

Client Enrichment Series

Green Leasing Requirements



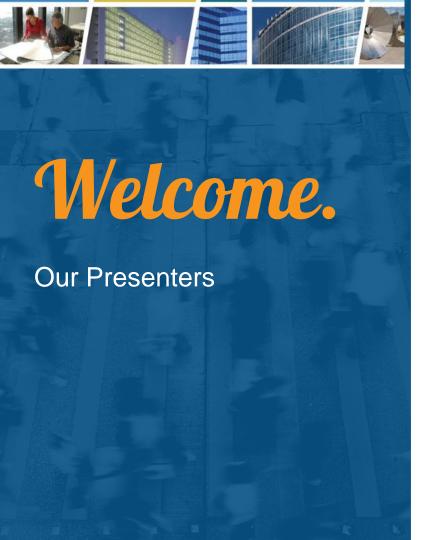
Green Leasing Requirements

March 21, 2024

The presentation will start at 2:00 pm EDT

Note: Phones are automatically muted during the presentation. You can send questions to our presentation team via your Q&A pane and team will answer as many questions as possible during the presentation.

All questions will be responded to in writing in a formal Q&A document, posted along with the slide deck and session recording, on our website, http://www.gsa.gov/ces



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Agenda

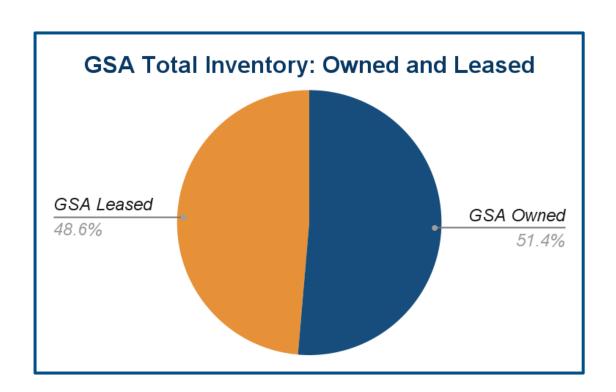
- GSA Leased Inventory
- Current Green Leasing Requirements
- Executive Order 14057 (Dec 2021)
- Green Leasing Standards + Guidelines
- 5 Net Zero Lease Requirement (Oct 2030)
- **6 Electric Vehicle Service Equipment**
- Green Leasing Resources



