

Surpassing the Commitment

USAA Real Estate Company: A 7-Point Challenge Case Study

By James Cox




When BOMA International issued its 7-Point Challenge in July 2007, which calls on the commercial real estate industry to improve energy efficiency by 30 percent by 2012, BOMA member companies vigorously answered the call. USAA Real Estate Company was one of the first companies to sign on to the challenge, believing that the objectives of the challenge mirrored the company's existing sustainability strategy. "We signed on to the Challenge because we believed it mirrored our existing sustainability strategy," says Brenna Walraven, CPM, RPA, Managing Director, Multifamily & Mixed Use Portfolio Manager, USAA Real Estate Company. "Our approach was to simply extend the company's decade-long commitment to energy efficiency and sustainability to include measurement and tracking against the challenge's goals."

A crucial component of USAA's strategy is to improve energy performance through energy audits. To accomplish this, USAA conducts ASHRAE level I & II audits of its portfolio to refine operational strategies and to serve as the basis for future retrofits. Based on the results of the audits, the company has implemented a variety of changes to improve operational effectiveness. These include integrating optimal start times rather than set building start times into operational plans; adjusting and refining outside air ventilation; and increasing the utilization of condenser water ambient temperature reset functionality. Additionally, the company replaced or upgraded its energy management systems, replaced boilers, refurbished and replaced chillers, installed and replaced variable speed drives on HVAC systems, and completed lighting retrofits. A portfolio-wide green cleaning policy, which includes specifications for janitorial contracts and tracking performance, was also implemented. This led to better overall cleaning service delivery, improved indoor air quality and led to higher janitorial satisfaction ratings on USAA's annual tenant surveys.

A key component of the 7-Point Challenge is employee education and involvement, and USAA makes this a priority in its overall strategy. At the beginning of the business year, each team within the company must complete an energy and environmental performance plan to identify specific areas for improvement. The plans include past performance, the expected goals and action items, which focus on both no- and low-cost items, as well as capital investments to improve performance. At the end of the year, the teams' accomplishments are combined into a best practices document for the company.

USAA Real Estate Company routinely engages tenants by explaining the value of improving its environmental performance. To reinforce this message, they hold town hall meetings and reach tenants through newsletters and email to explain the benefits of lower operating costs, improved



indoor air quality and better temperature control. To externally deliver their message, USAA highlights its accomplishments on its website, press releases and in discussions with co-investors. Several team members also serve as industry educators who promote the value of energy efficiency and of benchmarking energy management performance.

Because of these combined efforts, USAA has exceeded the goals of the 7-Point Challenge. USAA's average ENERGY STAR® rating improved from 81 in 2007 to 87 in 2010. "We firmly believe that our story of sustainability success is part of a larger, industry-wide story," explains Walraven. "That's why we've joined our industry colleagues in sharing our ENERGY STAR data with BOMA International. By collecting these successful experiences as well as the challenges in improving energy efficiency in commercial real estate, BOMA can successfully educate policymakers on whether certain environmental standards are achievable and how incentives could successfully accelerate the current market transformation."

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