

Maximizing Energy Efficiency in Multi-Tenant Commercial Real Estate Buildings

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ABSTRACT

Maximizing a building's energy efficiency often involves coordination of multiple incentive programs and multiple decision-makers, a task which is exceptionally challenging in the commercial real estate market. Launched in 2012, ComEd's Smart Ideas for Your Business (SIFYB) Building Performance with Energy Star Commercial Real Estate program was designed specifically to overcome the multiple barriers to energy efficiency present in multi-tenant commercial real estate (CRE) buildings.

CRE buildings often have complicated and frequently changing ownership structures. There may be dozens of individual businesses leasing space in a building, each with their own decision-makers. In addition, the terms of leasing arrangements between tenants and building ownership significantly impact both parties' motivation to pursue energy efficiency. These factors can make it very difficult to drive commitment to efficiency projects not only in the base building (common areas, structures, and systems that serve all building spaces) but in individual tenant spaces as well.

The SIFYB team engaged a prominent local property ownership and management firm to help build relationships with individuals in decision-making roles at CRE properties, such as building portfolio managers, energy managers, and sustainability directors. In turn, the team worked with those individuals to educate their tenants on available energy efficiency programs; for example, many CRE tenants are eligible for ComEd incentives designed for small business customers.

To speed market penetration, a temporary incentive was created for building managers, offering bonuses for whole-building energy savings that include savings in tenant spaces. The team also offers energy benchmarking and planning assistance, helping building managers and tenants identify and schedule projects in a sequence that will fit within budgets and capital plans while achieving the greatest possible energy savings.

Introduction

ComEd is an electric energy delivery subsidiary of Exelon Corporation, serving approximately 3.8 million customers. Its territory covers the northern third of Illinois, including Chicago and suburbs. In 2008, ComEd launched Smart Ideas for Your Business (SIFYB) in response to state legislation mandating that Illinois utilities create and manage energy efficiency programs for their customers. It was apparent from the beginning that marketing of SIFYB would be a critical component of program design; not only did ComEd need to create awareness among its 300,000 business customers of the existence of SIFYB and what it had to offer, it also had to develop strategies to engage those customers to take action. That meant identifying those people within customer organizations who could authorize spending on energy efficiency projects as well as the people who could influence those decision-makers.

In early program years, ComEd drove general awareness of SIFYB through mass market advertising across various media, ranging from radio and television to print media to bill inserts. While this effort certainly increased awareness on a broad scale, it was recognized from the start that direct customer interaction would also be needed to motivate customers to participate.

However, fostering this interaction represented a significant challenge. ComEd did have a team of account managers in place, but they only served a small fraction of total business accounts. Most accounts were unmanaged, meaning the company had no existing personal relationship which SIFYB could leverage. Even where those relationships did exist, energy efficiency was usually outside of the account manager's area of expertise, and customers typically had many other priorities in their conversations with the account manager, making it difficult to even bring up the subject. SIFYB has continued to work with the account management team whenever possible, but it does not serve as a primary source of project leads.

A far more productive approach to both market education and actual selling of projects was the development of a network of trade allies and service providers. These companies, ranging from lighting and HVAC contractors to engineering and architectural firms, already had strong relationships with the businesses that SIFYB was trying to engage. A mutually beneficial strategy was apparent; the incentives, rebates, and studies funded by SIFYB increased the attractiveness of the goods and services offered by the trade allies, and in return the trade allies could provide ComEd with access to customer decision-makers with the ability to drive energy efficiency projects.

However, one of the weaknesses of the trade ally model was (and is) that the ally is in business to complete paid projects, which doesn't necessarily mean helping customers take a comprehensive, whole-building view of energy efficiency. This same compartmentalization issue is present when a third-party administrator is used to manage an individual utility program – an overall view of the customer's energy efficiency needs can get lost as the administrator focuses on generating and managing the individual projects within its scope of work.