GSA Leased Inventory

GSA Inventory: Owned and Leased Space

Leased
Space
makes up
49%
of GSA's
Total
Inventory



GSA Leased Inventory

7,600 Leases

6,400 Buildings 177 Million RSF

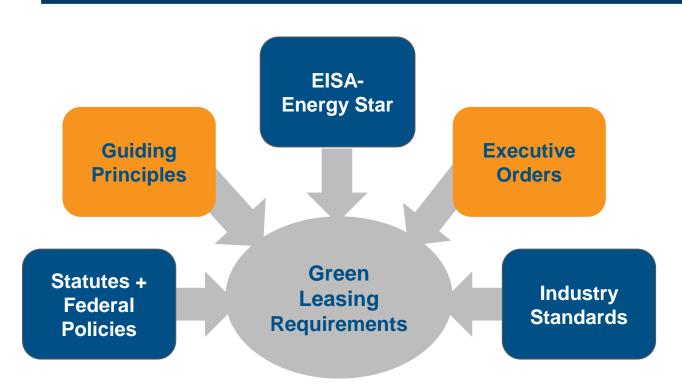
Leases are Located in 2,100 Markets

48% in Major Metros

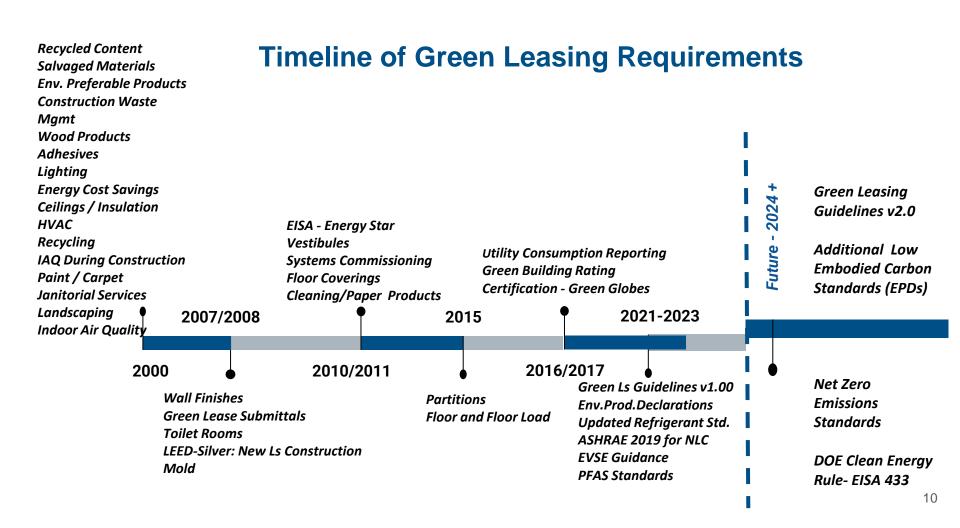
52% in Small + Midsize Cities

Current Green Leasing Requirements

GSA Green Leasing Requirements: Key Drivers



- GSA's Green Leasing
 Requirements are based
 on Statutes, Federal
 Policies, Executive
 Orders, the Guiding
 Principles, and Industry
 Standards
- GSA Requirements
 Include up to 65 green
 leasing provisions
 Some are situational
- Some are situational/ conditional



GSA Green Leasing Requirements Key Sustainability Categories

Site Conditions	Green Building Rating	HVAC, Electrical, Plumbing	Green Products + Practices	Hazardous Materials	Lessor Reporting Requirements
		ASHRAE 62,90	Carpet	Radon	
Floodplains	Energy Star LEED	Systems Commissioning	Partitions	Asbestos	Energy Consumption
NEPA		Indoor Air	Ceiling Tile	Mold	
Seismic	Green Globes	Quality	Painting	PCBs	GHG Emissions
Historic	Living Building	Lighting	Recycling	Lead	Water Usage
Preservation	Challenge	EPA Watersense	Cleaning Products	PFAS	1

GSA Green Leasing Requirements:

Different Requirements for Different Lease Situations



Different mix of green requirements apply to different lease situations:

- Global
- Warehouse
- AAAP
- SLAT
- Small
- On-Airport
- FEMA

Can be found on GSA's leasing sustainability page

GSA Green Leasing Requirements:

Partitions: Permanent

3.25 PARTITIONS: PERMANENT (OCT 2023)

A. Permanent partitions shall extend from the structural floor slab to the structural ceiling slab. They shall be provided by the Lessor as part of shell rent as necessary to surround the Space, stairs, corridors, elevator shafts, restrooms, all columns, and janitor closets. They shall have a flame spread rating of 25 or less and a smoke development rating of 450 or less (ASTM E-84).

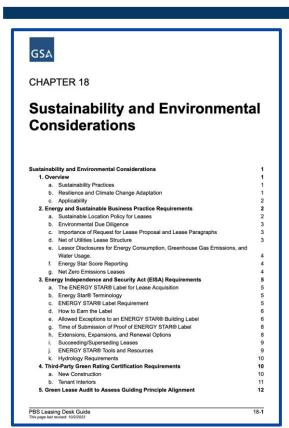
ACTION REQUIRED: ONLY USE SUB-PARAGRAPH B FOR ACTIONS EXPECTED TO TOTAL 10,000 RSF OR GREATER AND WHERE THE LEASE REFLECTS100% OCCUPANCY OF THE BUILDING. OTHERWISE, DELETE.

