

Q&A with Utility Submetering Expert Peter Mills of Wyse Meter Solutions

With rising climate change demands and increasing costs for property owners and landlords, the benefits of submetering continue to outweigh the costs for this growingly efficient user-pay system. Since submetering was introduced in 2000, over 2000 residential buildings across Canada have implemented utility metering systems. As more building owners opt to install these systems, both tenants and landlords are realizing the financial and environmental implications of their utility consumption. By handing the accountability over to residents and independently monitoring their usage, there has been a noticeable reduction in consumption. Here is the latest update on this technology and how it is reshaping the multifamily space from expert Peter Mills, Co-CEO of Wyse Meter Solutions.

Q: Are there proven financial benefits of submetering?

A: Submetering has proven to deliver continued value across Canada, providing a barrier against future utility cost increases and rent cap erosion. Studies have also shown a net operating income increase of \$600 per suite, per year for property owners and managers. Rental suites with separately metered utilities showed about a 48 percent reduction in energy consumption, in contrast to non-metered suites. Landlords have also reported that once residents are being billed for one utility, there is a habitual reduction in usage across the board. Submetering also adds a level of efficiency in that all billing and customer service inquiries are externally handled, freeing up time and resources for owners and managers to focus on other issues. There is no other energy management technology or service—deployable to a multi-unit building—that can generate greater savings.

Q: What are the proven environmental benefits?

A: Given the growing demand for a substantial global reduction in greenhouse gas emissions, the environmental advantages of submetering almost outweigh the financial and operational advantages in terms of significance. Data collected from our monthly

billing analysis has shown that every time a unit is converted to a submetered system, the monthly energy usage drops by an average 150kWh per suite. This reduction is equal to 1.25 metric tons of carbon dioxide savings, or 32 trees grown over 10 years, for each suite. Though separate utility submetering continues to infiltrate buildings across Ontario, B.C. and other Canadian provinces at an increasing rate, there are still thousands of rental residential suites yet to be sub-metered. This represents a considerable opportunity to continue our industry's world-changing contributions to greenhouse gas reductions.

Q: What challenges and restrictions do providers in the submetering industry face?

A: There has been a slight hesitation from owners and managers with buildings in areas that have slightly weaker rental markets, due to concern that a building may not be as competitive from a marketing perspective with separately billed electricity and utilities. However, this concern is diminishing quickly as submetered buildings become more and more prominent across the nation, and the financial and ecological benefits begin to outweigh these concerns. There are certain provinces, such as Quebec and Manitoba, that have had trouble implementing submetering systems due to restrictive regulatory environments. In response to this issue, adaptable solutions are in the process of being developed. As submetering increasingly becomes the norm across Canada, landlords face a new pressure to not only implement submetering systems, but to evaluate the various providers in the industry to ensure the most professional and efficient billing and customer service for their residents. Despite these challenges, the delivery of sub-metering is increasing at a very rapid rate in most provinces across the country.

Q: What recent developments have there been in sub-metering technology?

A: Increasingly economical metering can be expected from new, compact water sub-meters that are equipped with Wi-Fi enabled communication devices. The

advancements in new, compact multi-customer metering systems are also facilitating the completion of comprehensive projects, previously deemed economically unfeasible. European based Thermal or BTU metering is gaining traction in new construction and existing rental properties. Forward-thinking sub-metering providers are offering full integration between the sub-metering billing platform and the property management software, thereby automating new resident enrolment. In addition, some providers have advanced web portals for both residents and property management teams – delivering sophisticated amounts of information in easy-to-use, simplified formats.

Q: What lies ahead for the submetering industry?

A: The development of more inexpensive technology to retrofit buildings with in-suite heating and cooling systems has presented the opportunity to submeter heating and cooling loads suite by suite. This area is new and expanding, and comes in conjunction with an enhanced ability to retrofit existing buildings to individually meter water consumption. The customer service benefits of submetering are also expanding, as building owners and managers seek out broader services like resident billing for additional costs like waste, insurance and taxes so that they can increase efficiency and focus on their core business. A key growth area is utility benchmarking and expense management for bulk bill payments. It will become commonplace for holistic sub-metering providers to efficiently handle and process utility expenses for clients, as well as deliver robust reporting and analysis tools. As for residents, they will have access to more innovative tools and mobile apps to control their in-suite energy usage.

