

WAYPOINT UTILITY CONNECT PROGRAM

201 Spear Office Property Case Study



201 Spear St. Property Achieves \$47,000 in Annual Cost Savings through Connect



201 Spear Property

Since 2014, over 300 properties have partnered with Waypoint and their local utility to participate in the Connect Program, resulting in improved energy efficiency via project implementation subsidized with utility incentives. One of which, 201 Spear Street, is a 252,591 square foot, Class A LEED Gold office tower located in San Francisco's South Financial District, managed by Cushman & Wakefield (C&W). By enrolling in the local utility's Connect Program administered by Waypoint, C&W Property Management was able to present a successful business case for ownership to achieve over **\$47,000 in annual energy cost savings** and an estimated **293,000 kWh in annual electricity savings**. Furthermore, these projects were able to utilize up to **\$34,000 in utility-offered incentives** to defray equipment and service costs.

The Opportunity. Shortly after current ownership acquired 201 Spear, C&W brought on a consulting engineering firm to develop a business case for energy improvements. The 18-floor property, built in 1984, has ~20 financial and high-tech sector tenants with a basement parking lot. 201 Spear's C&W team had difficulty providing ownership a compelling proposal for further upgrades as it had not received an energy audit since 2010, had with relatively low electric usage and a high ENERGY STAR score of 83. Ownership proceeded with a multi-million-dollar lobby renovation and LED lighting upgrade in common spaces utilizing utility incentives, but did not move forward with additional efficiency improvements.

Shortly afterwards, 201 Spear enrolled in the Connect Program for a second opinion on the building's progress in managing its energy costs. Waypoint's initial benchmarking analytics identified that 201 Spear's energy usage and spend had increased 25% from 2013 to 2014, and exceeded the San Francisco Building Owners and Managers Association (BOMA) benchmark for utility cost per square foot by 12%. This alarming increase in operating expenses, if continued, projected 201 Spear to exceed its 2014 utility budget.

"The wealth of information and in-depth report that is provided by Waypoint is a very useful tool for identifying energy efficiencies and cost-saving projects. Clear, concise information was always presented along with great input, expertise and knowledge of energy efficiencies. I look forward to continuing to work with Waypoint to track the project's progress and continue to identify opportunities over time."
- Jill Vivanco, 201 Spear Property Manager

The Connect Program Approach. Waypoint, the utility and C&W developed a partnership to bring energy efficiency analysis, business case development, and incentive processing support services to C&W's clients. The goal of the Connect Program is to better channel utility program resources and incentives to empower key market trusted advisors and identify efficiency opportunities. C&W benefits from more strategic energy efficiency services provided to building ownership by the Waypoint and the utilities. These utility-funded services include:

- Portfolio level benchmarking analytics to identify high priority target properties
- Detailed energy audits for qualified buildings, identifying building-specific energy efficiency measures with financial businesses cases for each measure
- Processing support for utility incentives pursued by owners or tenants
- Ongoing tracking and reporting at both the building and portfolio levels



Following Waypoint's analysis indicating significant energy savings potential at 201 Spear, Waypoint engaged the building for a targeted, utility-funded energy audit to identify opportunities for reducing energy costs and improving performance with utility incentives. Waypoint collaborated with 201 Spear's Property Manager, Jill Vivanco, to customize a business case to ownership for optimizing the capture of incentive dollars and operating cost savings via efficient lighting technologies and retro-commissioning (RCx) of existing HVAC systems. The business case provided an in-depth summary of 201 Spear's historical energy performance, an analysis of property characteristics that affect project feasibility, identification of applicable utility incentives, and financial analysis for the recommended investments.



Target Building Report

Actionable Savings. Shortly thereafter, ownership approved C&W's proposal to replace 2,818 32W T8 bulbs with energy efficient 25W T8 bulbs throughout the building, incorporate new LED lighting standards for future tenant improvements, and upgrade 200 stairwell and garage lighting fixtures to LEDs. Additionally, ownership approved enrolling in the utility's RCx Program, which provided incentives and support to make sure the building — and the equipment and systems within it — runs in peak condition for optimal energy savings. Without requiring ownership to undergo large capital investments, the resulting lighting and RCx projects:

- **Reduced annual energy costs by more than \$47,000**
- **Utilized \$34,000 in utility incentives**
- **Improved the building's work environment**
- **Extended the equipment's service life**
- **Increased the asset value of the building**