BuildingEngines

6-step energy savings guide for commercial real estate teams

In the face of rising energy costs and environmental concerns, commercial real estate (CRE) properties are under increasing pressure to reduce energy consumption.

This guide offers a six-step approach to help CRE professionals save energy at their buildings.

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Step 1:
Audit and benchmark

Begin with a comprehensive energy audit to understand the current energy consumption patterns, opportunities for energy savings, comfort fixes, and equipment optimizations.

Energy audits should assess major building systems, such as:

- Lighting
- HVAC
- Water
- Building envelope

Then, utilize the data obtained to benchmark against similar properties to understand potential areas of improvement.

Step 2:
Automate existing control systems

Connect your property's existing Building Automation System (BAS) to a cloud-based, AI technology so you can:

- **Optimize HVAC equipment:** Lower energy consumption (and costs) to deliver immediate ROI.
- **Automate building temperature and air flow:** Ensure an optimal workplace environment for every tenant.
- **Extend equipment life:** Allow the building to run truly automated. This can result in fewer service calls, shorter response times to tenants, and a decrease in operating costs.

Hank experts engaged in multiple discussions with the utility provider, Eversource, to explore the potential energy savings for the building. They collaborated with Eversource's energy consultants to identify the most suitable program that would provide the maximum rebates.

-Samuel & Associates' testimonial for Hank AI-powered technology

Step 3:
Seek out financial incentives

Many financial programs reward energy-saving investments. Examples include:

- **Tax rebates:** Governments may offer cash rebates for installing energy-efficient technologies or for retrofitting existing systems to improve their efficiency.
- **Utility company incentives:** Incentives may come in the form of direct rebates, discounts on energy-efficient equipment, or lower energy rates for participation in demand-response programs.

  State examples include:

  - California: PG&E
  - Massachusetts: Mass Save
  - New Jersey: PSWG
  - Virginia: Dominion Power

- **Renewable Energy Certificates (RECs):** These allow businesses that generate renewable energy to sell certificates associated with the environmental attributes of the power they produce, providing an additional revenue stream.

Step 4:
Educate your tenants

Educate your tenants on how their behaviors impact energy consumption. Provide guidelines for energy-efficient practices and consider incentive programs to encourage participation.

- **Awareness programs:** Cultivate awareness about energy conservation through newsletters, workshops, and signage.
- **Incentives and policies:** Develop incentives for tenants actively reducing their consumption or enforce energy-related clauses in lease agreements.

Through strategic collaboration with Hank and leveraging the ESPO rebates offered by Mass Save, the client successfully achieved significant energy savings. With an estimated annual cost reduction of $71,500 (19% of HVAC energy usage), they were able to optimize their energy consumption and lower their overall energy spend.

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Step 5: Develop an energy management strategy

With all the previous steps in mind, devise an energy management plan with clear objectives, timelines, and responsible parties.

- **Action plan:**
  - Set realistic energy-saving goals based on the energy assessment.
  - Develop both short-term and long-term strategies including equipment upgrades and behavioral changes.
  - Assign roles for implementing strategies and track performance regularly.
- **Training:** Equip your facility management team with the knowledge and tools to execute and maintain energy-saving measures.

Step 6: Review and improve your strategy

Property teams must be prepared to work continuously on their energy savings goals. This means establishing regularly scheduled evaluations to monitor progress and adapting new strategies if need be.

- **Ongoing evaluation:** Regularly review energy consumption data to identify further savings opportunities.
- **Adaptation:** Be ready to adapt and upgrade your strategy to incorporate new technologies and respond to changing regulations.

A path towards energy savings

Energy efficiency in CRE is a dynamic, ongoing initiative. It is not merely a cost-saving measure but a comprehensive approach that enhances the sustainability and reputation of your CRE portfolio. Methodical evaluation, tenant collaboration, and the adoption of advanced technologies play pivotal roles in maximizing the energy savings potential of commercial properties.

By implementing the steps outlined in this guide, property managers can make significant strides towards energy conservation, ultimately benefiting both their bottom line and the environment. Plus, adopting these practices will initiate a path towards a more energy-conscious property management approach, paving the way for a greener, more sustainable future in commercial real estate.

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