

Green Lease Leaders

REFERENCE GUIDE FOR **TENANTS**



Developed by:



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INTRODUCTION

Buildings generate nearly 40% of annual global greenhouse gas emissions.¹ Significant reductions in emissions can be achieved through the adoption of energy efficiency and renewable energy, however, in leased spaces, conventional leasing practices often hinder both landlords and tenants from investing in these projects. Green leasing practices (also called “energy-aligned” or “high-performance” leases) allow tenants and landlords to collaborate and save energy, reduce costs, and achieve organizational sustainability goals.²

Green Lease Leaders was created by the Institute for Market Transformation (IMT) and the U.S. Department of Energy’s (DOE) Better Buildings Alliance to recognize landlords and tenants who have implemented energy efficiency in a portfolio of leased spaces. This document provides guidance to landlords on how to comply with/ implement national green leasing standards and achieve recognition as a Green Lease Leader for their efforts. It also sets the national standards for what constitutes a green lease.

1. Source: “**2018 Global Status Report.**” Global Alliance for Buildings and Construction. 2018

2. Source: **Feierman, “What’s in a Green Lease?”** Institute for Market Transformation. 2015

Common Questions

What is a portfolio?

A portfolio is the group of buildings or leased spaces to which the participant's green leasing practices apply. Tenant participants should strive to define the portfolio as all of their leased spaces. However, since this broad definition is not always feasible, participants may choose to define their Green Lease Leader portfolio as a subset of their portfolio. Examples include a regional portfolio or all buildings within an investment fund. Green Lease Leader portfolios which do not include the participant's entire leased portfolio will be considered on a case-by-case basis.

I have many leases that will not come up for renewal for years. Can my organization still be recognized as a Green Lease Leader?

Yes. Participants are not required to renegotiate existing leases to meet their new green leasing policies before the renewal date. Revised policies and lease language should be the "going in" offer in lease negotiations in new leases and lease renewals as they occur.

What if I'm not able to get every green leasing clause my organization has committed to into every lease I sign?

That's OK. It is understood that some green lease requests may be denied or changed during the lease negotiation process. However, starting lease negotiations with these requests ensures that both parties will at least discuss the intent of green leasing clauses. Many Green Lease Leaders have found that energy- and water-related clauses and requests are easily negotiated into the final lease.

For Gold level recognition, does my organization have to meet all prerequisites and credits in a single executed lease?

Yes. While it is not required that every executed lease to contain each prerequisite and credit pursued, at least one lease provided for documentation purposes must show that all elements were executed.

How do I apply for recognition?

The online application can be found at www.greenleaseleaders.com/apply

Overview of Requirements

Green Lease Leaders recognizes two levels of achievement—Silver and Gold. The Silver level **recognizes the establishment of foundational policies and business practices** that encourage reduced energy and water consumption in leased spaces, while the Gold level builds on Silver level achievements, and recognizes ***execution of green leases and energy-efficient tenant fit-outs***. Meeting the requirements for either level implies portfolio-wide implementation, i.e. the entire portfolio of leased spaces must be covered under the documentation provided to satisfy each prerequisite or credit. (See, “Common Questions” for definition of portfolio.) ***The prerequisites and credits pursued to qualify for recognition do not need to appear in 100 percent of the final executed leases, but the intention is that they will be in most cases.***

To achieve Silver level recognition, tenants must establish a standard lease or corporate guidelines³ that meet the following prerequisites.

1. Provide sustainability contact to landlords
2. Require minimum energy efficiency standards for fit-outs

Credits

Organizations must also address at least 5 of the following best practices in a standard lease, policies, or corporate guidelines:

1. Track tenant space energy use
2. Track tenant space water use
3. Request whole-building ENERGY STAR score from landlord annually
4. Ensure transaction management team receives energy training
5. Implement tenant energy management best practices
6. Purchase on-site renewables if offered by landlord and competitively priced
7. Accept cost recovery for efficiency upgrades benefiting tenant
8. Include requests for energy information in Site Selection Questionnaire
9. Demonstrate innovation in leasing

To achieve Gold level recognition, tenants must show implementation of both prerequisites and at least **five** credits listed above by providing an executed lease and other verifying documentation. Gold level recipients are eligible to be featured in a case study.

