

# EXPLORING OPPORTUNITIES TO ENGAGE YOUR TENANTS: PLUG LOAD REDUCTION AND GREEN LEASING ACTIVITIES



As part two of a series on tenant engagement, this toolkit expands on the lessons from the first green leasing toolkit, [Leverage Leasing Practices to Reduce Energy and Utility Costs](#), and also includes strategies for owners to connect with tenants on curbing tenant-specific energy end uses. Read more for strategies and resources appropriate for office and retail property owners/managers with small and/or large tenants.

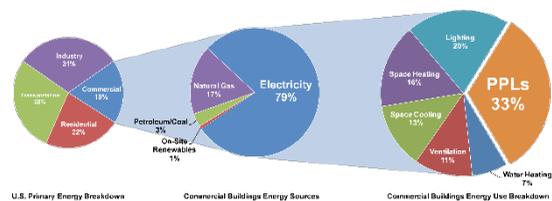
*Use these tips, case studies and templates to build a strong relationship with your tenants to achieve deeper savings—whether you are a high-performance building or a small business short on time and resources.*

## Why Optimize Tenant Spaces?

Tenant spaces account for [one-third to one-half of commercial building's end uses](#). These energy uses are often tied to plug loads; lighting; and tenant heating, ventilation and air conditioning (HVAC) systems. See tips below for opportunities on how to lower plug load use in tenant spaces, and how to incorporate green leasing basics into your ownership practices. Forthcoming toolkits in this tenant engagement series will address tenant HVAC equipment and tenant lighting. All building owners, whether with large tenants (more than 50 employees of full/multi-floor spaces) or small tenants (fewer than 50 employees or less than one floor), can use energy efficiency strategies to curb tenant energy use.

## Plug Loads

Commercial building plug and process load (PPL) energy “end uses” are from electronic devices such as laptops, monitors, refrigerators and microwaves, and consume about [one-third of energy in commercial buildings](#). Unlike other building systems, plug loads are integrated in tenants’ day-to-day activities and as such, present building owners and managers a greater challenge for energy reduction.



## Tips for All Owners & Managers

- **Identify and reduce common plug loads.** Read the [Plug Load Best Practices Guide](#) on how simple changes can cut costs and save energy. Provided courtesy of New Buildings Institute.

**Messaging:** Owners can use inexpensive techniques to encourage tenants to curb their plug load with activities ranging from hands-on efforts such as lunch and learn events, to visible signage.

- **Connect with your tenants.** Browse through ENERGY STAR®’s [communications toolkit](#) to educate your tenants on energy efficiency and plug load reduction opportunities. Examples include multi-tenant competitions, campaigns and communications, and educational events.



## Advanced Power Strips (APS)

APSs operate in similar manner to ordinary power strips, except they save energy by powering down connected items that are not in use. All APSs have outlets that are designated as primary/control outlets, secondary/switched outlets, and always-on outlets. Primary outlets act as the master outlet that powers down power to secondary outlets when the primary outlet is turned off. Secondary outlets are controlled by the primary outlet. Always-on outlets are not controlled by the primary outlet and receive constant power.

### Tips for All Owners & Managers

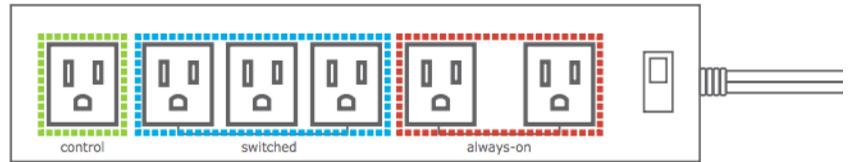
- **Give yourself a crash course on APS devices.** Visit the Better Buildings Alliance [information page on plug & process loads](#), which includes webinars, worksheets and case studies.
- **Lower the cost of APSs.** Many [utilities](#) offer incentives and rebates for this low-to-moderate cost management strategy to reduce the cost of the APS to approximately the cost of a standard power strip. APS providers often reduce the cost of the strips when purchased in bulk. Consider buying enough for a full tenant space or full building to lower unit costs.
- **Switch out tenants' power strips.** Coordinate with tenants to replace existing standard power strips with APSs. This can be required as part of a green lease clause

## Use Efficient and Consolidated Equipment

Tenant spaces contain a number of energy intensive equipment ranging from computers to coffee makers. Working with tenants to increase efficiencies in these devices is another way to reduce overall plug load usage.

### Tips for All Owners & Managers

- **Upgrade equipment with low-energy or ENERGY STAR®-certified equipment.** Browse the ENERGYSTAR [certified products list](#) for energy-efficient equipment for use in tenant spaces such as refrigerators, printers, phones, and computers. This can be required in a green lease clause.
- **Design strategies for consolidating plug loads.** Space efficiency can be achieved by consolidating break rooms, common print areas, and cafeterias. Equipment in these specific areas is used more efficiently when it is consolidated, lowering total plug load energy usage.

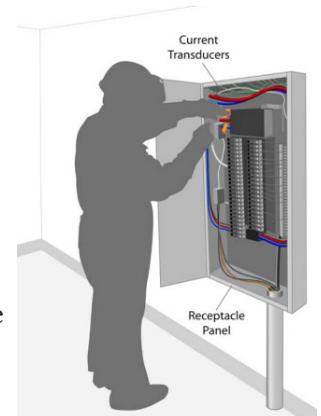


## Measure Plug Load Usage

The oft-used adage “you can’t manage what you don’t measure” applies to commercial building plug load use as much as all other building end-uses. Understanding energy use at the tenant-level is a valuable means to set a baseline and to track reductions.

