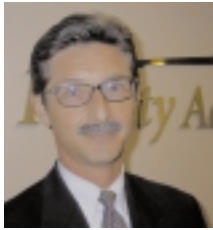




Energy Innovators Initiative
**Energy Innovators
Case Study**

■ November 2003



GWL REALTY ADVISORS: BUILDING AN ENERGY-EFFICIENT FUTURE

*Wayne Proulx
Manager, Energy and Environmental Services
GWL Realty Advisors Inc.*

Taking on the challenge to “go green”

As one of the largest and fastest growing real estate investment advisors in Canada, GWL Realty Advisors Inc. has committed to reducing its real estate's energy consumption and energy costs, and thereby its greenhouse gas (GHG) emissions. For a company that manages more than \$6.5 billion in real estate, making sure that all its buildings are as energy efficient as possible is a daunting task, but one that Wayne Proulx has taken on with enthusiasm.

Mr. Proulx is Manager, Energy and Environmental Services for GWL Realty Advisors. A 23-year veteran of the industry, he recognizes that his company's efforts to cut GHG emissions have to be fiscally responsible. The good news is that saving energy and reducing GHG emissions that contribute to climate change can go hand in hand with cutting operating costs and improving tenant comfort.

“It simply makes good economic sense to ‘go green’,” says Mr. Proulx. His energy efficiency plans are projected to cut total energy costs for GWL Realty Advisors' buildings across the country by about \$17 million and reduce total carbon dioxide (CO₂) emissions by about 70 000 tonnes, or about 5 percent per year for the next five years.



Commerce Place



Natural Resources
Canada

Ressources naturelles
Canada

Canada

The company has already cut energy costs with retrofits at some of its flagship properties. It plans to extend those energy savings to buildings across the country, thanks to its Climate Change Plan, its Green Team, the Green Globes rating tool and assistance from the Energy Innovators Initiative (EII) of Natural Resources Canada's Office of Energy Efficiency. GWL Realty Advisors has also registered all its commercial buildings with Canada's Climate Change Voluntary Challenge and Registry Inc. (VCR Inc.), a non-profit partnership between industry and government, which records the company's GHG emissions reduction plans and ongoing year-over-year efforts.

Early success to build on

With assistance from the EII, GWL Realty Advisors undertook a complete lighting retrofit to cut energy use by about 14 percent at Fifth and Fifth, a prestigious 34-floor office tower in downtown Calgary. The project resulted in about \$200,000 in energy savings and a reduction of 1200 tonnes of CO₂ emissions.

GWL Realty Advisors' Calgary property management office developed an energy management action plan that includes details on training staff to make them aware of energy costs, alternative products and ways to increase energy efficiency.

Through similar retrofits at Commerce Place in Edmonton, GWL Realty Advisors managed to cut energy use by about 15 percent. There are additional savings from a retrofit of variable speed drives that was completed in December 2002. The opportunity to benefit from savings like these in buildings that his company manages all

across Canada and the resulting positive effect on the environment are the motivating factors for Mr. Proulx and GWL Realty Advisors.

Climate Change Plan – An efficient plan for energy efficiency

For GWL Realty Advisors, part of the challenge of becoming more energy efficient is that the company manages all types of real estate buildings for different owners, including pension-fund institutional clients. The upside for these types of clients is that they are usually long-term investors who are in tune with the benefits of effective energy and environmental management. Mr. Proulx has to promote the merits of these practices to all his company's stakeholders: employees, tenants and owners of properties under its management.

To convince these stakeholders of the fiscal and social responsibility value of becoming more energy efficient, Mr. Proulx hit the road with GWL Realty Advisors' Climate Change Plan. His presentation sets out plans to systematically cut energy costs and reduce GHG emissions. With the plan, GWL Realty Advisors hopes to build on the success it has already had in buildings such as Calgary's Fifth and Fifth and Edmonton's Commerce Place.

The first step is to conduct operations reviews for every property under GWL Realty Advisors' management. These detailed physical inspections and procedural reviews will result in documenting optimum property-operating procedures to be followed under all conditions.

"Operating equipment efficiently means operating it as per the manufacturer's recommendations, which are meant to extend the useful life of the equipment,"

Table 1. Savings from lighting retrofits at Fifth and Fifth

Fifth and Fifth	Pre-retrofit	Post-retrofit	Savings
Annual electricity costs	\$1,216,439	\$1,036,919	\$179,520
Annual electricity consumption (kWh)	13 109 942	11 260 214	1 849 728
Annual CO ₂ emissions (tonnes)	8 783	7 544	1 239



Watermark Tower

Mr. Proulx says. “It’s just like your vehicle’s engine; if you don’t change the oil as often as required, the vehicle will not operate at its optimal level, and therefore will consume more gas and reduce its usefulness.”

Proper operating procedures and staff training will ensure the effective operation of all building systems, thereby helping to reduce electrical consumption, equipment stress, operating costs and total CO₂ emissions, and at the same time increase tenant comfort, equipment life expectancy and waste diversion rates.

Dramatic cuts to energy use, however, will take more than making sure that existing equipment is running as efficiently as possible. The second step in GWL Realty Advisors’ Climate Change Plan is to retrofit its buildings with energy-saving fixtures and equipment.