3. Corporate guidelines are statements of standard practice that applies to your entire GLL portfolio. They can be in multiple documents, and can be incorporated into existing documents.

Each prerequisite and credit is described in more detail in this reference guide in the following manner:

Intent

Requirements

Silver level

Gold level

Documentation

Silver level

Gold level

Resources

The motivation behind each prerequisite or credit is described in the “Intent.” The “Requirement” describes how to satisfy each credit or prerequisite, while the “Documentation” section establishes the documentation needed to confirm achievement of the prerequisite or credit at the Silver or Gold level. ***Confidential information may be redacted from any documentation submitted.*** The “Resources” section provides practical information to assist participants in achieving the credit such as templates, example lease clauses, and calculators.

Provide Sustainability Contact

Intent

Ensure that landlords will be able to easily communicate with the correct person within the tenant organization regarding energy efficiency, retrofits, billing issues, etc.

Requirements

Silver level:

- Include a clause in the standard lease or establish corporate guidelines noting the landlord sustainability/energy contact(s).

Gold level:

- Meet the Silver level requirement AND
- Execute at least one lease stipulating sustainability contact(s) to the landlord.

Documentation

Silver level:

- Standard lease or corporate guidelines requiring a sustainable/energy contact be identified.

Gold level:

- Silver level documentation AND
- At least one executed lease including a sustainability contact AND
- Estimated percentage of total square footage meeting this prerequisite.

Resources

1. **Retail Green Leasing (see “5. Share Contact information,” page 2)**
Explains the benefits of sharing sustainability and energy contact information.

Example Lease Clause

Landlord and tenant shall provide a point of contact for issues related to sustainability and energy. Issues include, but not limited to retrofit projects, billing issues, energy efficiency upgrades, and data access.

Tenant sustainability contact: Email:

Phone:

Landlord sustainability contact: Email:

Phone:

Require Minimum Energy Efficiency Fit-out

Intent

Ensure that key systems installed or modified as part of fit-out (e.g. lighting, supplemental cooling, etc.) enable lower energy costs and greater visibility to energy use for the tenant during the lease term.

Requirements

Silver level:

- Require leased space fit-outs to meet the **Environmental Protection Agency's (EPA) ENERGY STAR Tenant Space criteria** listed below, or other criteria equally or more stringent:
 1. Estimate tenant space energy use with **EPA's Target Finder Calculator**⁴ or equivalent.
 2. Meter tenant energy use.
 3. Light efficiently (use **ENERGY STAR For Tenant Spaces: Lighting Analysis** to determine the target lighting energy unit intensity).
 4. Install efficient equipment.
 5. Share meter data with landlord on annual basis.

Gold level:

- Meet the Silver level requirements AND
- Execute at least one lease requiring the fit-out to meet the ENERGY STAR Tenant Space requirements or equivalent.

4. The Tenant Space estimation tool is developed for the purpose of benchmarking against the historical energy use and validating against design goals.

Documentation

Silver level:

- Standard lease or corporate guidelines requiring leased space fit-outs to meet EPA's ENERGY STAR Tenant Space criteria or equivalent

Gold level:

- Silver level documentation AND
- At least one executed lease and/or work letter highlighting the requirements of this prerequisite.

OR

- Proof of ENERGY STAR Tenant Space recognition for at least one leased space
- Estimated percentage of building square footage meeting this prerequisite.