B. For leases 10,000 RSF or greater where the Government is a sole tenant of the Building, the Lessor shall use materials for newly installed gypsum board meeting the applicable environmentally preferable criteria that are recommended in the Green Procurement Compilation at https://sftool.gov/greenprocurement/. The Lessor shall use products with Environmental Product Declarations (EPDs) to the maximum extent practicable.

- Blue/Instructional Text only applies to subparagraph B
- Size + Occupancy Thresholds
- Reference to the Green Procurement Compilation
- Green provision is highlighted in yellow

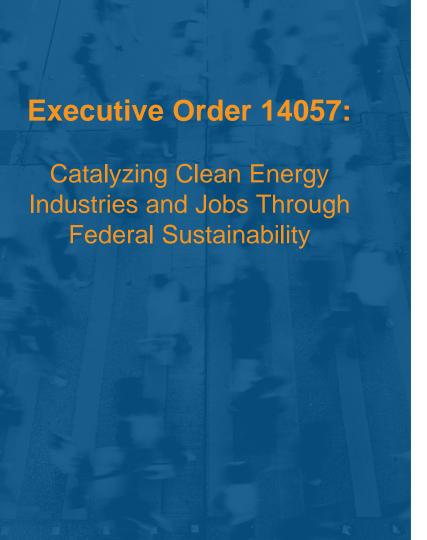
Leasing Desk Guide Chapter 18:

Sustainability and Environmental Considerations (Link)



- Updated Oct. 1st, 2023
- Contains updates on:
 - E.O. 14057 requirements
 - Technical updates made to the Global Lease and RLP templates since 2012, including 2023's updates;
 - Organizational edits to EISA for clarity
 - Other edits to reflect new and updated statutory requirements, Executive Orders, and Leasing Alerts.
 - Formatting and structure edits throughout

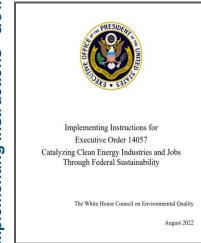
Executive Order 14057 on Federal Sustainability - 2021



E.O. 14057- Signed 12/8/21

Presidential Documents Federal Register Vol. 86, No. 236 Monday, December 13, 2021 Title 3— Executive Order 14057 of December 8, 2021 The President Catalyzing Clean Energy Industries and Jobs Through Federal By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to reestablish the Federal Government as a leader in sustainability, it is hereby ordered as follows: Section 101. Policy. The Federal Government faces broad exposure to the mounting risks and costs already posed by the climate crisis. În responding to this crisis, we have a once-in-a-generation economic opportunity to create and sustain jobs, including well-paying union jobs; support a just transition to a more sustainable economy for American workers; strengthen America's communities; protect public health; and advance environmental justice. As the single largest land owner, energy consumer, and employer in the Nation, the Federal Government can catalyze private sector investment and expand the economy and American industry by transforming how we build, buy, and manage electricity, vehicles, buildings, and other operations to be clean We also must build on past progress and pursue new strategies to improve the Nation's preparedness and resilience to the effects of a changing climate, including advancing the Federal Government's strategic planning, governance, financial management, and procurement to ensure climate resilient It is therefore the policy of my Administration for the Federal Government to lead by example in order to achieve a carbon pollution-free electricity sector by 2035 and net-zero emissions economy-wide by no later than 2050. Through a whole-of-government approach, we will demonstrate how innovation and environmental stewardship can protect our planet, safeguard Federal





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

Executive Order 14057 on Federal Sustainability

All new lease solicitations for at least 25,000 RSF and where the Federal Govt occupies at least 75% of a building, issued beginning...

