

The ever-increasing global demand for fossil fuels is straining the world's capacity to extract and refine enough fuel to meet demand. As the supply-demand equation becomes more unbalanced, energy costs continue to rise, as does the motivation to reduce consumption.

Here are 4 energy efficiency strategies to consider:

- **Establish a corporate energy policy**

An energy policy serves as a formal declaration that your organization plans to pursue a high performance portfolio. It establishes energy management as a core value and a means to achieving greater profitability. It signals to employees, investors, shareholders, owners, tenants, and the public that your organization is focusing on energy management, and it describes the positive impact this will have for all constituents. It should not exist in isolation from your official mission or vision statement or list of core values. Rather it should relate in language and tone to these, integrate energy management to the overall organizational mission and define its role in the operation of your business.

- **Make operational improvements**

Typically, corporate facilities can achieve a 15-percent reduction in usage with no capital expenditures by reducing the hours that buildings are lit up and optimizing HVAC system use. Simply turning off the lights in a building 40 minutes earlier at night and turning them on 40 minutes later in the morning will save 3 to 4 percent. Many facilities are – amazingly - lit up all night even when no one is working. Many HVAC systems heat and cool the same air at the same time because of operational inefficiencies. Conducting a thorough energy audit can identify dozens of similar examples.

- **Investigate load shedding and load shifting**

The best buildings are efficient enough that they don't pull extra power during peak demand periods and pull power and save it when demand (and cost) is lowest. If you have an efficient enough building you can strike a deal with providers like Enbridge Gas and Ontario Hydro to reduce energy to the building during times of peak demand – saving money. There are a number of government incentive programs offering rebates for every kilowatt they can be reduced during peak demand hours. Many building owners are receiving hundreds of thousands of dollars of savings by participating in the OPA Demand Response Program. Many large, excellent tenants are asking about weighted charges from landlords so that they can reap the financial benefits of the reduced operating costs that their energy-saving efforts are delivering. There is a great deal of money available through these various incentive programs.

Some information on this can be found at: <http://www.powerauthority.on.ca/Page.asp?PageID=924&ContentID=2560>

For some interesting perspectives on this program go to: <http://pubs.pembina.org/reports/Submission-OPA-Aug24-07.pdf>

4. **Benchmark energy efficiency initiatives and accurately value financial returns**

The method of calculating ROI on energy efficiency initiatives for commercial buildings is changing as fast as new technologies and products are being developed to achieve it. Building owners are asking: What is the cost of losing a tenant to a more efficient and comfortable building? Building managers are asking: How do we accurately calculate and benchmark REFLM? Excellent corporate space users are asking: How do we attract and retain the best and the brightest when every major study indicates that “*work environment*” trumps “*financial compensation*” when the new generation of thought workers are choosing an employer? Asset managers are asking: How do I prevent the aging buildings in my portfolio from becoming obsolete? Institutional and pension fund owners are asking: How do I implement action plans to embed the CSR goals of the stakeholders to whom I am responsible constituents into my real estate practices?

The “who, what, where, when and how” of energy efficiency initiatives for commercial buildings are complex questions. The “why” is not.



Glossary:**Commissioning:**

New construction commissioning is the process of ensuring that systems are designed, installed, functionally tested, and performing in conformity with the design intent. Existing building commissioning, or retro-commissioning, applies a systematic process for improving and optimizing a building's operations and supporting those improvements with enhanced documentation and operator training.

LEED:

The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ encourages and accelerates global adoption of sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria. It is the most accepted benchmarking system in North America for the design, construction, retrofitting and management of green buildings.

REFLM:

Real Estate and Facilities Lifecycle Management: Establishing significant process efficiencies to reduce average occupancy costs, improve real estate and facilities management efficiency, identify and track key performance metrics for program management, make more informed build, buy, or lease decisions and make more informed budgeting and capital planning decisions – mainly by the use of advanced technology and increased transparency.

Karen Sisco - member BOMA, Canada Green Building Council, CORENET, Canadian Urban Institute and Toronto C.R.E.W - through her company KSE creative INC www.ksebiz.com, specializes in project management, sustainability marketing/communications initiatives and "green" corporate, tenant and leasing gifts for the commercial real estate community. Contact her at karensisco@ksebiz.com 416-473-4711 with news on your company's green programs.

