Evaluation of 1.5 years of engagement with the TWG

Why a data standard now

- The move to asset-level reporting means GRESB can better apply the existing reporting requirements
- However, GRESB does not have visibility into the steps prior to reporting -- that is, data collection
- The data standard will focus then on providing recommendations for best practices in data collection, along with existing requirements for reporting data to GRESB
  - Comment added after the meeting from James Lee: We recently revamped our environmental performance data system in line with GRESB's data quality standards. We suggest that preceding data collection, a "data system verification" step is an essential first step. Specifically, this means establishing a clear system diagram and inventory of all the meters in the system, as a way to
ensure both lineage and completeness. If the data standard will be scored in the future, this "proof of set-up" should be part of the validation process.

Initial scope and purpose of the TWG

● TWG began as a way to open a dialogue around ESG data quality
● 2019 survey results indicated that respondents (representing about a third of all 2019 Real Estate submissions) have measures in place to ensure high quality ESG data
● After discussions with the TWG in Fall 2019, GRESB and the TWG decided that our efforts were best placed on the data that gets reported to GRESB and providing recommendations for the steps prior to reporting -- that is, data collection

2020 Performance Data Standard

Introduction, scope, terminology, structure

● The first version of the data standard will cover 2 data types: consumption and floor area
  ○ These data types feed in to data coverage and like-for-like calculations, which are scored, and intensity calculations, which are not scored but feature prominently in GRESB’s output
● For each data type, the standard is structured into 2 categories:
  ○ Existing reporting requirements
    ■ Mainly pulled from existing GRESB documentation
  ○ Recommendations on data collection
    ■ Best practices in data collection, to be compiled primarily through discussions with the TWG
● Additionally, we propose to include several appendices on definitions of data fields, key metrics, validation rules, and outlier methodology
  ○ Comment added after the meeting from Matt Aberant: I would suggest adding an appendix with case studies. Several members of the TWG had good examples of methods or approaches they used to improve data quality (See James Lee’s comment above). This could be very helpful for those needing some guidance. It could be updated with new success stories every so often.

Discussion

● On using the standard to foster innovation: will the standard include anything in the direction of next-generation ideas for not just collection, but also processing, real-time analysis, automatization?
  ○ Medium-term plan is to move from simply narrative version of guidelines to incorporate quantitative metrics for organizations to use to evaluate their own processes/systems
● On tenant vs landlord controlled data collection recommendations
○ Difficult to collect tenant data for many lease structures
○ Should estimating tenant data be permitted if there is no existing data? This is a thorny issue; currently this is not allowed per reporting requirements.
  ■ **Comment added after the meeting from Matt Aberant:** Transparency is key here. Understanding what data is estimated and how its estimated can help ensure fair comparisons between reporting entities.
○ Standard could include recommendations on how to collect tenant data, with case studies
  ■ We can use existing answers from tenant engagement questions to help guide this section
○ Recommendations for data collection could be separated out into separate categories for landlord-controlled data, tenant-controlled data, and whole building data

● Discussion on relationship between data collection and lineage
○ If you know where your data is coming from, you then automatically can figure out where issues with your data are, e.g., if property managers are making implicit assumptions/estimations before they aggregate that data up to the organization level/for GRESB
  ■ **Comment added after the meeting from James Lee:** Another aspect of lineage relates to assumptions (often made by the property management staff) in allocating meter readings to GRESB's high-level categories. Unless these ASSUMPTIONS were verified at the outset, we may never find out that the data reported by the project management team are inaccurate. As an example, the consumption for outdoor electricity is shared between the landlord and an office building that has been sold. The office building is contractually bound to absorb 80% of the outdoor energy cost, when in fact it is closer to 50-50 in actual consumption. If the allocation formulas were not vetted at the outset, the reported data, while seemingly accurate, would be off by 30%.
A similar situation can occur with mall tenants, where the landlord absorbs the tenant's energy cost as part of lease payment. In this case, property management would shift the tenant's consumption to the landlord, thus skewing the relative energy intensities of both.
In short, it is necessary to clarify all explicit and implicit assumptions made by the property staff in their data reporting.