10/1/2023:

- Must Contain all Required Green Lease Standards and Guidelines
- Must Include Lessor Reporting of Energy, GHGs, Water, and Waste*

10/1/2030:

 Must be Located in Net Zero Emissions Buildings

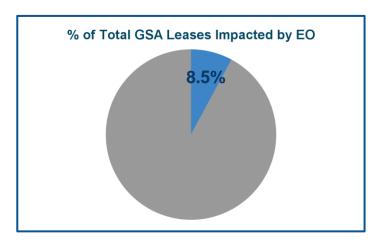
^{*} Waste Reporting on hold until FY24/25

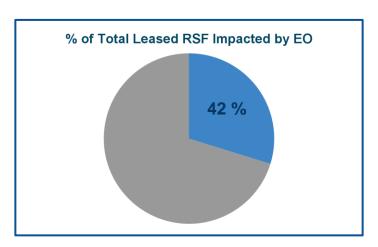
Executive Order 14057 - Impact on GSA Portfolio

Leased Space Inventory: >=25,000 RSF and >=75% Govt. Occupancy:

Impacts 652 Leases, or 8.5% of All GSA Leases

Impacts 74.8 Million RSF, or 42% of GSA's Total Leased RSF





Green Leasing Requirements: Varied Size and Occupancy Thresholds

≥ 10,000 RSF	≥ 25,000 RSF and ≥ 75% govt occupancy (EO 14057)	
EISA- Energy Star		
3rd-Party Green Bldg Rating	Green Lease Standards and	
Multiple Green Products/Services: Carpet; Ceiling Tile; Partitions; Paint; IAQ; Plumbing; Cleaning + Paper Products; Recycling; etc.	Guidelines	
Utility Consumption Reporting (2016-9/2023)	Lessor Reporting- Energy/GHGs/Water (FY24+)	
	Net Zero Emissions Requirement (>9/30/2030)	

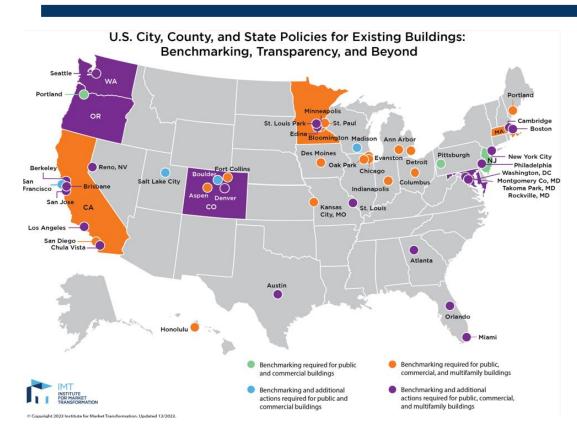
- Different size and occupancy thresholds are applicable to different green leasing requirements
- New EO 14057
 requirements (right
 column) apply at the
 >=25K size and >=75%
 occupancy levels
- Many green leasing requirements still apply at the 10,000 RSF level (left column)

OCT 2023- Lease: Lessor Reporting Requirements

Feature	2016	2023	
Key Driver	EO 13693	EO 14057	
Required Disclosures	Energy + Water	Energy, GHGs , Water, Waste *	
Size/Occupancy Threshold	Lease size >= 10,000 RSF	Lease >=25K and Govt Occup. >=75%	
Reporting Platform	EPA Portfolio Manager	EPA Portfolio Manager	
Check/ Follow- up	Lease Admin.Mgr. (LAM) Annual Inspection	LAM Ann. Insp. + Port.Mgr. Data Quality Checker	
Portfolio Manager Enhancement	N/A	New GSA Lease # data field	

- New size & occupancy threshold based on EO 14057
- New lessor reporting requirement related to Greenhouse Gas Emissions (GHGs)
- Lessor Reporting requirement was memorialized as a GSAR clause
- EO includes a requirement for Lessors to report on Waste
 Generation (MSW + C&D debris); on hold for now

Benchmarking/Transparency Requirements in U.S.



Energy Benchmarking/ Transparency Requirements:

- Involves assessing and analyzing the energy and water use of a building and then **comparing** it to the building's past performance, similar buildings, or modeled simulations of a reference building at a certain standard
- Many major metros have benchmarking/transparency and sustainability reporting requirements in place

Green Leasing Standards and Guidelines (v1.0 and v2.0) - FY 2023+

Green Lease Standards & Guidelines- Version 1.0

EO 14057 Implementing Instructions - 4.4.13:

"GSA must issue **green lease standards and guidelines** to be applied to Federal leases, including provisions that promote a standard framework for **lessor reporting of emissions**, **energy**, **water**, **and waste** associated with the leased space."