Resources

1. **IMT Green Lease Language Examples (see section "Fit-Out and Building Requirements")**
Sample lease language listing tenant fit-out requirements.
2. **Retail Green Lease Primer (item 4 Leased Premises, page 1)**
Lease provisions, modifications, and costs & benefits to achieve an energy efficient fit-out.
3. **Making Efficiency Work for You (see "Green Tenant Build out," page 8)**
Sample lease language to achieve an energy efficient fit-out.
4. **Retail Green Leasing (see "Leased Premises Standards: Efficient Buildouts," page 3)**
Sample lease language to achieve an energy efficient fit-out.

Example Lease Clause

Any and all Tenant Improvement Work and/or Alterations will be performed in accordance with Landlord sustainability practices that the Tenant has accepted as part of the lease agreement, namely the leased space fit-out must meet Environmental Protection Agency's ENERGY STAR Tenant Space criteria.⁵

5. Source: "Retail Green Leasing", Institute for Market Transformation

Track Tenant Space Energy Use

Intent

Tracking energy use across the portfolio is the first step towards reducing resource use. Doing so allows tenants to manage consumption over time and to evaluate the effectiveness of energy improvements.

Requirements

Silver level:

- Establish corporate guidelines that energy use in leased spaces is to be recorded at least monthly.

Gold level:

- Meet Silver level requirement AND
- Record energy use monthly for each leased space in the portfolio.

Documentation

Silver level:

- Corporate guidelines that require energy use in leased spaces to be recorded at least monthly.

Gold level:

- Silver level documentation AND
- Documentation showing energy use is actively tracked across the portfolio. Acceptable documentation includes:
 - Spreadsheet of properties and monthly energy usage
 - Screenshot of ENERGY STAR Portfolio Manager account showing energy tracking
- Estimated percentage of total square footage tracked across portfolio.

Resources

1. **ENERGY STAR Portfolio Manager**
Free online tool from the U.S. EPA which allows building owners and tenants to track energy, water and waste across their portfolios.
2. **Retail Green Leasing (see #2 Benchmark Energy Use on pg. 2)**
Strategies and justifications that tenants can use to monitor energy usage.
3. **Working Together for Sustainability: The RMI-BOMA Guide for Landlords and Tenants (see “Process” on pgs. 2-3)**
Insights to overcome the “split-incentive” barrier in green leasing and process to implement energy tracking.
4. **Energy Efficiency Lease Guidance (see section 1.1)**
Steps and points of negotiation when implementing policy for benchmarking water and energy usage.
5. **Efficiency Toolkit (see page 20 Measure & maintain progress)**
Strategy outlining how benchmarking energy data and audits inform the types of upgrades and retrofits a landlord or tenant can take to address energy inefficiencies.
6. **Making Efficiency Work For You**
A guide for empowering landlords and tenants to collaborate on saving energy and resources.

Example Corporate Guideline

We are committed to reduce our carbon footprint by reducing the energy consumption at our facilities. We shall track energy consumption data at all the leased Premises on a monthly basis. This energy consumption data will be recorded monthly via ENERGY STAR Portfolio Manager or other tracking tools. Data will be used for the purposes of:

1. *Monitoring and improving the energy performance of the Premise and/or*
2. *Measuring the energy performance of the Premises against any agreed targets.*

Example Lease Clause

The Landlord and the Tenant will share the Environmental Performance Data they hold relating to the Premises and/or the Building. This Environmental Performance Data will be shared on a regular basis [but not less frequently than monthly/quarterly/annually] with each other, with the Managing Agent and with any third party who the Landlord and the Tenant agree needs to receive such data. Save where they are under a statutory obligation of disclosure, the Landlord and the Tenant will keep confidential the Environmental Performance Data shared under this clause, and will only use such data for the purposes of:

- 1. Monitoring and improving the Environmental Performance of the Premises and/or the Building and/or*
- 2. Measuring the Environmental Performance of the Premises and/or the Building against any agreed targets. The Landlord will procure that the Managing Agent is placed under a similar obligation to that set out in clause [] to keep any shared data confidential and to use it only for the purposes listed in that clause.*

Where the Landlord or Tenant discloses any shared data to a third party, they will procure that third party is placed under a similar obligation to that set out in clause [insert page number of clauses outside of the lease document] to keep any shared data confidential and to use it only for the purposes listed in that clause.”

