



# Green Building Advisory Committee

## GSA Leasing Requirements - Net Zero Emissions

November 9, 2022



# **GBAC Agenda (11/9/22)**

## **E.O. 14057: Net Zero Leasing Requirements**

- **E.O. 14057: Sustainable Leasing Requirements - Net Zero**
- **Net Zero Supply-Demand Conditions**
- **Incremental Steps to Achieve Net Zero**
- **E.O. Timeframe**
- **NZ Leases as a Possible GBAC Topic**

# EO 14057: Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability and Implementing Instructions - Key Goals



Implementing Instructions for  
Executive Order 14057  
Catalyzing Clean Energy Industries and Jobs  
Through Federal Sustainability

The White House Council on Environmental Quality

August 2022

**E.O. 14057 - Issued on 12/8/21:  
Executive Order 14057**

**OMB Memorandum to  
Departments and Ag**

**Imp. Instructions - Issued  
8/31/22:EO 14057 Imp Instruc**

## ***E.O. 14057 Key Goals:***

- 1. 100% carbon pollution-free electricity (CFE) on a net annual basis by 2030, including 50 percent 24/7 CFE***
- 2. 100% zero-emission vehicle acquisitions by 2035***
- 3. Net-zero emissions building portfolio by 2045, including a 50% emissions reduction by 2032***
- 4. 65% reduction in scope 1 and 2 greenhouse gas emissions from Federal operations by 2030 from 2008 levels***
- 5. Divert from landfills at least 50% of non-hazardous solid waste, including food and compostable material, and construction and demolition waste and debris by FY 2025; and 75% by FY 2030***
- 6. Net-zero emissions from Federal procurement, including a Buy Clean policy to promote use of construction materials with lower embodied emissions***
- 7. Climate resilient infrastructure and operations***
- 8. A climate- and sustainability-focused Federal workforce***

# E.O. 14057: Sustainable Leasing Requirements - Per Implementing Instructions

## Green Leases

- *“All new lease solicitations issued after 9/30/2023 for at least 25,000 RSF where the Federal Govt occupies at least 75% of a building are to be green leases.”*
- *Green Lease definition aligns with the Guiding Principles*

**9 / 30 / 2023 +**

## Lessors Disclosures

- *“Such Green Leases must require the Lessor to report annual data on facility GHG emissions, energy + water consumption, and waste generation.”*
- *Applies to new leases  $\geq$  25,000 RSF and where the Fed. Govt. leases  $\geq$  75% of building*

**9 / 30 / 2023 +**

## Net Zero Emissions

- *“New lease solicitations issued after 9/30/2030 that are greater than 25,000 RSF and where the Federal Govt. leases at least 75% of the total building square footage, must be in NZE buildings (consistent with the green lease requirement)”*

**9 / 30 / 2030 +**

# Existing GSA Green Leasing Requirements - Based on Federal Mandates and Industry Standards

[Link to 10/2021 Highlighted RLP](#) ; [Link to 10/2021 Highlighted Lease](#) : (Download to Word)