### Tips for All Owners & Managers

- **Submeter tenant spaces.** Install submeters for each tenant space in a building to measure energy use. If possible, specify specific use from lighting, HVAC, and plug loads. This can be required in a green lease clause.
- **Share data with tenants.** Use publicly visible dashboards to present the energy use data to building tenants to encourage them to reduce plug load consumption over time. Consider following PNC Bank’s example [here](#) that used a dashboard to show tenants reducing their plug load consumptions.



## Green Leasing Basics

Influencing and reducing tenant-specific end uses often require overcoming split incentive issues within the lease. Green leasing, also known as energy-aligned leasing, aligns financial and energy incentives of building owners and tenants. A green lease is not a stand-alone document, but has clauses that are fully integrated into the lease.

### Tips for All Owners

- **Visualize what’s possible with a green lease.** View this [infographic](#) by the Institute for Market Transformation (IMT) and the Council of Smaller Enterprises (COSE). It shows the transformation of an average building into a high-performing one resulting from green leasing language put into action.

- **Take a dive into all things green leasing.** Visit the [Green Lease Library](#), which includes numerous case studies, guidance and webinars on how to execute a green lease.
- **Green your leasing process.** Leverage the [Green Lease Toolkit](#), which includes steps to green your organization's leasing process from the request for proposal to lease renewals. Provided courtesy of California Sustainability Alliance and Navigant.
- **Re-write your standard lease.** Improve your form lease with energy efficiency clauses from the Building Owners and Managers Association International (BOMA) [Model Commercial Lease](#).

### Green Lease Clauses and Negotiations

Use a green lease to tackle these issues:

- **Pass-through expenditures:** Language that allows the landlord's capital improvement cost to be shared with tenants.
- **Greening operations:** Sections that mandate practices for the tenant space to operate more efficiently and sustainably.
- **Sustainable purchasing:** Language that outlines allowable materials in tenant and common area space. Criteria may include requirements for ENERGY STAR products or construction materials with recycled content.
- **Reporting:** Clauses that encourage sharing tenant space and building-wide utility data in effort to measure and manage energy use and address benchmarking goals.

### How to Negotiate a Green Lease with Your Tenants

Use these discussion opportunities to green your lease.

- **Extend the Lease Term:** Agree to extend the tenant's lease so that the tenant can recoup all, or a larger portion of, savings after an initial payback period.
- **Stress Financial Savings:** Emphasize overall operating savings such as lower utility expenses (in the case of triple-net leases) wellness, comfort, and productivity savings to the tenant.
- **Be Transparent:** Let the tenant know of planned improvements that are beneficial to the tenant.

### Letter of Intent (LOI)

As a precursor to the lease, make sure the LOI not only covers lease fundamentals like the initial lease terms, but also an equitable division of costs and benefits with

your tenant. Make sure the energy efficiency goals and green tenant fit-out requirements are incorporated into the LOI.

### Tips for All Owners

- **Develop your Green Letter of Intent.** Pull from the Retail Industry Leaders Association (RILA) [green letter of intent](#), which can be tailored for all property owners.

### Lease Renewal or Greening an Existing Lease

When approaching lease renewal, or if you are seeking to green an existing lease, focus on amendments and adjusting the rules and regulations with your tenant. Bring up energy efficiency opportunities during the annual expense review or "true-up" process.

### Tips for All Owners

- **Learn how to "green" the lease mid-cycle.** Read IMT's [blog](#) on how to make greening an existing lease easier.
- **Learn from the successes of others.** This [NEO Realty Group Case Study](#) shows how even small businesses can be a leader in mid-cycle green leasing.

## ADDITIONAL RESOURCES

### Tips for All Owners

#### [Green Lease Leaders](#)

Apply to become a Green Lease Leader. Developed by IMT with support from the Department of Energy's Better Buildings Alliance, the Green Lease Leaders designation was created to recognize landlords, tenants, and brokers that have executed energy-aligned leases. If you have successfully executed a green lease, submit your application by May 18, 2016.

#### [Better Buildings Alliance](#)

Join the Department of Energy's Better Buildings Alliance Plug and Process Load (PPL) team. Building owners and managers learn from peers and to take part in the conversation to share lessons learned in reducing PPL energy use in their own buildings. Technical experts provide guidance resources and case studies to overcome barriers to plug load efficiency efforts.

### *Case Studies for Owners with Large Tenants*

#### [Jamestown Green Lease](#)

Read about how this large commercial real estate company created a portfolio-wide approach to green leasing.

#### [Brandywine Realty Trust Case Study](#)

Get inspired by this landlord's comprehensive approach to overcoming the split incentive barrier to benchmark their buildings.

#### [Pyramid Companies Destiny USA Case Study](#)

Learn how retail owners can use green leasing techniques to promote energy efficiency in tenant retail spaces.

#### [Shorenstein's Sustainability Site for Tenants](#)

Learn how this landlord helped their tenants' implement and expand sustainability programs.