

A 100 Year Flood Every 2 Years? Weather & Your Energy Budget

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I was struck by Governor Cuomo's quote and its application to what we are seeing with energy cost trends across the country; the new normal appears to be including climatic swings that are becoming both more severe and more frequent.

Regardless of your belief or disbelief in what may be causing it, nobody can deny weather is having a bigger impact on our seasons and our communities. In fact, it is also becoming a bigger driver of energy cost – Are you prepared?

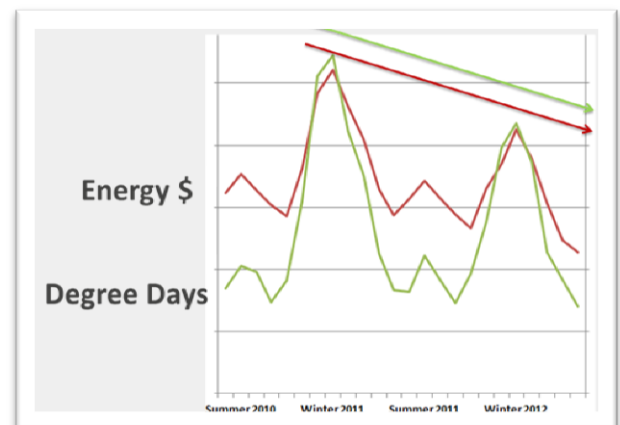
2012 has seen impressive reductions in energy cost across the country. Many of you have seen your actual costs come in well under your budget – which is great! One would hope that the continued interest and focus on energy reduction initiatives is a primary driver of this strong story. I am sure that this is occurring; we have seen it and are tracking your continued success from projects implemented on many of your properties and portfolios.

However, we also know that changes in weather have had an impact. By analyzing EnergyPrint's database of over 150 MM square feet of commercial building space, we see a strong reduction in cost and a very close relationship to a reduction in degree days (the measure of heating and cooling demand on a building).

What this means is we can attribute some of the energy reduction to the lower demand for energy consumed by heating and cooling systems due to milder seasonal temperatures in 2012 compared to 2011.

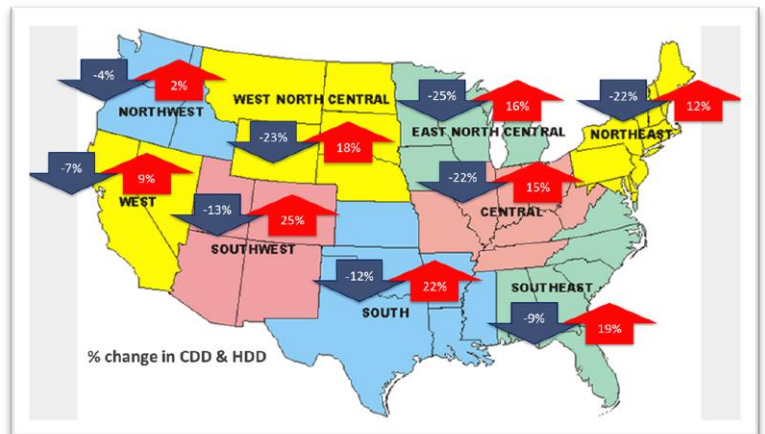
Now that we see this picture and the strong relationship between weather and energy use, the next logical step is to think about what the weather will be like in 2013 and how it will affect your energy expense.

NEW YORK, Oct. 30 (UPI) -- New York Gov. Andrew Cuomo told reporters when inspecting the World Trade Center the state needs to rebuild for a "new reality" due to "extreme weather events." ... New York "has a 100-year flood every two years now."



EIA DD 2013 Forecast

According to the US Energy Information Administration (EIA), the 2012-13 winter season is predicted to jump back to 2011 levels – much colder with higher heating degree days across the country. Complicating that scenario, they also expect the summers to be milder with a corresponding decrease in cooling degree days.



The impact of these predictions could be devastating to your energy budgets for 2013 by causing them to be under or over budgeted for your actual needs. Even if you hold your budgets flat, the impact of the predicted weather swings could cause some unexpected surprises in the CFO’s office – and believe me CFO’s don’t like surprises!

Your best bet is to incorporate your local weather predictions into your budget. As expected, EnergyPrint makes it simple to do exactly that. Using your historical energy data, combined with our powerful behind the scenes algorithms and your predictions of how weather will impact your microclimate, you can get a solid and credible prediction of your energy budget for next year. As a result, you can prepare your finance people for the now planned expenditures and maybe even accelerate energy reduction projects to help mitigate this inevitable increase in one of your single largest operating expenses.

If you would like us to prepare an Energy Budget Template for you, simply contact your RSM or send us an email at energybudget@energyprint.com.

		January	February
Electric (Kwh)	Rate	\$ 0.153	\$ 0.153
	Consumption	255,215	255,589
	Adjustment \$	\$ -	\$ -
	Total \$	38,965	39,059
Gas (Therms)	Rate	\$ 1.36	\$ 1.39
	Consumption	13,186	12,817
	Adjustment \$	\$ -	\$ -
	Total \$	\$ 17,970	\$ 17,815
Degree Days	HDD	933	886
	CDD	0	1
Total (kBtu)	Consumption	2,189,426	2,153,795
	Total \$	\$ 56,935	\$ 56,873