SUBMETERS 101

What is a submeter?
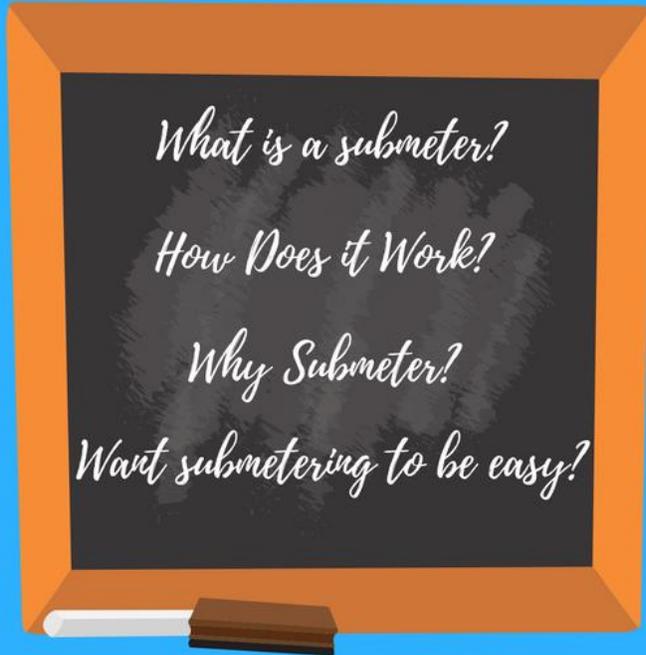
How Does it Work?

Why Submeter?

Want submetering to be easy?

Genea

What is a submeter?

In almost every commercial office building, there is generally a master meter for each type of utility, such as water, gas, electricity, etc. Since there are multiple tenants and offices that occupy each building the landlord or property firm needs an accurate process to divide the cost of the utilities between the tenants. Historically, the allocation of energy costs was based on prorating the cost per square foot. The landlord would take the monthly utility bill and divvy it up for each tenant based on their office size. But the issue of fairness cropped up. Is it fair for tenant A to pay the same as tenant B when they didn't consume as much energy? No, it's not. And this is essentially how the process of submetering came about. To prevent a tenant rebellion, the property firms began installing submeters for each office or tenant so they could allocate the energy costs more efficiently and only bill the tenants for the energy they consumed. This is most commonly done via supplemental equipment billing as it pertains to the lease agreement. Let's use tenant A as an example of supplemental equipment billing. Tenant A has HVAC equipment in their office's server room; since they need the server room to stay cool 24/7 the HVAC unit will be running all day and night. So, the landlord installed a submeter just for their server room to calculate the extra usage for tenant A. Thus, the other tenants in the same building won't be billed for the extra supplemental consumption.
Fairness in action.

How does it work?

Submetering is still alive and well today, and though technology for commercial buildings has leapt forward into the future, it seems that some submeters have been left behind in the 1960's. There are two types of submeters, networked and non-networked or "manual". Networked meters are connected (wired or wirelessly) to a data collection device, making them smarter and more easily managed. Non-networked meters are just as they sound, not connected to a data hub, so they need to be read manually each month.

Why submeter?

Since the tenants are responsible for their own energy consumption for supplemental or above standard equipment, they become increasingly more aware of a building's carbon footprint. So ultimately, the environment is benefiting from a smaller carbon footprint per tenant. The building owner is also seen in an eco-friendlier light, creating a go-green reputation in their local community.

The property teams also benefit from being able to manage their prospective energy budgets more efficiently; this reduces uncontrolled consumption and exposure to rate increases.

Obviously, submetering impacts fairness in tenant billing. This also lends itself to accountability, since each tenant pays for their consumption, they tend to be more mindful of their energy usage…nobody wants an astronomical energy bill at the end of the month.

Installing submeters also allows a property team to gather historical data based on energy usage patterns. They can retain this

information and project trends based on past behavior. The property teams can also detect any abnormalities by determining a tenant's typical consumption behavior.

It sounds simple enough, a tenant only pays for the energy they consume. But property firms are held responsible for calculating the various multipliers and rollover based on the types of meters and energy consumption metric.

Want submetering to be easy?

Do you wish there was an easy solution that could track the meter readings, eliminate human errors in accounting and create utility bills for tenants?

Genea's meter reading and billing service takes the hassle out of submetering for property teams. We offer a complete solution that works for all submeters, eliminates convoluted meter billing spreadsheets, and generates professional monthly invoices for your tenants. We know you have better things to do with your time, so let us fulfill your submetering needs.