



***NAESCO
Annual Conference
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***The Commercial Real Estate Market Looks
at Energy Efficiency through Various Lens***





Who Am I?

Brenna Walraven, RPA, CPM

Executive Managing Director, National Property Management

USAA Real Estate Company

Chairman & Chief Elected Officer

BOMA International

Who Is BOMA?

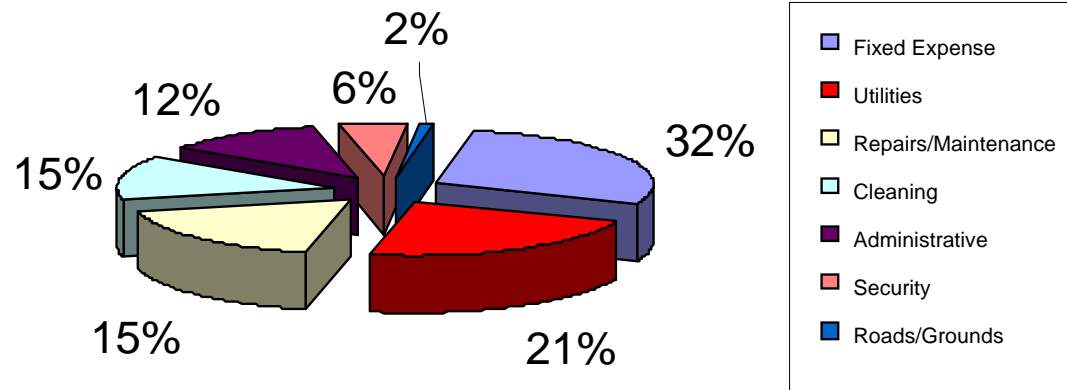
- 90+ local associations
- Over 9 billion square feet of office
- BOMA's four goal areas are:
 - Advocacy
 - Education
 - Research & Standards
 - Inclusive Membership & Networking

BOMA is a Leader in Pursuit of Greater Energy Efficiency & Sustainability

- Energy Star Partner of the Year in 2007
- MOI with U.S. Green Building Council
- Annual Earth Award & TOBY that includes Energy as a category
- Energy & Sustainability focus at Annual Convention and Office Building Show
- **BOMA Energy Efficiency Program (BEEP)**
- **7 Point Challenge**
- **MOU with Clinton Climate Initiative**

Why is Energy So Important?

