What It Is

The Tenant Energy Optimization process is a proven, replicable approach that integrates energy efficiency into tenant space design and construction and delivers excellent financial returns through energy conservation.

The Benefits

- It generates an attractive return on investment (ROI)—Tenants using the step-by-step design and construction process typically have experienced:
  - Energy savings of 30 percent to 50 percent;
  - Payback in as little as three to five years; and
  - An average annual internal return rate of 25 percent.
- It provides a competitive edge—Companies with more sustainable, energy-efficient workplaces enhance their ability to attract, retain, and motivate workers who are healthier, happier, and more productive.
- It is scalable and replicable—The process can provide energy and financial savings whether the tenant leases 2,500 or 250,000 square feet. Tenants and service providers who have gained expertise through implementation of the process have demonstrated that there is high potential for transferability beyond tenant office space to other property sectors.
- It is environmentally critical—Energy use in buildings is the largest source of climate-changing carbon pollution, and tenant spaces generally account for more than half of a building’s total energy consumption, making this process essential to improving the environmental performance of buildings and addressing global climate change.

Who Is Involved

- It is collaborative—The process connects the dots between tenants, building owners, real estate brokers, project managers, architects, engineers, and other consultants to create energy-efficient workplaces. In this regard, the process reflects ULI’s longstanding tradition of bringing together professionals from a variety of real estate disciplines to improve the built environment.

Selecting an Efficient Base Building

- Good:
  - Building reports ENERGY STAR score
  - Ongoing tenant-landlord energy efficiency coordination
  - Landlord willing to allow submetered tenant space
- Better—includes all of Good, plus:
  - Building ENERGY STAR score of 75 or higher
  - Central building management system (BMS) with tie-in of tenant heating, ventilating, and air conditioning (HVAC) and lighting
  - Building energy audit, ongoing commissioning activities, and energy capital projects completed
  - Submetered tenant space with energy billed on actual usage
- Best—includes all of Better, plus:
  - Subpanels to measure tenant lighting, HVAC, and plug loads separately
  - Tenant energy management program (such as a dashboard)

For More Information

Interested in implementing the process?

ULI provides tools such as technical resource guides, how-to documents, case studies, and other training materials. These materials can be found at: tenantenergy.ULI.org.