Track Tenant Space Water Use

Intent

Tracking water use across the portfolio enables both tenants and landlords to understand consumption patterns and identify water-saving opportunities. Furthermore, tracking water over time allows tenants to see the effects of water-saving measures on both water and energy consumption.

Requirements

Silver level:

- Establish corporate guideline requiring water use in leased spaces to be recorded at least quarterly.

Gold level:

- Meet the requirement of Silver level AND
- Record water use quarterly for each leased space in the portfolio.

Documentation

Silver level:

- Corporate guidelines requiring water use in leased spaces to be recorded at least quarterly

Gold level:

- Silver level documentation AND
- Documentation showing water use is actively tracked across the portfolio. Acceptable documentation includes:
 - Spreadsheet of properties and at least quarterly water usage
 - Screenshot of ENERGY STAR Portfolio Manager account showing water tracking
- Estimated percentage of total square footage tracked across portfolio.

Resources

1. **ENERGY STAR Portfolio Manager**
Free online tool from the U.S. EPA which allows building owners and tenants to track energy, water and waste across their portfolios.
2. **IMT: Green Lease Language Examples (See section “Water Consumption”)**
Sample lease language for a tracking water consumption clause.

Example Corporate Guidelines

We are committed reduce our water consumption. Therefore, we shall track water usage data at all the leased Premises on a quarterly basis. Water usage data will be recorded on a quarterly basis via ENERGY STAR Portfolio Manager or other tracking tools. Data will be used for the purposes of:

1. *Monitoring and reducing the water usage of the Premise and/or*
2. *Measuring the water usage of the Premises against any agreed targets.*

Request Whole-Building ENERGY STAR Score from Landlord Annually

Intent

An ENERGY STAR score is a 1-100 score describing the energy performance of a whole building as compared to other similar buildings. The score is an indicator of overall building energy performance and operation. Visibility to the score allows tenants to better understand their energy performance in the context of the whole building and to make more informed decisions when selecting a new space to lease.

Requirements

Silver level:

- Establish a corporate guideline or establish a clause in standard lease requiring that whole-building ENERGY STAR scores be requested annually from landlords holding the leases for your organization's portfolio.

Gold level:

- Meet Silver level requirement AND
- Execute at least one lease requiring landlords to provide whole-building ENERGY STAR score to the tenant at least annually.

Documentation

Silver level:

- Corporate guidelines or standard lease requiring that whole-building ENERGY STAR scores be requested annually from landlords holding the leases for your organization's portfolio.

Gold level:

- Silver level documentation AND
- Executed lease meeting the requirements of this credit AND
- Documentation showing ENERGY STAR score requests to landlords (e.g. copy of standard email request sent to landlords and tracking document showing when requests were sent) AND
- Estimated percentage of total square footage meeting this credit across portfolio.

Resources

1. **IMT Green Lease Language Examples (see section “Data Sharing/Disclosure”)**
Sample lease language for tenant energy disclosure.
2. **Retail Green Lease Primer (see item #9 “Utility Data Sharing” on pg. 2)**
Lease provisions, modifications, and costs & benefits to implement energy data sharing lease clause.
3. **Retail Green Leasing (see “Utility Data Sharing” on pg. 4)**
Strategies, justifications, and sample lease language to share energy data.
4. **Template Energy Disclosure Tracker**
Template to track annual ENERGY STAR score provided by the landlord.
5. **Making Efficiency Work For You (see page 9)**
Sample lease language for utility data sharing.

Example Corporate Guideline

We shall request annual ENERGY STAR score from the landlord(s). If an ENERGY STAR score is not available, we shall request the landlord to provide reports for the amount of electricity, natural gas and fuel oil (where applicable) consumed at the building broken down by utility type, energy unit usage (e.g., kWh, therms or ccf, gallons), cost per month for each energy source for the duration of the Lease and the Energy Use Intensity (EUI measured in kBtu/SF/YR).