[Applies to leases >=25K RSF and where the federal govt occupies >=75% of a building]

GLSG are Comprised of:

- 8 Key Criteria
- Broad Sustainability Guidelines
- Required, Specific Standards
- Encouraged Recommendations

GSA Issued the GLSG v1.0 on **9/29/23**

Link: <u>Green Lease Standards and Guidelines</u>

Green Lease Standards & Guidelines - Mandatory for GSA Leases



- GSA's OCT 2023 RLP/Lease Contain ALL of the REQUIRED GLSG:
- GLSG are Mandatory for leases that GSA directly procures and for GSA Delegated leases
 - GLSG are Recommended for Independent Agencies

Green Lease Standards and Guidelines - Version 1.0: Required Green Lease Standards & Guidelines

REQUIRED GLSG are:

- Mandated by Statute and Regulation
- Common Industry Practices
- Must be in place for a lease to be considered a "Green Lease"

Improve Energy Efficiency and Reduce Emissions:

- EISA- Energy Star Label
- HVAC Efficiency- ASHRAE 62.1
- Energy Efficient Lighting

Improve Water Efficiency:

- Efficient Water Fixtures- EPA WaterSense or Equivalent
- Landscape Management Best Practices
- Restore Pre-development Hydrology Conditions

Reduce Resource Use and Emissions:

Refrigerant Management- EPA SNAP Guidance

Improve Indoor Environmental Quality:

- Ventilation/Filtration Standards- ASHRAE 62.1
- IAQ Best Practices During Construction
- Mold Prevention/Abatement

Hazardous Waste:

Radon and Asbestos Standards

Sustainable Products:

 Environmentally Preferable Criteria- Green Procurement Compilation

Waste Management + Reuse of Materials:

- Recycling Program
- Construction Waste Management

Occupant Comfort:

Thermal Comfort Standards- ASHRAE 55

Tracking & Reporting- Tenant Space:

- Lessor Reporting of Energy, Emissions, and Water
- Reporting of Energy Star Score

Recommended Green Lease Standards + Guidelines- V 2.0

Recommended GLSG:

- Electrification of Building Equipment
- Energy Efficient Equipment Energy Star Labeled or FEMP-designated
- Periodic Recommissioning
- Track/Report Energy for Govt. Tenants Independent from Other Tenants
- Lessor Reporting of Waste Generation (MSW and C&D debris)
- Recommended GLSG reflect Progressive Steps to Move → NZE
- Not currently part of GSA leasing requirements
- Gathering Targeted Feedback on these in FY2024
- Evaluating appropriate language, cost impacts, and feasibility of these items
- Leasing to draft/develop **GLSG v 2.0 in FY 24**; Some could become p/o RLP/Ls

Recommended Green Lease Standards + Guidelines - V 2.0 con't

Activity Area	Actions
Electrification of Building Equipment	 Electrify key building systems (heating, cooling, ventilation, domestic hot water) Applies at equipment replacement or end-of-life; Non fossil-fuel sources
Energy Efficient Equipment- ES/FEMP	 Use Energy Efficient equipment/components for major building systems that are Energy Star labeled or Federal Energy Mgmt Program-designated Applies at equipment replacement or end-of-life
Periodic Recommissioning	- Recommission building to Optimize systems and maintain/enhance energy efficiency (beyond GSA reqmt to re-cx when systems are impacted by an alteration or exercising a renewal option) - Industry recommendations include recommissioning every 3-5 years
Lessor Tracking / Reporting of Govt Tenant Energy Use	- Lessor to track/report the government's energy use independent from other tenants - Track through tenant level Submeters or Estimate based on prorata SF share
Lessor Reporting of Waste Generation	- Lessor Reporting of Waste Generation (MSW + C&D debris) on hold - GSA Lease "encourages" this for now (Ls. 6.04)

