

Summary of the NYC Building Performance Consortium Meeting

Newman Hall, CUNY-Baruch College

October 18, 2007

Stakeholder discussion continued on the two areas identified in the Spring 2007 meeting, education and reporting, focused by draft research from Lab staff and presentation by HR&A Advisors of a carbon reporting tool developed under NYSERDA auspices.

Discussion of “An Organizational Approach to Education for Sustainable High Performance Building Operations”

Stakeholders expressed a need for carefully tailored activities – whole organizations could not be reached with a single kind of offering. The following emerged as guidance:

- Create condensed messages that can be brought to executive suites and presented on-site
- Create opportunities for peer-to-peer sharing of best practices.
- Identify topics that are timely for the marketplace and for specific organizational or task-specific needs. These might be considered “knowledge gaps.”

In terms of distinct elements within organizations, several groups were named: brokerage and appraisal professionals, tenants, operators, and the “executive suite.” Discussion provided insight into relevant market segmentations:

- Differences between large corporate tenants and commercial owners – the former with corporate social responsibility policies and reporting requirements
- Within large property management firms, differences between the physical asset manager-plant operations side of the organization and the corporate-financial-brokerage elements. The former are closer to sustainability issues as currently formulated.
- Difference of smaller tenants and the brokers serving them. Hard to reach this market but brokers may be key. With a better understanding of long-term total occupancy costs they would be able to explain the possible advantages of a slightly more expensive but energy-efficient and “green” space.

Several stakeholders suggested how their organizations have begun internally sharing information and training on energy efficiency and sustainability issues:

- One property management company has added a specific training session to its annual national conference of property managers and building operators
- Use of the Local 94 Training Center's classes. But courses on efficiency and other related topics are electives that may be underutilized. A problem noted with this model is that the operators and engineers receive training that is not connected to managerial education.
- Gaining mastery of emerging tools as an on-going form of on-the-job training and education.

This portion of the meeting closed with understanding that individual stakeholders would be contacted for discussion and/or small group charettes to identify more specific topics, knowledge gaps, and instructional formats.

Discussion of "Carbon 101 for Property Managers: A Guide to Emerging Practices"

"Carbon 101" was roundly considered an informative paper – many stakeholders noted that they learned things by reading it that they didn't already know – but there were substantial questions about its presentation and framing. Criticisms included that it was overly focused on European carbon markets and that, while information on policy may be valuable as background, it's not particularly useful for property managers making on-the-ground decisions. There was, however, interest in and discussion of the emerging regional RGGI policy.

- It was suggested that the paper be reframed and formatted as a top-ten "FAQ for property managers and owners" that has short and practical answers, referring to relevant sections of the policy-dense document as an appendix.

This suggestion was roundly supported. BPLab staff will undertake this work with interim feedback to be sought from stakeholders. A preliminary list of FAQ is attached.

Presentation and Discussion of "Carbon Footprint Calculation Tool"

A short presentation was provided of a tool that has been developed under NYSERDA-auspices by a team led by HR&A Advisors. It is similar in approach to the EPA Energy Star Portfolio Manager and is constructed to be compatible with that nationally recognized tool but adds various regionally specific comparisons, factors and enhanced reporting graphics. Energy usage is entered into a database with pre-formatted report outputs for carbon impacts, sources and benchmarking against similar buildings. The tool was explained in the context of a coordinated set of services developed by HR&A for delivery of NYSERDA programs and incentives. This was an important reminder that the goal is really not just to understand our buildings' carbon footprints but to reduce them.

Discussion of the tool raised interesting considerations:

- How does one determine whether or when to use site or source factors for energy and carbon? Many of the NYC stakeholders are involved in management of national or global facility networks, making the use of regionally specific conversion factors complex and confusing.
- How does the Energy Manager or Sustainability Director explain these comparisons to other executives who are not – and probably do not want to be – conversant in this "new language" of carbon? This can be particularly relevant when, for example, one firm is comparing its performance to that of a competitor but their reports may be constructed differently.
- Is it realistic to think that the industry will be able to decide upon a single protocol?

This discussion suggests a need for published guidance on this topic. It can be considered at a future Consortium meeting and/or in FAQ's and discussion of educational topics. In the meantime, it was felt that tools must offer the flexibility to present calculations in various ways and with transparency about the basis of calculation.

A final comment, based on experience in management of federal government properties, warned of the danger of well-intended but un-funded mandates for energy/carbon reduction.

The meeting closed with thanks to HR&A Advisors and to all Stakeholders for their participation.

Preliminary FAQs for “Carbon 101 for Property Managers”

- 1) Are energy savings techniques that reduce the carbon footprint cost effective to the real estate industry?
- 2) What education should be provided to the brokerage industry regarding new carbon initiatives that should make green leases more attractive to the client?
- 3) Why should upper management understand the new language of climate change and carbon-finance in relation to their industry?
- 4) What are the best practices for asset management companies or building operators regarding carbon reduction initiatives or structures with a minimal carbon footprint?
- 5) What type of financial comparisons can be drawn between a green building and a conventional structure?
- 6) What type of modifications can be made to the lease regarding “green initiatives”?
- 7) What is the total ownership cost of a green building?
- 8) What are the best practices for environmental management systems in REITs?
- 9) What is the carbon footprint of a NYC building under ICLEI?
- 10) What is a green lease?
- 11) What type of renewable energy techniques are being used to mitigate carbon emissions?
- 12) Are any REITs offsetting their emissions?
- 13) What can we learn about decoupling from California?
- 14) What type of carbon reduction techniques is Prologis implementing under the Chicago Climate Exchange (CCX) to meet their objectives?
- 15) Can real estate companies join CCX? What are the challenges of joining CCX?
- 16) Are there any real estate companies that trade on EU Greenhouse Gas Emission Trading Scheme?
- 17) What type of information do real estate Corporate Social Responsibility (CSR) statements reveal?
- 18) What type of renewable energy is being used in REITs and what can be used? What are the costs?