

# Solutions and Incentives for Property Management

Owners of both tenant- and owner-occupied properties are adding value to their buildings through energy efficiency upgrades. New, energy efficient equipment can lower energy costs, enhance occupant comfort and improve tenant or resident retention, all while potentially increasing appraisal value and resulting rental or sale income.

Plus, any property that reduces energy use can take advantage of incentives offered through PECO Ways to Save.

To help shorten the return on investment of building renovations, new construction and technology upgrades, PECO Ways to Save offers incentives for energy efficient lighting; heating, ventilation and air conditioning (HVAC) equipment; retrocommissioning; building controls; and much more.

In facilities where lighting equipment is replaced by building maintenance staff, property managers are encouraged to contact a distributor who offers PECO Instant Discounts<sup>1</sup> on energy efficient interior and exterior lighting. Save instantly at checkout on approved products.

## Invest in an Energy Efficient Property

More properties are required to disclose energy usage while prospective tenants and buyers desire energy efficiency. Because of these market factors, proactively reducing energy use is becoming an increasingly smart investment.

Building owners can reduce energy costs through new energy efficiency technologies, innovative lease arrangements and other control strategies. Compared to typical buildings, high-performing buildings have been found to save \$0.53 per square foot on annual energy costs and \$0.60 per square foot on annual operations and maintenance expenses.<sup>2</sup>

PECO Ways to Save offers incentives for both existing buildings and new construction. Office spaces that achieve incremental advancements in energy efficiency can receive recognition in the form of higher financial incentives as well as certifications such as Leadership in Energy and Environmental Design (LEED).

When compared to typical properties, buildings that undergo energy efficiency upgrades and achieve high performance have been shown to have occupancy levels up to 10% higher, rental premiums up to 16% higher, and sale prices up to 31% higher.<sup>2</sup>



## Identify Energy Efficiency Projects

To assist in identifying and implementing cost-effective equipment or process upgrades, PECO Ways to Save maintains a database featuring dozens of local contractors who are familiar with the incentive program and who are available for energy efficiency projects of all sizes.

PECO Ways to Save offers incentives for several popular energy efficiency measures such as:

- **Lighting:** A variety of LED lamps and LED tubes; high-bay and low-bay fixtures; canopy fixtures and parking lot kits qualify. Even permanent fixture removal can qualify in situations where LEDs provide brighter illumination with fewer total fixtures. Customers can save instantly at checkout if purchasing light fixtures through a participating distributor.<sup>3</sup>
- **Energy management systems:** Otherwise known as building automation systems, energy management systems can result in savings up to 39% when controlling lighting systems or 14%-16% for heating, ventilation and air conditioning (HVAC) systems.<sup>4</sup>

- **HVAC:** Comfort systems including high-efficiency air conditioners, heat pumps, packaged terminal air conditioners, unitary HVAC chillers and demand-controlled ventilation units, are all incentivized on a per-unit basis.
- **More:** Data center upgrades, refrigeration equipment and controls, food service equipment and custom retrofit measures.

## Green Leases, Fit-Outs and Financing

Simple adjustments to the standard lease arrangement can help significantly reduce energy consumption and finance much needed building upgrades. For example, PECO customer Brandywine Realty Trust uses several green leasing strategies. Tenants grant Brandywine access to meter data for the purpose of whole building data tracking and ENERGY STAR certification. Brandywine and tenants share costs toward investments in energy efficiency projects and tenants see the savings in their utility bills.<sup>5</sup>

Other approaches include negotiating for energy efficiency upgrades as part of the fit-out process. Examples include requesting tenants meet LEED certification requirements or install submeters that reflect individual tenant energy use.

Submetering allows tenants to manage their own energy costs. Prices to purchase and install submeters have dropped dramatically. Costs are often recovered through energy savings that result from changes in tenant behavior. Savings from installing submeters range from 10%–20%.<sup>6</sup>

Beyond incentives offered through PECO Ways to Save, business owners can leverage several state and federal incentives to finance their energy efficiency projects. The following grants, loans and tax deductions are available for property owners investing in energy efficiency:

- Through the Pennsylvania Industrial Development Authority,<sup>7</sup> County Economic Development Organizations offer machinery and equipment loans of up to \$1.5 million over a 10-year term.
- Pennsylvania's Small Business Advantage Grant Program<sup>8</sup> offers businesses with fewer than 100 employees matching grants covering 50% of project costs.
- Pennsylvania's High Performance Building Program<sup>9</sup> provides low-interest loans of up to \$2 million and grants for 10% of project costs.

## Local Property Managers Earn PECO Ways to Save Incentives

Property management companies throughout the region are investing in various types of upgrades in their buildings while earning PECO Ways to Save incentives.

A Center City Philadelphia office building installed variable frequency drives (VFDs) on their chiller condenser pumps and nearly half of the capital cost for the project was covered by PECO Ways to Save incentives.

A building in Center City upgraded their HVAC earning more than \$28,800 from PECO Ways to Save incentives.

The Jefferson Center completed a series of energy efficiency upgrades that helped building owners achieve modern-day peak performance with return on investment. By teaming up with PECO Ways to Save, the building's owners significantly improved the building's ENERGY STAR Portfolio Manager score all the way to an 87 out of 100 with LED lighting upgrades, modernized HVAC controls and heat pump water heaters.

- Annual Energy Savings: 172,700 kWh
- PECO Ways to Save Incentives: \$16,090
- Estimated Annual Energy Cost Savings: \$18,995\*

### ► Contact Us Today!

Building owners interested in unlocking the energy efficiency potential within their properties or facilities should contact PECO at **1-844-4BIZ-SAVE** (1-844-424-9728) or visit [peco.com/PropertyManagement](https://peco.com/PropertyManagement).

<sup>1</sup> solutions.peco-energy.com/instant-incentives

<sup>2</sup> energystar.gov/buildings/save-energy-commercial-buildings/finance-projects/business-case

<sup>3</sup> solutions.peco-energy.com/instant-incentives

<sup>4</sup> sciencedirect.com/science/article/abs/pii/S1364032115013349

<sup>5</sup> solutions.peco-energy.com/case-study-logan

<sup>6</sup> imt.org/wp-content/uploads/2018/02/Green\_Lease\_Impact\_Potential.pdf

<sup>7</sup> dced.pa.gov/programs/pennsylvania-industrial-development-authority-pida/

<sup>8</sup> pa.gov/agencies/dep/programs-and-services/grants-loans-rebates/small-bus

<sup>9</sup> dced.pa.gov/programs/high-performance-building-program-hpb/

\* Assumes a blended energy rate of \$0.11/kWh