Annual Energy Performance Metrics Submission: Guide For Property Owners and Managers

February 2015
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Executive Summary

- Energy Performance Metrics (EPMs) track a property’s energy performance over time and identify potential expense and property condition risk.
- Owners use EPA’s ENERGY STAR® Portfolio Manager to calculate and submit the EPMs to Servicers.
- Owners must report EPMs annually if the Property is:
  1. Financed with a Green Preservation Plus or M-PIRE loan; OR,
  2. Located in a city that already requires mandatory annual energy benchmarking including:
     - Boston, MA
     - Cambridge, MA
     - Chicago, IL
     - New York, NY
     - Seattle, WA
     - Washington, DC
ENERGY PERFORMANCE METRICS
AND
ENERGY STAR® PORTFOLIO MANAGER®
What is ENERGY STAR® Portfolio Manager®?

- Free, online tool to measure and track the energy and water performance of buildings
- Used by many cities to report annual energy performance
- Portfolio Manager® calculates energy performance of properties over time
- EPA used Fannie Mae’s *Energy and Water Market Research Survey* to create the 1-100 ENERGY STAR Score for Multifamily Properties, launched in September 2014
What does Fannie Mae require to be submitted?

**Energy Performance Metrics:**

1. **ENERGY STAR 1-100 Score**
   - Summarizes all the energy use at a property on a 1 to 100 scale
   - 1 to 100 scale (the higher the better)

2. **Source Energy Use Intensity (Source EUI)**
   - Calculates energy consumption of the property per square foot in British thermal units (kBtu/sqft)
   - ~50 to 300+ kBtu/sqft (the lower the better)

**Supporting Information:**

1. **EUI / ENERGY STAR Score Date**
   - Ending date of 12-month reporting period
   - Should be Dec. 31 of prior year for reporting to Fannie Mae to match Annual Operating Statements

2. **Portfolio Manager Property ID**
   - Unique identifier within Portfolio Manager
   - Links the property with the Fannie Mae loan

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*Energy Performance Metrics are reported on a calendar year: January through December. Property Owners must use ENERGY STAR’s Fannie Mae Report to calculate and report the data.*
What Can You Do With This Information?

- Use the 1-100 ENERGY STAR Score and/or Source EUI to identify underperforming properties
- Prioritize opportunities for energy and water efficiency improvements
- Track properties’ energy metrics over time

What Will Fannie Mae Do With This Information?

- Track the Multifamily portfolio’s energy performance over time
- Analyze the relationship between financial performance and energy performance

Example of Analysis That Can Be Performed With Energy and Financial Data
Why Is This Important?

- The least efficient multifamily property may be spending $165,000 more in annual energy costs than a similar property operating the most efficiently*

- Benchmarking is the first step to
  - Lower energy and water consumption
  - Reduce expense costs and risk for owners
  - Reduce utility costs for tenants
  - Improve an asset’s physical condition and operations
  - Reduce the property’s environmental footprint

* For more insights on the relationship between energy and multifamily financial performance, see *Transforming Multifamily Housing: Fannie Mae’s Green Initiative and ENERGY STAR® for Multifamily*
FANNIE MAE’s EPM REPORTING REQUIREMENTS
Who is required to report EPMs to Fannie Mae?

- Multifamily property owners and managers must report if the property is:
  1. Financed with Green Preservation Plus or M-PIRE; or,
  2. Located in one of the following cities and meets the size requirement; property owners in these cities must already report to the city per local law

<table>
<thead>
<tr>
<th>City</th>
<th>Multifamily Property Size*</th>
<th>City’s Annual Reporting Deadline Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambridge, MA</td>
<td>≥ 50 units</td>
<td>May 1</td>
</tr>
<tr>
<td>New York, NY</td>
<td>≥ 50K gross sq.ft.</td>
<td>May 1</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>≥ 20K gross sq.ft.</td>
<td>April 1</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>≥ 50K gross sq.ft.</td>
<td>April 1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City</th>
<th>Changing Multifamily Property Size per Reporting Deadline Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td>Boston, MA</td>
<td>≥ 50K gross sq.ft. OR ≥ 50 units</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>≥ 250K gross sq.ft.</td>
</tr>
</tbody>
</table>

* Some cities indicate size of property required to report by gross square footage and others by number of rental units. Boston sets its size requirement in both gross square footage and number of rental units.

Servicer reporting deadlines may be different than your City’s deadline.
Are properties in the MSA required to report?