Outreach/Engagement: GSA Regions/ National CRE/ Agencies

- Inform stakeholders about GSA's current + upcoming sustainable leasing requirements
- Gather structured feedback on viability/burdens/cost estimates of upcoming requirements
- Federal Register Notice- Gather structured feedback/input from a broad audience

GSA Regions

- Local Public
 Sector + CRE
 Stakeholders
- 2 Markets / Region

National CRE

BOMA IMT
ULI
NFDA
RER
FRPA
NAREIT
NAIOP
Appraisal Institute

Tenant Agencies

- GSA-Controlled
- Delegated
- Independent
- Federal Real
 Property Council

Federal Register Notice - Stakeholder Feedback



- Federal Register Notice to be issued soon
- Formally gathers stakeholder feedback on GSA's upcoming green leasing provisions:
 - Feasibility/Implementation/Challenges/Opportunities
 - Cost Estimates

5 Net Zero Lease Requirement- 10/1/2030

Executive Order 14057 – Net Zero by 2030

All new lease solicitations for at least 25,000 RSF and where the Federal Govt occupies at least 75% of a building, issued beginning...

10/1/2023:

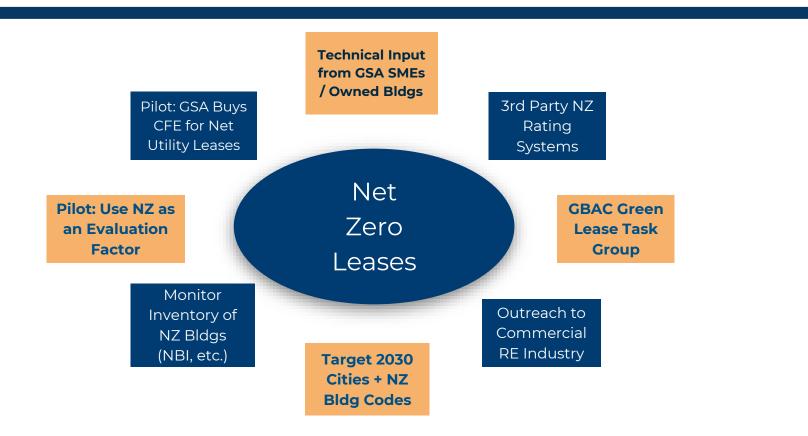
- Must Contain all Required Green Lease Standards and Guidelines
- Must Include Lessor Reporting of Energy, GHGs, Water, and Waste*

10/1/2030:

 Must be Located in Net Zero Emissions Buildings

^{*} Waste Reporting on hold for now

Net Zero Emissions: Overall Leasing Strategy



Zero Emissions: National Definition

- White House Climate Office developed a draft National definition of a Zero Emissions Building (version 1.0)
 - Applies to Non-federally owned buildings
 - Standardized, Consistent, Measurable, Verifiable
 - Focuses on Operational Emissions
- Zero Emissions Building- 3 Pillars:
 - Highly Energy Efficient: Energy Star score of 75 or above
 - No On-site Emissions from Energy Use: Direct Greenhouse Gas emissions equal zero (no FF)
 - 100% of Building's Energy is from Renewable
 Sources: Can include Onsite generation, and Carbon
 Free Electricity with RECs



BUILDING TECHNOLOGIES OFFICE

January 3, 2024

Biden-Harris Administration Releases Request for Information on Developing a National Definition for a Zero Emissions Building

Net Zero Emissions Requirement: Leasing Pilots

Net Zero Emissions Lease Pilots:

- GSA is Identifying 2 pilots in each region that pursue advanced sustainability/NZ measures – in advance of the 2030 requirement
 - Renewable energy technology
 - Electrification of building equipment
 - Low embodied carbon standards/ Added EPDs
 - LEED/Green Globes Zero energy/carbon rating

Outreach:

 Regional/Agency/Industry outreach + engagement will include informing stakeholders on GSA's NZE requirements