Example Lease Provision

Landlord shall provide tenant with the building’s ENERGY STAR score annually. To the extent Tenant obtains electricity independently of the building, Tenant shall give Landlord access to Tenant’s data on energy use for inclusion in Landlord’s annual reports, ENERGY STAR annual rating and similar purposes.⁶

6. Source: “**High performance lease criteria and sample lease language**” created by The High Performance Leasing Task Group of GSA’s Green Building Advisory Committee

Ensure Transaction Management Team Receives Energy Training

Intent

Maintaining a transaction management team with sustainability training facilitates negotiation and execution of energy-aligned lease contracts.

Requirements

Silver level:

- Establish corporate guidelines requiring each member of the transaction management team to complete at least one hour of training covering the fundamentals of energy efficiency and energy benchmarking in commercial buildings. Acceptable training includes following:
 - Current LEED Green Associate or LEED Accredited Professional status
 - Completion of **“The Business Case for High Performance Buildings”** training, developed with support from the U.S. Department of Energy
 - Other training such as internally developed energy or sustainability trainings considered on a case-by-case basis.

Gold level:

- Meet Silver level requirement AND
- Record name, date, length, and source of training completed by each member of transaction management team.

Documentation

Silver level:

- Corporate guidelines requiring transaction management team receive energy training.

Gold level:

- Silver level documentation AND
- Documentation of training completed by transaction management team (e.g. transaction management team names, title of training, date completed, and expiration date if applicable).

Resources

1. **The Business Case for High-Performance Buildings**
Free 2-hour online training developed by the Institute for Market Transformation with support from DOE.
2. **LEED Credential Exam Preparation Trainings**
Trainings to prepare individuals to sit for LEED credentialing exams (LEED GA, LEAD BD+C, LEED O+M, etc.).
3. **Template Transaction Management Team Energy Training Tracker**
Template to track training completed by transaction management team members.
4. **Building Innovation Hub: Tenant Broker Playbook**
Guidance for brokers to help tenants understand the long-term implications of their leasing decisions, including how efficiency, health, and safety measures can affect everything from operating costs to worker productivity to ESG reporting.
5. **Efficiency Toolkit (see page 11 for Use high-performance clauses)**
Learn about six (6) strategies that will help you gain buy-in and ensure efficiency is incorporated in decision making and investments made by landlord and tenant.

Example Corporate Guideline

All transaction management team members shall complete at least one hour of sustainability training covering the fundamentals of energy efficiency in commercial buildings.

Implement Tenant Energy-Management Best Practices

Intent

By implementing energy management best practices for the spaces, equipment and systems they control tenants can reduce their energy waste.

Requirements

Silver level:

- Establish corporate guidelines requiring at least five of the following energy management best practices to be implemented in the leased portfolio:
 1. **Restricted HVAC hours:** Restrict HVAC hours to the tenants' business hours, with a reasonable amount of extra time to allow the space to reach temperature set point. HVAC operation after hours available upon request.
 2. **Space heaters:** Prohibit use of space heaters.
 3. **Daytime cleaning:** Schedule janitorial work to occur during regular business hours to reduce time that building HVAC and lighting equipment are utilized.
 4. **Air filters:** To the extent managed by tenant, clean and replace air filters as often as recommended by manufacturers. Timely filter replacement can reduce HVAC equipment loads and energy use. Maintaining high indoor air quality can increase occupant comfort and reduce building- related illnesses.
 5. **Thermostat set-back/set-up:** Use programmable thermostats or other means to lower heating set point and increase cooling set point during unoccupied periods.
 6. **Lighting controls:** Install lighting controls such as occupancy sensors, daylight harvesting, or timers in all non-regularly occupied spaces, including break rooms, storage rooms, and bathrooms.
 7. **Plug load management:** Train occupants to turn off or unplug lights, electronics, and appliances when not in use AND/OR provide advanced powerstrips at employee workstations.
 8. **Ongoing maintenance:** Obtain regular (quarterly or annual) inspections of HVAC equipment, exhaust fans, etc. if controlled by tenant.
 9. **Energy audit:** Conduct tenant space energy audit at least annually.

