

Energy Innovators Initiative Energy Innovators Case Study

■ March 2004

KOLTER – LEADING THE WAY IN ENERGY-EFFICIENT PROPERTY MANAGEMENT

Kolter Property Management Limited is the operations arm of Kolter Property Company, a forward-thinking real estate developer with operations in Toronto, Ontario; Dallas, Texas; and the state of Florida. Kolter's Toronto portfolio consists of several office buildings, totalling almost 375 000 m², in the Greater Toronto Area.

Commitment to Energy Efficiency

Before energy conservation became a priority in the building management industry, Kolter was implementing systems that not only saved energy but also made use of waste heat in office buildings. In fact, Kolter's Ontario Hydro Place,



Kolter's SouthCreek Corporate Centre Management Office



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completed in 1975, was the most energy-efficient building in the world when it was built. It remains a testimony to the company's commitment to energy conservation.

“Being energy efficient is a competitive advantage,” says Randal Froebelius, Vice President, Commercial Operations. “In recent years, it has become almost a necessity as other developers are doing their best to incorporate energy-efficient materials and systems into their buildings.”

Kolter is dedicated to improving energy efficiency in its commercial office portfolio. Thus it takes a comprehensive approach to energy management to maximize the positive benefits to the company and to the environment. As an extension of this commitment, in February 1999, Kolter joined the Energy Innovators Initiative (EII) of Natural Resources Canada's Office of Energy Efficiency. The EII helps commercial businesses and public institutions improve their energy efficiency and reduce greenhouse gas (GHG) emissions that contribute to climate change.

Top-to-Bottom Thinking

A key factor in Kolter's energy efficiency achievements has been senior management's support of the company's environmental policy. The policy articulates Kolter's commitment to cost-effective energy management in all its facilities.

“Everything we do in our buildings will have a consequence relating to our energy consumption,” says Mr. Froebelius.

A View to the Future

Kolter's goal is to reduce energy use and GHG emissions by 15 percent below 1990 levels by 2005. To achieve this goal, the company has taken a strategic view of energy efficiency and developed several long-term objectives:

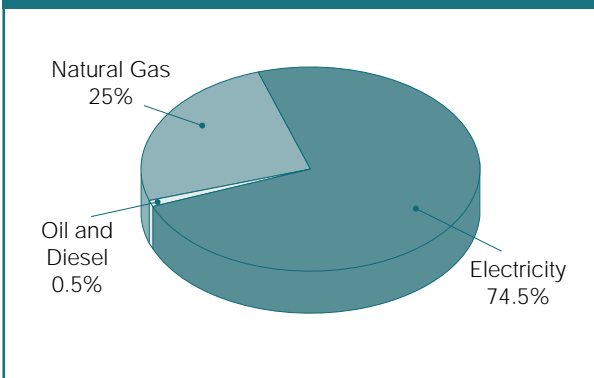
- To improve the efficiency of energy use through low-cost opportunities, such as good operating and maintenance practices, employee training and staff awareness, “green” purchasing policies and a monitoring and tracking system
- To reduce energy operating costs by initiating an energy retrofit program, which in turn will help reduce GHG emissions

- To improve the efficiency of energy use through capital upgrades
- To work with the EII to reduce the overall energy consumption of its properties

Taking Stock at Kolter

Canada Square, in Toronto, has an annual energy bill of almost \$3 million. Kolter knew that significant opportunities existed to reduce its costs. Before implementing any measures in its operations, Kolter undertook an audit of its current energy uses and technologies. Energy sources for its Toronto portfolio included natural gas for heating and hot water; electricity for lighting, cooling and auxiliaries; and diesel and natural gas for backup generators. Figure 1 shows a breakdown of the energy use. Equipped with this information and the ability to target areas of high-energy use, Kolter embarked on an energy retrofit project with financial assistance from the EII.

Figure 1. Percentage of Energy Use (Toronto portfolio)



Energy Upgrades

The project involved five Toronto properties in Kolter's commercial office portfolio. This project was divided into two components: a pilot project involving one building, followed by a replication project in the other four facilities.

The technical upgrades implemented in the five Kolter properties include the following:

- Electronic ballasts
- Light reflector systems

- T-8 lamps
- New and upgraded heating, ventilating and air-conditioning control systems
- A sub-metering system

In addition to tracking its energy consumption patterns, Kolter worked with Hydro One Networks Inc. to establish an in-house spreadsheet-based monitoring and tracking system. The system helped Kolter determine pre- and post-retrofit energy consumption for each site.

The company also embarked on a training and awareness program for its staff. Maintenance personnel participated in various energy management courses. An annual newsletter, produced by Kolter’s head office, is distributed to employees and tenants, outlining new energy conservation initiatives undertaken or planned for the upcoming year.

The retrofit project is expected to save 17.3 percent, or \$503,264, on Kolter’s annual energy bill and to decrease

energy consumption by 24 464 gigajoules (GJ) – equivalent to the heating requirements of four office buildings of 31 000 m² each. The project is also expected to reduce GHG emissions by 3681 tonnes per year – equivalent to the amount of emissions produced by 920 cars in a year. Table 1 shows additional project data.

Table 1. Retrofit Project Data	
Pre-retrofit project data	
Retrofitted area	89 792 m ²
Project cost	\$1,250,519
Energy costs	\$2,901,759
Energy consumption (GJ)	124 055
Savings data	
Energy savings (\$)	\$503,264
Energy consumption savings (GJ)	24 464
GHG emissions savings (tonnes of CO ₂)	3681
Percentage consumption savings	19.7%
Percentage dollar savings	17.3%



Fitness room in Kolter’s SouthCreek Corporate Centre

Looking Forward

Kolter’s focus and investment in energy efficiency is saving the company money. The upgrades have also improved the working conditions in its properties. Kolter is proud that these initiatives are helping to reduce GHG emissions. According to Mr. Froebelius, “It’s a successful move because it’s a combination of prudent business practice and environmentally responsible conduct.”

Mr. Froebelius acknowledges that being energy efficient is part of Kolter’s corporate identity. “We’re doing everything we can that’s reasonable and prudent to keep energy efficiency at the forefront of our decision-making process. What we really want to do is establish ourselves as a premier landlord – serving our tenants’ needs with expertise, organizational skills and service delivery.”

For More Information

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

The Office of Energy Efficiency of Natural Resources Canada strengthens and expands Canada's commitment to energy efficiency in order to help address the challenges of climate change.

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Cat. No. M144-32/2004E

ISBN 0-662-36268-3

Aussi disponible en français sous le titre : Kolter – Chef de file en matière de gestion d'immeubles à haut rendement énergétique



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