NO: New York MSA

YES: Properties within the jurisdiction of the City of New York

Only properties within a city’s jurisdiction are required to report EPMs to Fannie Mae, not properties within the MSA.
EPM REPORTING PROCESS FOR OWNERS AND MANAGERS
Overview of Reporting Steps

Step 1
- Identify Properties Required to Report EPMs

Step 2
- Review Your Property’s Benchmarking Data

Step 3
- Access the Fannie Mae Energy Performance Metrics Report

Step 4
- Generate Your Energy Performance Metrics Report

Step 5
- Send Report to Your Servicer

Step 6
- Repeat Process for Additional Servicers
Step 1: Identify Properties Required to Report EPMs

- If you are required to report to your City, you are required to report to your Fannie Mae Servicer. Your Servicer may reach out to you with a list of specific properties that must report EPMs. If not, it is your responsibility to confirm, using these links:
  - Boston [Draft List of Properties Required to Report in 2015](#)
  - Cambridge [List of Covered Properties Required to Report 2014 Energy Use](#)
  - Chicago [Covered Building Information](#) (City will notify covered buildings by March 2015)
  - New York City [Covered Building List](#) (2015 list to be posted soon)
  - Seattle [Buildings Required and Exemptions](#)
  - Washington, DC [Covered Building List](#)

- If your property has received a Green Performance Plus or M-PIRE loan (regardless of location), you are required to report EPMs to your Servicer
Step 2: Review Your Property’s Benchmarking Data

1. Log into Portfolio Manager®
2. Confirm energy data for January through December 2014 is accurate and complete
3. Input water consumption data (required for Boston; optional elsewhere)
4. If you are benchmarking your property for the first time, please note:
   - Property use and energy consumption data must cover at least January through December of the prior calendar year (2014)
   - Energy data must include all energy consumed at the building, across all fuel types, for all meters serving the building
   - See “Further Resources” slide for more information on how to use ENERGY STAR® Portfolio Manager®
Step 3: Access the Fannie Mae Energy Performance Metrics Report

1. Click here to access the Report
2. Indicate who is submitting the data
3. The Timeframe will default to the correct dates (no input necessary)
4. Select all properties to be reported to a single Servicer
   - Note: If your properties are serviced by different Servicers, you will need to create and generate multiple reports. See slide 17 for more details.
5. Click “Generate Response Preview”
Step 4: Generate Your Energy Performance Metrics Report

1. From the “Reporting” tab, click on the “Fannie Mae Energy Performance Metrics” report

2. Select “Preview Response” from the Action drop down menu
   - If you want to check for any missing data, select “View Missing Metrics (N/As)”

3. Confirm all metrics are populated in the report
   - If you identify errors, exit the reporting module and make edits to the property record in Portfolio Manager
Step 4: Generate Your Energy Performance Metrics Report (cont’d.)

4. If corrections were made, select “Generate an Updated Response” from the Action drop down menu.

5. When all data has been previewed and confirmed, select “Send Response” from the Action drop down menu.

6. If there are still any metrics that cannot be calculated for your property, you will be alerted.
   - If you need to make changes, do so and return to Step 4 above.
   - If you choose to ignore missing metrics, click “Send Response”.
7. Confirm Recipients

- A copy of the report will be sent automatically to the e-mail address on your Portfolio Manager account. You do not need to select contacts from your contacts book.

- Enter any additional recipients in the box labeled “Optional – Additional Email Addresses”

8. Request the data in Excel format

9. E-Sign the form using your Portfolio Manager credentials

10. Click “Send Data” to generate an email of the report
Step 5: Forward Report to Your Servicer

1. Check your email inbox for the Energy Performance Metrics Report

2. Forward a copy of the Energy Performance Metrics Report to your Servicer(s), along with your Annual Operating Statements

3. Respond to follow-up questions from your Servicer, if necessary
Step 6: Repeat Process for Additional Servicers

If your properties are serviced by multiple lenders:

1. Return to Step 3

2. Select Properties that should be reported to the next Servicer

3. Repeat until each Servicer has received a separate report for all properties required to report Energy Performance Metrics
Take-Aways

- Verify whether your property is subject to EPM Reporting Requirements
- Use the *Fannie Mae Energy Performance Metrics Report* in ENERGY STAR® Portfolio Manager® to report
- Submit EPMs to your Servicer with Annual Operating Statements
- If you have questions and are required to report by your city, start with your city resources.
Appendix: Resources and Training

  Go to the “ENERGY STAR® for Multifamily” page

- Visit http://www.energystar.gov/buildings/training for “How To” Guides and short training videos including:
  - Portfolio Manager Quick-Start Guide
  - How to apply for the ENERGY STAR® certification
  - Links to upcoming live and recorded trainings

- Get answers to benchmarking questions at http://www.energystar.gov/buildingshelp
Appendix: City Resources

If you have any questions about complying with the reporting requirements, please refer to the website for your city’s regulations.

- Boston
- Cambridge
- Chicago
- New York City
- Seattle
- Washington, DC
If you have any questions or concerns regarding Fannie Mae’s property Energy Performance Metrics reporting requirements, please send an email to:

mf_operatingstatements@fanniemae.com