○ So tracking the lineage of the data is a critical part of data collection (but guidelines will need to be different for tenant vs. landlord controlled data)

● On inclusion or not of appendices
○ Publishing the appendices will make it easier for organizations to align their calculations with GRESB

● On unreliable data
○ One example of unreliable data is if a utility company sends data that you know is incorrect
The standard can provide recommendations on how to deal with this

- On balancing prescriptiveness vs flexibility in recommendations
  - If recommendations are too narrow/prescriptive, they can actually increase reporting burden + decrease internal consistency
  - But if recommendations are too generic or present too many options, they become useless for comparability across organizations
  - Need to strike the right balance between providing enough flexibility to allow for multiple data uses while being strict enough that recommendations are useful

Medium term plan for Data Standard and the TWG

Proposal for development

- Future versions could start to incorporate quantitative metrics that organizations can use to evaluate how well they are adhering to the standard
  - Comment added after the meeting from Matt Aberant: Just thinking that certain reporting entities may be at a disadvantage on some of these metrics based on their size and location, especially in the near term. Certain global regions may not have same infrastructure, systems, or service providers to enable the same level of adherence to the standards. Tracking the lineage of data down to the meter level for example is much easier for a 20 asset fund compared to 500 asset fund. Providing guidance and adequate lead time will be important to not unfairly disadvantage certain entities as this is rolled out.
  - To develop these metrics, we need more data
    - One possible way to collect this data is via some optional, unscored indicators in the 2021 Assessment
  - Future iterations of the data standard will depend heavily on how it’s received by the industry after launch in the Fall 2020
  - As a reminder, the TWG already did quite a lot of thinking about metrics, so we don’t have to start from scratch on this point

TWG activity through 2020

- **June 23**: Call to discuss the 2020 Data Standard and the medium term plan, plus discussion on estimation methodology recommendations
- **July - August**: Periodic requests for feedback (via email) on specific sections of the Data Standard. We can organize topic-specific discussion sessions if necessary.
- **Early September**: Call to review results of feedback rounds on the Data Standard
- **Early October**: Final call on the Data Standard before publication
- **November – December**: Publish Performance Data Standard as part of GRESB results
Group discussion: estimation methodology recommendations

Estimating consumption data

- How much of the data should be allowed to be estimated? Should the recommendations include a time window?
  - Providing a specific time window where estimations are allowed (e.g., 3 months) are not necessarily useful, as utility bills come in at different frequencies
- Standard should be prescriptive when it comes to recommendations on when estimation is allowed
  - For example, current requirements only allow estimations when there is some existing data
    - So estimating an entire year of data is not allowed, nor is estimating consumption for an entire missing subspace
- On prescriptiveness vs flexibility: maybe one solution would be to just collect the fraction of estimated data (per asset, per utility type?)
  - We can then avoid providing detailed, specific definitions of methodologies, and focus just on collecting information on how much data is estimated and why it is being estimated
- Know where your data is coming from and then you can more easily know how much of your data is estimated. It’s helpful to drill down into the data to try to understand what and where assumptions are being made.

Results: based on this discussion, we will go back and revise this section on estimation recommendations to be oriented more around knowing how much of your data is estimated and the reasons why it needs to be estimated, rather than outlining specific methodologies.

Estimating floor area data

- On estimating floor area, the only requirement we have right now is on estimating gross floor area from lettable floor area - GRESB provides ratios between common areas and tenant spaces.
- When does floor area need to be estimated, outside of gross vs lettable area?
  - If there are no other cases, perhaps the standard does not need specific recommendations for estimating floor area
- Where does gross vs. lettable area matter in the Assessment?
  - For scoring data coverage + LFL, it doesn’t matter right now, as we separately score landlord vs tenant space.
  - However, as the denominator for intensity + efficiency calculations, this distinction will matter. This is a good reason for GRESB then to share the way we calculate things like intensity as part of this standard