

Client Enrichment Series – Q & A



Topic: Green Leasing Requirements

Presenters:

Alexandra Kosmides - PRBE Susannah Gilmore - PRBE Elizabeth Brown - PRBE

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Green Leasing Requirements Links

- CES Green Leasing Requirements presentation YouTube Video
- Leasing Sustainability Policies
- Green Procurement Compilation
- <u>Leasing Desk Guide Chapter 18 Sustainability</u>
- E.O. Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability
 - o Implementation Instructions
- Green Leasing Standards and Guidelines
- EVSE Leasing Alert LA-23-08
- EVSE Purchasing Resources

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Q1. How was 10,000 square feet determined?

A. Executive Orders 13514 and 13693 applied a (>=) 5,000 rentable s.f. threshold to sustainable federal buildings and leases. This threshold was relaxed to (>=) 10,000 rentable s.f with Executive Order 13814.

Q2. Has there been consideration to the fact that these requirements may force new construction to be the only option which ironically creates more waste, emissions, etc. (and typically takes longer and costs more)?

A. When Executive Order 14057 requirements for sustainable leases were issued, GSA and multiple other federal agencies expressed this concern and the need for exceptions and flexibilities in order to allow for existing buildings to meet various requirements, and to



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prevent new construction at all costs. As the White House Council on Environmental Quality (CEQ), GSA, OMB, and other agencies develop guidance for the Green Lease Standards and Guidelines and Net Zero Lease requirements, there has been much discussion about not having new construction be the only space option that can meet the EO requirements.

GSA is currently in the process of piloting advanced sustainability and net zero measures, and providing feedback from various stakeholders groups on the overall feasibility and costs to OMB and CEQ.

- Q3. The HVAC lease requirements are very minimal and somewhat outdated. Is anyone looking at updating HVAC lease language and including EER minimum requirements that could be implemented at new lease issuance?
 - **A.** We review our lease templates every year and update them with technical input from GSA and other SMEs. GSA's current HVAC requirements reference several ASHRAE standards, and require the version that corresponds with how the HVAC system was designed to perform.
- Q4. Can you provide more information on why the green requirements are different for FEMA leases?
 - **A.** FEMA leases are very unique, and typically for a short time period. Many green requirements would not apply to short time periods and unique situations.
- Q5. Do the requirements remain for spaces 10k 25k square feet with the 2023 update or is it only 25k+ spaces now?
 - A. The new EO 14057 requirement related to lessor reporting of energy/GHGs/water was modified in GSA's October 2023 RLP/Lease templates to reflect the new >=25K RSF size and >=75% government occupancy thresholds. Size thresholds for all other requirements did not change with the October 2023 updates. Requirements for subsequent versions of the Green Lease Standards and Guidelines and the net zero emissions lease requirements will only apply to leases 25,000 RSF and greater where the federal government collectively occupies at least 75% of a building.
- Q6. We have a mini-split AC unit in nearly every lease, some leases have multiple units, because this is the main approach to provide cooling of LAN rooms. Will there be future requirements for these units to be made efficient? These are 24/7 356 day a year units and we are missing the opportunity to specify that these should be efficient units.
 - **A.** These units are a tenant specific requirement. Within your special requirements provided to GSA, you can request that these units perform to the minimum performance requirements of Energy Star or Federal Energy Management Program (FEMP) designated program requirements.



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- Q7. For existing leases that meet the size/occupancy criteria, does GSA do modifications to insert the green provisions? This undeniably results in a cost increase, but would bring compliance faster.
 - **A.** Existing leases are not impacted by updates to GSA RLP/Lease templates that incorporate newer green lease requirements. New sustainability requirements would only apply to new/replacing procurements.
- Q8. With "No On-site Emissions from Energy Use" how would back up generators be available at buildings? The two main backup generators currently on the market are either diesel or natural gas.
 - **A.** The National Definition of Zero Emissions that is being developed by the White House Climate Office is likely to allow for emergency/backup generators to rely on energy generated from fossil fuels sources. The final Zero Emissions definition is due to be released in April/May 2024.

Q9. Do the net zero goals seem unrealistic?

A. The achievement of net zero goals will depend on the climate, market, and tenant uses in a building. Some cities have/are adopting aggressive net zero energy codes and emissions reduction targets. Net zero goals will be easier to achieve in these cities. Buildings in temperate climate zones will be able to achieve NZ more readily than those in extreme climate zones. Buildings with tenants who have high-energy needs (24-7 operations, data centers, labs/medical facilities) might find achieving NZ to be challenging.

Q10. Since no modifications will be made to existing leases, some of which are decades long, is GSA considering using a shorter base lease period and options?

A. No

Q11. How is the site assessment funded? Through the Lessor, or directly by the government, or either?

A. Usually a site assessment is done when a large number of EVSEs are requested. In those cases, GSA would require a RWA to pay the lessor to do the site assessment. The Leasing Alert has a draft scope of work for the site assessment, as an attachment.

Q12. Are all the costs for the green initiatives born on the agency or does GSA help with the costs?

A. Some green leasing requirements are part of the base rent requirements and are included within the shell rent component of the lease (including HVAC, plumbing, non-subdividing partitions). Other green leasing requirements for the build-out of interior space are part of tenant improvements that would be borne by the agency as part of TIs (including standards for low embodied carbon materials in the form of Environmental Product Declarations). However, many of these products, such as carpeting, are available at price points well within the normal cost ranges of the product.



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Q13. Can GSA provide sample Lease Amendments that cover the different situations for delegated agencies?

A. Our Leasing Alert has a template lease amendment as an attachment.

Q14. Is this EVSE process the same for a commercial lease?

A. The process provided in the presentation is about commercial leased space.

Q15. Will there be any options for joint use, especially in Federal Building occupancies for Electric Vehicles?

A. GSA is currently in the process of putting together a spend plan for EVSE installation in federal buildings across the country by using funds from BIL. More information will be released once that spend plan is approved.

Q16. Do the BEAM chargers have all of these WEX card and tracking capabilities?

A. BEAM chargers can be paired with different types of charging interfaces, such as ChargePoint, which accepts WEX card capability and has tracking features.

Q17. How many GSA leases are under 10,000 square feet?

A. As of REXUS December 2023 data, 4,300 leases are under 10,000 s.f., representing 56% of the total number of (7.600 leases).

Q18. Since all new GSA vehicles will be EV, will the charging stations become standard?

A. We have not yet determined whether we will be introducing standard charging station language, but will consider this in the future.

Q19. Since the leasing procurement process takes several years prior to the expiration date; for larger projects will the new RLPs for 25K+ leases have the new green leasing standards and guidelines for net zero in those packages that are submitted prior to 2030?

A. The requirement for net zero leases states that all new lease solicitations **issued** after 9/30/2030 for at least 25,000 RSF and where the Federal Govt occupies at least 75% of a building must be in net zero emissions buildings. Since the requirement does not apply until leases are issued, GSA will not incorporate net zero standards in the RLP until 10/1/2030.

Q20. Is DOE working with GSA on enabling ESPC / UESC for agencies leasing via GSA?

A. GSA is currently pursuing UESCs on a handful of leases. The Department of Energy provided guidance on UESCs in leased space. ESPCs are challenging to pursue in leased space due to their short time frame, however, DOE is developing guidance for this.