To get the most out of the retrofits, Mr. Proulx developed a Total Solutions Capital Management Strategy for major projects. The strategy will help cut energy costs and reduce GHG emissions in a fiscally responsible way. An energy consulting firm is already monitoring GWL Realty Advisors’ commercial properties (with a total of 1.3 mil-

lion square metres of space), with an eye to reducing the company’s total annual energy costs, which are currently \$41 million per year.

Before a retrofit starts, the company’s strategy calls for a preliminary assessment of the building, including an in-depth building audit, a simulation study and a life-cycle cost-benefit analysis. The building audit recommends improvements to the property’s capital equipment operating and energy efficiency. The simulation study and the life-cycle costing analysis put these recommendations into a working model of the building to determine their fiscal and environmental benefits.

“These studies will be considered simultaneously, which will allow a decision to be made based on all the factors that concern all the stakeholders,” according to Mr. Proulx.

The EII provides assistance to help cover the cost of energy audits and of the actual retrofit projects, such as lighting, heating, controls, monitoring, training and other energy-saving measures.

Tenant Energy Management Service

The last pillar in GWL Realty Advisors’ Climate Change Plan is its Tenant Energy Management Service (TEMService). For buildings to be truly energy efficient, the people who use them have to be committed to saving energy. To encourage this buy-in, GWL Realty Advisors created a service for tenants that monitors and manages electricity use.

Under TEMService, GWL Realty Advisors is promoting an energy conservation partnership with all of its tenants by providing them with an on-line electricity management tool and an in-house consulting service.

The aim is to reduce electrical consumption, operating costs and total CO₂ emissions. This will, in return, increase the tenants’ net operating income, the property’s marketability to tenants and the investment community, and the net operating income of the property. Tenants at Commerce Court in Toronto and La Tour CIBC in Montréal are already individually metered, with TEMService being considered by the local management team.

Green Globes rating system

To complement its Climate Change Plan, GWL Realty Advisors intends to begin benchmarking the energy and environmental efficiency of its real estate using the Green Globes property-rating tool. Green Globes, an interactive, on-line data-capture program, is used to judge BOMA (Building Owners and Managers Association) Toronto's Earth Awards. Its on-line questionnaire takes about two hours for a knowledgeable operations or property manager to complete, and then generates a property assessment report that details the building's energy and environmental successes and improvement opportunities.

"It is my hope to implement this property-rating tool across the country to benchmark all of our real estate. This program will assist us to continually improve our building stock's energy and environmental efficiency," says Mr. Proulx, who is also a member of Green Globes' Assessment Committee within the non-profit organization Sustainable Buildings Canada.

Green Team going for gold

To help further this national objective, Mr. Proulx has established a national GWL Realty Advisors' Green Team. With a qualified representative from each city in which his company manages property, this team helps identify, plan and implement "green" projects across the country.

"Through three sub-teams, Indoor Environmental Quality, Construction and Maintenance Procurement, and Waste Management, we're developing a short list of policy and procedure objectives we can achieve each year," states Mr. Proulx.

"Only through regional, multi-disciplined 'ownership' of such green programs can we be successful. Ownership of such national programs comes from the process of contributing to the programs' creation and success," says Mr. Proulx. "If people take ownership at a local level, you will have buy-in, and buy-in leads to success."



Fifth and Fifth

Energy savings that reach for the sky

Retrofitting large office towers can lead to towering energy savings, but so can many small measures when they are achieved together. So, when he isn't helping to coordinate his company's nationwide energy efficiency program, Mr. Proulx takes the time to encourage staff and tenants to do what they can to save energy. An article he wrote for a recent newsletter, for example, includes tips such as:

- Ask to have fluorescent light in your work area reduced and use desktop lighting instead. Turn off computers and task lighting whenever you leave your desk.
- Run dishwashers only at night; have your cleaning staff turn them on for you.

- If you are on lower floors, use the stairs instead of the elevators.
- If available, adjust your office thermostats appropriately.
- Ensure you faithfully use all your recycling containers properly.
- Use public transit or car pool to the office whenever possible.
- Contact your Property Management Office for other ways to reduce consumption.
- Rigorously promote and manage recycling programs in your offices.

Small steps like these, together with its big picture plan for its real estate across the country, will help GWL Realty Advisors reach its goal of reducing GHG emissions, cutting energy costs and saving tenants money.

“We are an industry whose function is to use real estate in the most cost-effective and profitable way possible to provide a home for businesses and an investment vehicle for our owners and their investors,” says Mr. Proulx. “It is, therefore, in our best interest to ensure we do whatever is necessary to contribute to the longevity and usefulness of this real estate.”

For More Information

Energy Innovators Initiative

Office of Energy Efficiency
Natural Resources Canada
580 Booth Street, 18th Floor
Ottawa ON K1A 0E4
Tel.: (613) 992-3245
Fax: (613) 947-4121
E-mail: info.services@nrcan.gc.ca
Web site: oee.nrcan.gc.ca/eii

Wayne Proulx

Manager, Energy and Environmental Services
GWL Realty Advisors Inc.
90 Burnhamthorpe Road West, Suite 206
Mississauga ON L5B 3C3
Tel.: (905) 361-8193
Fax: (416) 571-4960
E-mail: wayne.proulx@gwlra.com
Web site: gwlra.com

Leading Canadians to Energy Efficiency at Home, at Work and on the Road

The Office of Energy Efficiency of Natural Resources Canada
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in order to help address the challenges of climate change.

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