10. **Retrocommissioning:** Conduct retro-commissioning periodically, in order to optimize energy consuming systems/equipment.
11. **Walk-in refrigerators:** Inspect walk-in refrigerators for leaks. Install strip curtains and automatic door closures.
12. **Vending machines:** Prohibit vending machines or place on timers.
13. **Refrigerant leaks:** To the extent managed by tenant, monitor supplemental air-conditioning units and refrigerators for leaks.
14. **Central plant:** continuous optimization of chilled and hot water temperatures/flows.
15. **Data center server rooms:** optimize air management.
16. **Data center server rooms:** optimize environmental controls (increase temperature and humidity ranges).
17. **Supplemental cooling:** optimize operational settings for CRAC units or other supplemental cooling in server rooms or other high-load spaces.
18. **Data center IT load:** Increase server utilization via virtualization.
19. **Other:** Please specify additional energy management practices if not listed above. Eligibility is subject to review.

Gold level:

- Meet the Silver level requirement AND
- Documentation verifying that energy management best practices are implemented in leased spaces

Documentation

Silver level:

- Corporate guidelines requiring at least five of the energy management best practices listed above to be implemented in leased spaces.

Gold level:

- Silver level documentation AND
- Documentation verifying that energy management best practices are implemented in leased spaces AND
- Estimated percentage of total square feet meeting this credit across portfolio.

Resources

1. **Efficiency Toolkit (see page 10)**
Create sustainable operations incorporating two strategies: physical building standards and employee-driven operations.
2. **Building Innovation Hub: Commercial Tenant Playbook**
Use this playbook to prioritize building performance that can provide positive long-term returns on your finances and improve worker productivity.
3. **Making Efficiency Work For You (see “Energy Management” on pgs. 10-11)**
Sample lease language and operation recommendations to demonstrate how tenants can incorporate energy management best practices to lower energy usage.
4. **Energy Efficiency Lease Guidance (see” Section 1.3 - 15 & Appendix A)**
Steps and points of negotiation for implementing energy management best practices.
5. **Template Tenant Energy Management Best Practices Tracker**
Template to track energy management best practices.

Example Corporate Guideline

We are committed to the following energy management practices in our leased spaces:

- 1. Restrict HVAC operating time to our business hours with ample warm-up/cool-down time to reach temperature set point.*
- 2. Prohibit use of personal space heaters.*
- 3. Schedule cleaning to occur during daytime hours, allowing non-emergency lighting to be turned off at night.*
- 4. Clean and replace air filter as recommended by the manufacturer to ensure equipment efficiency and maintain good air quality, for HVAC equipment that we control.*
- 5. Adopt temperature reset practices during unoccupied periods to avoid unnecessary cooling/heating.*
- 6. Install occupancy sensors in all non-regularly occupied spaces such as break rooms, storage room, bathrooms.*
- 7. Administering trainings or other strategies to turn off lights and appliances when not in use.*
- 8. Conduct regular HVAC equipment maintenance to ensure proper operation for HVAC equipment that we control.*
- 9. Conduct energy audits periodically to identify any energy conservation measures.*
- 10. Conduct retro-commissioning periodically, in order to optimize energy consuming systems/equipment.*
- 11. Inspect walk-in refrigerator door gaskets for leaks and install strip curtains and automatic door closures (if applicable).*
- 12. Prohibit use of vending machines to reduce energy usage.*
- 13. Monitor supplemental air conditioning units and refrigeration for leaks.*

Purchase On-site Renewables if Offered by Landlord and Competitively Priced

Intent

Some building owners are installing on-site renewables to guard against future energy price fluctuations and draw tenants who value building sustainability features. By agreeing to purchase on-site renewables if provided by landlord and priced competitively, tenants can lock in a fixed and known energy cost for the future, contribute to corporate renewable energy purchasing goals, and benefit from a more resilient distributed power source.