6 Electric Vehicle Supply Equipment

EVSE in Leases



GSA Public Buildings Service

Dec. 20th, 2023

MEMORANDUM FOR: REGIONAL COMMISSIONERS, PBS

REGIONAL LEASING DIRECTORS
REGIONAL LEASE ACQUISITION OFFICERS

FROM:

CROFTON WHITFIELD (rofton Whitfield

ASSISTANT COMMISSIONER FOR OFFICE OF LEASING

- PR

SUBJECT: LEASING ALERT (LA-23-08) – Electric Vehicle Supply

Equipment

- Purpose. This Leasing Alert issues policy and guidance for incorporating electric vehicle supply equipment (EVSE) requirements into leases and Requests for Lease Proposals (RLPs).
- Background. Per Executive Order 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability, all agency light-duty vehicle acquisitions must be zero-emission vehicles by the end of FY 2027. This requirement may necessitate the installation of EVSE as part of an agency's mission for normal operations.

In October 2022, the Office of Leasing released preliminary internal guidance regarding EVSE and Leases.

This Leasing Alert memorializes existing guidance, recommendations, and best practices surrounding the addition of EVSE into new and existing leases.

- 3. Effective Date. This Leasing Alert and attachments are effective immediately.
- 4. Applicability. This Leasing Alert applies to all General Services Administration (GSA) real property leasing activities that include requirements for Government-Owned Vehicles (GOVs), and to all those leasing activities delegated by GSA to other Federal agencies that include requirements for

 General Services Administration 1800 F Street, NW Washington, DC 20405-0002

www.gsa.gov

Leasing Alert LA-23-08

- Published Dec. 20th, 2023
- Memorializes existing guidance, recommendations, and best practices on the addition of EVSE into new and existing leases.
- Includes a lease amendment template, statement of work template for EVSE site assessments, and sample letter to approve lessor use of the FAS schedule BPA.

EVSE in Leases – *The Process*

Agency submits a request to their regional leasing point of contact (LCO, LS, etc.)

Agency develops requirements and project scope

LCO coordinates an initial meeting with Lessor and agency to gauge their willingness and discuss possibility of a site assessment and future installation

If needed and approved, site assessment takes place

Agency revises scope and requirements if necessary

Installation is negotiated and finalized with Lessor via Lease Amendment.

EVSEs installed!

EVSE in Leases – TI, Alterations & Equipment

Adding EVSE to New or Existing Leases

Tenant Improvements

- When the scope of the EVSE is associated with the procurement of a new lease
- Added via the Special Requirements section of the Lease

VEHICLE CHARGING STATION

The Government will require two (2) electrical vehicle charging stations within 730 days of full occupancy for Official Government Vehicles. The Lessor, at its cost, will furnish, install and maintain the electrical vehicle charging stations and software systems for remote management to monitor, maintain, and allow access. The Lessor, at its sole cost, will install conduit and any other base-building electrical infrastructure necessary to support metered 120/208 V, 3-phase, 4-wire with bond, 60 hertz electric service to the Government's charging stations. The Lessor shall provide electricity to the Government's charging stations.

The Government reserves the right to install additional electrical vehicle charging stations.

Alterations

- When an EVSE is requested during the term of an existing lease
- Added via a Lease
 Amendment



Agency Equipment

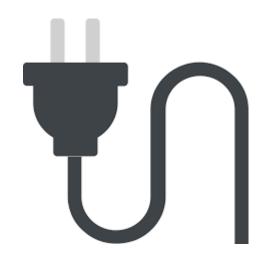
- Agency equipment if GSA or the agency purchases an EVSE that does not need electricity, installation, or permanent attachment to the building.
- E.g., a BEAM solar powered



EVSE in Leases - TI, Alterations & Equipment con't

Adding EVSE to New or Existing Leases

- Agencies submit requests to their regional leasing point of contact.
- Delegated agencies follow their own lease procurement or alteration processes
- EVSEs must have point of sale capacity, access control and WEX card capacity.
- Usage tracking recommended.