<b>Request for Lease Proposal (RLP)</b>	<b>Construction Standards + Shell Components</b>		<b>Tenant Improvement Components</b>	<b>Utilities and Obligations During the Lease</b>
<i>Nbhd., Parking, Loc.Amenities, Public Transportation</i>	<i>Construction Waste Mgmt.</i>	<i>Lighting- Shell</i>	<i>Floor Coverings and Perimeters</i>	<i>Heating &amp; A/C</i>
<i>Floodplains + NEPA</i>	<i>Existing Fit Out, Salvaged Materials</i>	<i>Systems Commissioning</i>	<i>Lighting - Interior</i>	<i>Utility Consumption Reporting</i>
<i>EISA- Energy Star</i>	<i>Vestibules</i>	<i>Painting-Shell</i>	<i>Heating &amp; A/C</i>	<i>Cleaning Products</i>
<i>Historic Preference</i>	<i>EISA- Energy Star</i>	<i>Plumbing Fixtures- Water Conservation</i>	<i>Doors- Entry, Interior, Hardware</i>	<i>Paper Products</i>
<i>Nat.Hist.Preservation Act</i>	<i>HVAC-Shell</i>	<i>IAQ During Construction</i>	<i>Partitions - Subdividing</i>	<i>Recycling</i>
<i>Seismic Safety</i>	<i>Insulation</i>	<i>Ventilation</i>	<i>Wall Finishes</i>	<i>Radon in Air + Water</i>
<i>Environmental Considerations</i>	<i>Wood Products</i>	<i>Green Bldg.Certification (2)</i>	<i>Painting- T.I.</i>	<i>Landscaping</i>
<i>Asbestos</i>	<i>Adhesives and Sealants</i>	<i>Partitions (2)</i>	<i>Window Coverings</i>	<i>Indoor Air Quality</i>
<i>Util.Separate/ Bldg. Optg. Plan</i>	<i>Windows</i>	<i>Acoustical Requirements</i>		<i>Hazardous Materials</i>
<i>Additional Submittals</i>	<i>Ceilings</i>	<i>Green Lease Submittals</i>		<i>Mold</i>

# E.O. 14057 - Impacts to Leases $\geq 25,000$ RSF and $\geq 75\%$ Occupancy

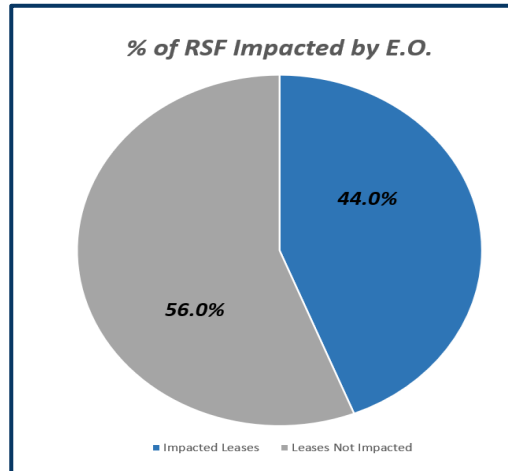
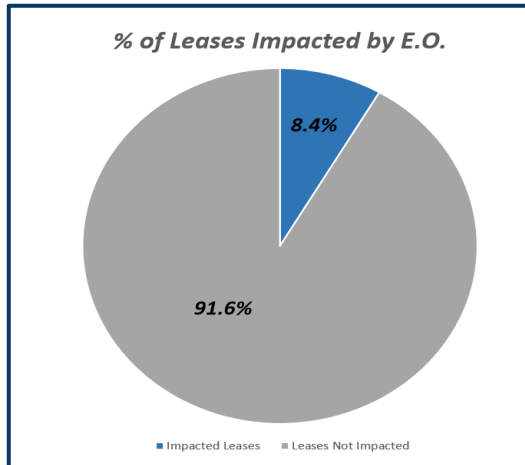
## *E.O. Size + Occupancy Impacts: Green Leasing + NZE Thresholds*

- **651 Leases** out of **7,762 Total GSA Leases**

→ **Represents 8.4% of All Leases**

- **79 million RSF** out of **GSA's Total 180 million Leased RSF**

→ **Represents 44% of Total Leased RSF**



# Net Zero Supply-Demand Conditions

## DEMAND - Net Zero

- GSA is the **demand side** of the economic equation
- GSA does **not own or control** its leased space
- GSA **leases space**, not buildings
- GSA's **space requirements** Include:
  - Space needs in many small, remote markets
  - Short lease terms (10-12 years average)
  - Caps/limits on rents
  - Lowest Price Technically Acceptable is primary procurement method
- GSA standard lease includes **65 sustainability requirements**:
  - Currently lessors have **minimal incentives** to acquire clean power, engage in deep energy retrofits or increase the generation of electricity on site

## SUPPLY - Net Zero

- **Supply** of existing NZ commercial buildings is **limited**:
  - New Bldgs Institute's inventory of existing NZ buildings show 55 nationally; 107 "pending"
  - State-owned NZ buildings in California dominate
- **Cost of NZ-** Rents + Op.Exp.needs to align with GSA's allowed rents
- GSA will have to **catalyze NZ supply** in the energy market through symbiotic partnerships (DoE, EPA, Nat'l. Labs, PPP's, pilots, grants, challenges, etc.)