Requirements

Silver level:

- Establish a corporate guideline or include a clause in the standard lease requiring the purchase of on-site renewables if provided by the landlord and priced competitively.

Gold level:

- Meet Silver level requirement AND
- Execute at least one lease containing the commitment to purchase on-site renewables if provided by the landlord and priced competitively.

Documentation

Silver level:

- Standard lease meeting the requirements of this credit.

Gold level:

- Silver level documentation AND
- At least one executed lease containing the requirements of this credit AND
- Estimated percentage of total square feet meeting this credit across portfolio.

Resources

1. **IMT Green Lease Language Examples (see section “Purchase of On-site Renewables”)**
Sample lease language for financing, installation, and operation clauses that allow both parties to invest in renewables.
2. **Promoting Solar PV on Leased Buildings Guide**
DOE resource highlighting benefits, barriers, and strategies for installing solar PV on leased buildings.
3. **Regency Centers Landlord-Retailer Power Purchase Agreement Case Study**
Case study demonstrating the process and insight to successfully implement landlord-tenant PPA for a retailer space
4. **Green Lease Leaders: Using the Lease to Drive Innovation and Clean Energy**
Leading sustainability professionals share their organization’s best practices that every real estate or sustainability practitioner should consider when leasing property.

Example Corporate Guideline

We are committed to support renewable resources. We shall purchase renewable energy from landlords if it is provided on-site and offered at a rate that is at or below the rate offered by local utilities.

Example Lease Clause

Tenants shall purchase energy from on-site renewables as provided by the landlord via a Power Purchase Agreement (PPA). Landlord shall install, own, and maintain the on-site generation and sell power directly to the Tenants at a fixed rate that is at or below electricity rate offered by local utilities. Customer agrees that Provider shall be entitled at any time or from time to time to acquire all of part of the electrical power for the Licensed Area from sources with low and/or zero greenhouse emissions. Additionally, to the extent that Customer pays or reimburses Provider for utility costs in addition to the payment of Base License Fees, Customer acknowledges and agrees that, for the purpose of determining the utility costs payable by Customer, Provider’s actual costs of renewable energy certificates, carbon offsets of other environmental sustainability credits shall be included to the same extent that the utility provider’s costs are included in such determination.

Accept Cost Recovery Clause for Energy Efficiency Upgrades Benefiting Tenant

Intent

When landlords incur capital expenses while making energy retrofits to their buildings, tenants receive the monetary benefits attributed to the decrease in energy consumption, creating a split-incentive problem. This leaves landlords with little incentive to make such energy efficiency improvements. To address this problem, tenants can commit to accept a cost recovery clause allowing landlords to amortize and recover capital costs for energy efficiency improvements made to the building and common areas.

Requirements

Silver level:

- Establish corporate guidelines or include a clause in the standard lease that accepts a cost recovery clause allowing the landlord to amortize and recover capital costs from tenants for energy efficiency improvements made to the building and common areas which benefit the tenant.

Gold level:

- Meet Silver level requirement AND
- Execute at least one lease containing the cost recovery clause.

Documentation

Silver level:

- Standard lease or corporate guidelines meeting the requirements of this credit.

Gold level:

- Silver level documentation AND
- At least one executed lease containing the requirements of this credit AND
- Estimated percentage total square feet meeting this credit across portfolio.

