If not, the Department should be permitted to adjust the monitoring timeframe to allow for continued tracking and analysis of the project.