Energy is 21% of Total Building Operating Expenses



TOTAL OPERATING COSTS

Data from BOMA 2007 Experience Exchange Report

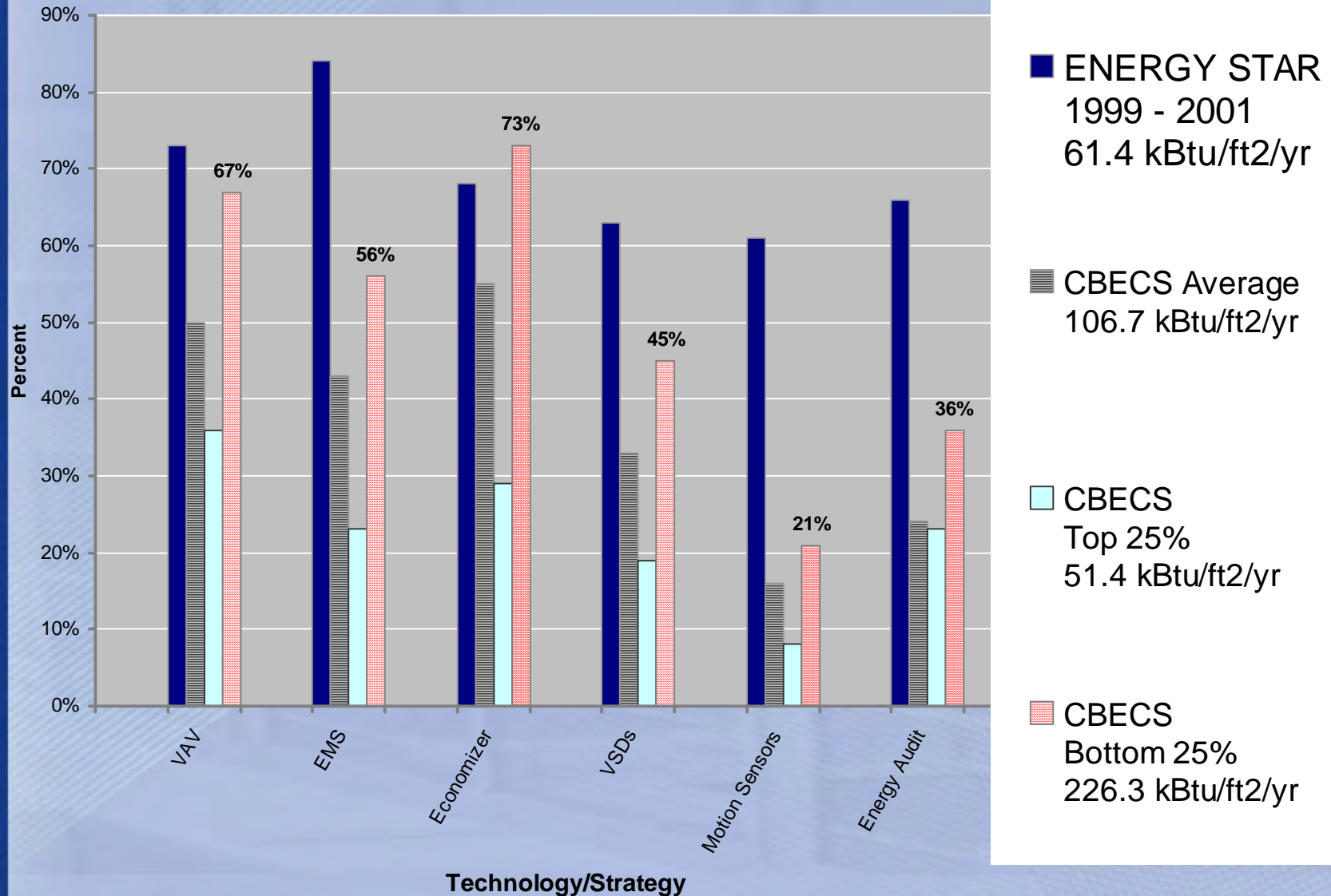
Barriers to Greater Energy Efficiency

1. Why should the owner invest in energy improvements when the tenants are paying the utility bills?
2. Why should a tenant invest in energy efficiency upgrades to a property that it does not own?

It gets even more confusing,

- ⌘ Utility costs paid by owners and passed thru to tenants
- ⌘ Various methods of cost recovery
- ⌘ Energy paid directly by tenants
- ⌘ Building operators, managers, and occupants influence energy performance
- ⌘ Multiple stakeholders and financial decision makers
- ⌘ Lack of capital for improvements

Technology Doesn't Always Equal Performance



BOMA Energy Efficiency Program (BEEP)



- BEEP objective:
 - ✓ Educate real estate industry how to reduce energy use and expenses with no- and low-cost solutions
- Intended audiences: property owners, managers, and operators
- Education, tools, and case studies to demonstrate how to:
 - ✓ Identify and implement easy, no- and low-cost ways to improve energy performance
 - ✓ Present compelling financial returns to clients for energy efficiency projects
 - ✓ Improve tenant comfort and satisfaction thru increased operational control

BEEP Offers Solutions and Resources (cont)

- Online and in-person training
- Web portal of resources
- Six-course curriculum – 2 hours each
 - ✓ Introduction to Energy Performance
 - ✓ How to Benchmark Energy Performance - Using EPA's Energy Star Energy Performance Rating System
 - ✓ Energy-Efficient Audit Concepts and Economic Benefits
 - ✓ **Low-Cost Operational Adjustments to Improve Energy Performance and Reduce Costs**
 - ✓ **Valuing Energy Enhancement Projects and Financial Returns**
 - ✓ Building an Energy Performance Awareness Program

Success to Date

BOMA is playing a key role in transforming the real estate market

- Over 6,000 attendees to BEEP classes
- Live trainings at BOMA North American Real Estate Congress and IFMA World Workplace
- Tremendous interest in various groups in partnering – partnerships with PG&E and Northwest Energy Efficiency Alliance

7-Point Challenge

1. Decrease energy consumption by 30 percent across portfolios by 2012;
2. Benchmark energy performance and water usage;
3. Ensure that equipment is properly maintained and utilized;
4. Perform an energy audit and/or retro-commissioning of buildings and implement low-risk, low-cost strategies;
5. Improve the operations and maintenance of building systems;
6. Help to reduce your industry's role in global warming; and
7. Position yourself as a leader and solution provider.

Clinton Climate Initiative (CCI) Building Energy Retrofit Program (BERP)

- BERP is intended to provide savings in year 1 without capital outlay for public & private sector real estate
- CCI partnered with 5 banks & several ESCo's
- Goal is to transform performance contracting – from high cost/low volume to low cost/high volume model

Clinton Climate Initiative (CCI) Building Energy Retrofit Program (BERP)

- According to CCI, ESCo's committed to open book, 30-40% lower pricing to help take a \$2B market to \$8B market
- BOMA's Role
 - Education – modified BEEP
 - Performance Contracting – vetting and simplification critical need for success
 - Policy work – to make sure we're working in concert
 - Outreach – connect national real estate firms with program & work closely with ESCo's, cities, and banks to help sell opportunity

Why Should ESCo's Team with BOMA?

- BOMA understands key barriers to improved energy efficiency and why performance contracts haven't worked in the past
- Since BEEP educates companies on how to incorporate changes into their business processes, improvements are sustained to insure success & mitigate risk for all parties
- BOMA & BEEP are the best path to credibly and efficiently reach a tough market segment

What Are Your Challenges & Experiences in Reaching the Commercial Real Estate Market?



www.boma.org