Resources

1. **IMT Green Lease Language Examples (see page 4)**
Sample lease language for cost recovery clause that eliminates the split incentive
2. **Retail Green Lease Primer (see item #5 “Capital Improvement Costs” on pg.1)**
Lease provisions, modifications, and costs & benefits to overcoming the split-incentive barrier.
3. **Retail Green Leasing (see “Capital Improvement Costs: Cost Recovery” on pg. 3)**
Sample lease language for a cost recovery clause that eliminates the split-incentive problem.
4. **GSA Green Lease Policies and Procedures**
Library of sample lease languages adopted by U.S. federal government.

Example Lease Clause or Corporate Guideline

We are committed to support renewable resources. We shall provide our tenants the option to purchase renewable energy for leased spaces and offer it at a rate that is at or below the rate offered by local utilities.

Example Lease Provision

Landlord may include the costs of certain capital improvements [intended to] [that] improve energy efficiency in operating expenses of tenant space. The amount passed through by Landlord to Tenant in any one year shall not exceed the prorated capital cost of that improvement over the expected life cycle term of that improvement [and shall not exceed in any year the amount of operating expenses actually saved by that improvement]. Interest/the cost of capital can be included.⁷

7. Source: “Retail Green Leasing,” Institute For Market Transformation

Include Requests for Energy Information in Site Selection Questionnaire

Intent

Tenants can quickly assess the energy performance/sustainability of a landlord's building by administering a site selection questionnaire. This will help to ensure the performance of the building meets the sustainability requirements of the tenant.

Requirement

Silver level:

- Update Site Selection Questionnaire to request the following information from potential landlords:
 - Base building energy performance
 - Confirmation if landlord is recognized under Green Lease Leaders program or other sustainable building certification

Gold level:

- Meet Silver level requirement AND
- Administer site Selection questionnaire to potential landlords.

Documentation

Silver level:

- Standard site selection questionnaire including requirements of this credit.

Gold level:

- Silver level documentation AND
- At least one completed questionnaire AND
- Estimated percentage total square feet meeting this credit across portfolio.

Resources

1. **Green Leasing Questionnaire**
Template language for energy information in site selection questionnaire.

Demonstrate Innovation in Leasing

Intent

Encourage tenants to advance energy efficiency in leased spaces with creative solutions not addressed in the Green Lease Leaders criteria.

Requirements

Silver level:

- Implement an innovative corporate guideline, lease clause or other best practice that directly or indirectly improves energy or water efficiency in the leased space portfolio. Proposed innovation credits will be considered by Green Lease Leaders program administrators on a case-by-case basis.

Gold level:

- Same as Silver level.

Documentation

Silver level:

- Brief (500 words or less) narrative describing the proposed innovation credit and the extent to which it has been implemented across the portfolio AND
- Corporate guidelines, standard lease or other supporting documentation showing implementation of the innovative approach AND
- Estimated percentage total square feet meeting this credit across portfolio.

Gold level:

- Same as Silver level.

Resources

1. **IMT Green Lease Language Examples (see section “Data Sharing/Disclosure”)**
Sample lease language for tenant energy disclosure.
2. **Retail Green Lease Primer (see item #9 “Utility Data Sharing” on pg. 2)**
Lease provisions, modifications, and costs & benefits to implement energy data sharing lease clause.
3. **Retail Green Leasing (see “Utility Data Sharing” on pg. 4)**
Strategies, justifications, and sample lease language to share energy data.
4. **Making Efficiency Work for You (see “Building Utility Data Sharing” on pg. 9)**
Sample lease language for tenant energy disclosure.

Example Lease Provision

Tenant shall be required to submit on a(n) [monthly, quarterly, annual] basis to Landlord energy and water consumption data, including total usage and total charges as they appear on Tenant’s electric, gas, water, and other utility bills, in a format deemed reasonably acceptable by Landlord.

The Landlord participates in an energy benchmarking program with the United States Environmental Protection Agency (EPA) called ENERGY STAR Portfolio Manager®. This program helps the Landlord improve the energy efficiency of the Building. To this end, Landlord may request Tenant to provide monthly electricity data for the Leased Premise from the utility company.⁵