# Net Zero Constraints

- **Grid Constraints:**
  - Currently the electric grid, generates over 60% of electricity through fossil fuels, nationally (Source: EPA's 2021 eGrid Summary - [https://www.epa.gov/system/files/documents/2022-01/egrid2020\\_summary\\_tables.xlsx](https://www.epa.gov/system/files/documents/2022-01/egrid2020_summary_tables.xlsx))
  - Adding nuclear brings the “non-renewable” portion of the fuel sources in the grid to over 80%
- **Supply/Resource Constraints:** Graphite, Lithium, Rare Earth Metals
- **Regulated and Unregulated Energy Markets** and public utilities that wield enormous power to remain status quo



# Sustainable Leasing: Incremental Steps Toward NZE Leases

Steps Toward NZ Leases	Ongoing Activities
Pilot a Lease Procurement - with NZ as a major Evaluation Factor	Gather technical input/insights from GSA + external SMEs
Pilot a Net of Utilities Lease Procurement with GSA Purchasing CFE	Collaborate with Federal Agencies focused on Net Zero
Issue an R F I	Outreach to Commercial Real Estate Industry
Monitor NBI inventory of existing/pending NZ buildings – includes many Calif.-state owned	Determine Rents + Op.Ex. Associated NZ leases - OD&C Cost Study Underway
Explore 3rd-party Net Zero Rating Systems	Explore Future Veteran’s CBOCs
Target 2030 Cities and those with Aggressive NZ Building Codes	Monitor NZ pipeline from GSA landlords (NC/EB) – Intersection with Large Ls.Expirations
IRA Tax Incentives for Commercial Buildings	

## Creating Incentives at the Micro Level

- Increased generation of renewable energy on site
- Continued reduction in energy use intensity
- Continued reduction in the leased footprint
- Increased use of selection factors in lease procurements

## *E.O. Implementing Instructions: **Net-Zero Emissions Leases** Guidelines*

**“Net-Zero Emissions Leases:** No later than the end of FY 2024, GSA in consultation with CEQ, must develop standards and guidelines for net-zero emissions building leases, taking into account the qualities of a net-zero building as defined in these instructions. Agencies should seek to lease space in net-zero emissions building prior to the 2030 requirement to spur market development and innovation in the private-sector.

*GSA will work with CEQ to develop NZE standards and guidelines*

*Definition of Net Zero is based on the Full-Building*

*Gather lessons learned from GSA Owned facilities; Seek Industry + Agency input; Rely on 3rd party NZE ratings; Phased approach; NBI inventory; Pilot studies; RFI*

*Timeframe for development of NZE Standards and Guidelines is End of FY 2024*

# Timeline of Leasing-related E.O. and Implementing Instruction Deliverables



## **EVSE Guidance:**

– Ag.w/direct lsg.authority should consider GSA guidance for EVSE at agency owned + leased facilities (GSA will share our EV guidance)

## **Green Leasing Guidelines:**

– Draft GLG  
– Agency input  
– Resolve reporting piece  
– Finalize GLG

## **Revise GSA Leasing Requirements:**

– Added lessor disclosures (GHGs + Waste Generation)  
– Added green paragraph alignment with the GPs 2020

## **Green Leases:**

– “All new lease solicitations issued after 9/30/2023 for  $\geq 25K$  RSF and where the fed.govt. occupies  $\geq 75\%$  are to be green leases”

## **NZE Lease Guidelines:**

– “No later than the end of FY24, GSA + CEQ must develop standards and guidelines for NZE building leases”.

## **Net Zero Emissions Lease:**

– All new lease solicitations issued after 9/30/2030 that are  $\geq 25K$  RSF and  $\geq 75\%$  bldg occupant must be in NZE buildings

# Discussion

- Discussion / Q&A
- Consider NZ Leases as a Possible GBAC Task Group Topic ?