EVSE in Leases – Site Assessments

Adding EVSE to New or Existing Leases



- Site assessments are strongly recommended for larger installation projects
- Site assessment costs are agency reimbursable
- Must be completed through a lease amendment.
- Lessor should ideally complete the site assessment, but GSA may complete it through the BPA if the lessor is unwilling.

EVSE in Leases – Things to Consider

Adding EVSE to New or Existing Leases

Site Assessments – Things to Consider

Agency Preferences

- Charger types
- Quantity (Fleet size, usage)
- Location (NHPA, ABAAS)
- # of ports
- Budget
- Time remaining in lease
- Cybersecurity requirements

Building Capacity

- Building electrical capacity
 - Electrical capacity from the utility connection to electrical panel
 - Electrical capacity at the panel
 - Dedicated circuit for each EVSE unit on electrical panel (usually)
- Alternative energy sources
- Weight capacity
- Utility provider & grid capacity
- Utility and EVSE company incentives

EVSE in Leases – Policies and Resources

Policies

- LA-23-08 Electric Vehicle Supply Equipment (Link)
- LDG Alterations Chapter (<u>Link</u>) (<u>SME2U Training</u>)
- LDG Parking Acquisition (<u>Link</u>)
- LA-18-07 Payment for Extended, Multi-Shift, or Continuous Mission-Related Services in Leases (Link)
- PBS 5605.1 EVSE Infrastructure Management (<u>Link</u>) (Under review)

Public Resources

- GSA External EVSE Page (Link)
- GSA Fleet Training (<u>Link</u>)
- DOE Utility Finder Tool (<u>Link</u>)
- DOT Rural Electric Vehicle Infrastructure Toolkit (<u>Link</u>)
- FEMP EVSE Electricity Charging Fee Calculator (Link)
- GSA FedFleet 2024 Presentation Slide Decks (Link)

GSA Internal Resources

- EVSE FAS PMO (<u>Link</u>) (GSA-internal, Direct technical requests here)
- PMO Request Checklist (Link)

Green Leasing Resources

Green Leasing Resources

- Leasing Sustainability Page (Link)
 - Current Green Leasing Requirements: Highlighted RLP/Lease and Summary Matrix
 - Green Lease Standards and Guidelines
 - Energy Star Requirement
 - Relevant Leasing Alerts
 - EVSE Guidance
 - Miscellaneous Resources
- Leasing Desk Guide Chapter 18 (<u>Link</u>)
- Sustainable Facilities Tool (SF Tool)
- Sustainability.Gov (Link) Executive Orders and other Federal mandates



Alexandra Kosmides

Management & Program Analyst

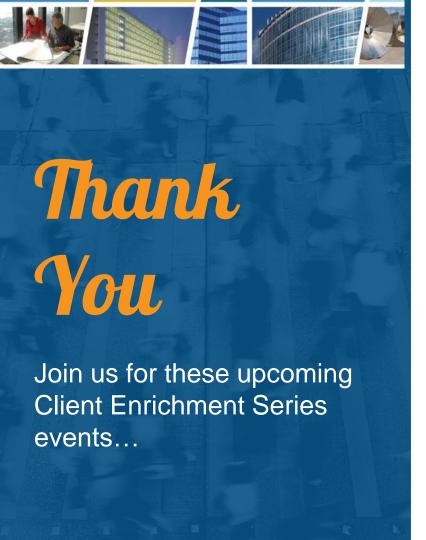
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and Innovation

GSA PBS National Office of Leasing



Susannah Gilmore Leasing Analyst Center for Lease Policy, Technology, and Innovation GSA PBS National Office of Leasing





PBS OASIS - Update and Information Session

Thursday, April 11th 1pm-2:30pm EDT

Register

Safeguarding Assets Risk Management for Federal Real Property

Thursday, April 18th 1pm-2:30pm EDT

Register

visit us at www.gsa.gov/ces
email us at clientenrichmentseries@gsa.gov