That said, direct customer engagement through trade allies and service providers proved very successful in getting customers to participate in individual programs. In the commercial real estate segment, offers such as retro-commissioning and lighting upgrades gained significant traction. While much progress has been made, the overarching goal of SIFYB has always been to engage customers in conversations that drive deep energy savings using all available options. To make that happen, a variety of tools and outreach strategies were needed to complement the program-specific approach.

Improving Customer Knowledge

In order to employ any level of sophistication in its marketing of energy efficiency, ComEd first needed to greatly increase its understanding of its customers. Historically, internal customer records frequently contained little information beyond meter identification numbers, energy usage, and a billing address. To enable segmentation of customers by business type and size, building size, or other attributes, the SIFYB team built out an information infrastructure to match and append purchased firmographic and customer contact information to its limited original data set. Other ComEd data such as past Smart Ideas-related activities and any customer information collected by account managers were added where available. The fully deployed platform allowed the team to evaluate segments by number of customers, total energy usage, level of past participation in Smart Ideas programs, and other useful characteristics.

Along with improved customer profile data, a customer relationship management (CRM) platform was implemented to capture any and all customer interactions to help Smart Ideas representatives across the various programs present a consistent message and share project leads. The platform allowed program managers, outreach personnel, and implementation contractor staff to review documentation of past customer interactions, potential sales opportunities, and past energy efficiency projects. It also served as a convenient repository in which to store customer contact information collected by account managers, program implementers, SIFYB staff, and other sources. With outreach personnel, contractors, and other parties in regular contact with multiple building management and tenant representatives, CRE segment marketing was an ideal application for a CRM platform.

Evolution of Market Segmentation Strategies

As discussed above, limited customer knowledge hindered SIFYB's ability to develop offers tailored for specific segments in early program years. One of the earliest segmentation strategies used peak demand (a data point that was present in existing customer records) as a metric to represent customer size. Internal and third-party research showed that market penetration for SIFYB was very low among customers classified as small businesses by ComEd (those with peak demand less than 100 kW). Unique incentives and outreach strategies were created for those customers, a strategy later expanded considerably through the use of additional funds provided specifically for this segment by legislative activity.

As the level of analysis grew more sophisticated, it became possible to develop outreach strategies and targeted offers for specific groups of customers. Segments such as hospitality and hospitals/health care were obvious targets, and the addition of firmographic data and past participation records to basic usage information allowed SIFYB to identify specific audiences and contacts for tailored marketing messages. To deliver those messages, third parties with deep ties to high-level decision makers in those segments (and in the CRE segment, as discussed below) were engaged by SIFYB to introduce the whole portfolio of energy efficiency offers to customers, and to generate project leads that could be shared with the various programs through the CRM database for follow-up.

SIFYB worked to complement its increased focus on segment marketing with offers that introduced the concept of whole-building energy savings to its customers. For example, a Smart Ideas Opportunity Assessment (SIOA) was offered at no charge to all businesses with peak demand greater than 100 kW. A ComEd engineer would perform a walkthrough at a customer location and deliver a report that summarized capital and retrofit opportunities for energy efficiency and described project costs along with simple paybacks taking available incentives into account. A SIOA also identified opportunities for SIFYB study-based programs, such as retro-commissioning or data center studies. On the flip side, high-level whole-building evaluations for capital and retrofit opportunities were offered to customers participating in the retro-commissioning program. In each case, the idea was to take advantage of the ongoing customer interaction to present a range of energy efficiency options, not just the one that triggered the conversation. Lessons learned from each customer engagement added to SIFYB's general knowledge base for the segment to which the customer belonged, enhancing the data available to be used in future marketing efforts.

ComEd also began partnering with the gas utilities in its footprint where possible, representing a significant step in driving customers toward deep whole-building savings. Synergies in marketing as well as technical alignment (many energy efficiency measures can

save both gas and electricity) were gained by partnering on small business, retro-commissioning, and new construction offers. ComEd's Smart Ideas for Your Home, which offers energy efficiency programs and incentives to residential customers, also partnered with gas utilities where feasible. Again, broadening customer conversations from a program-specific discussion to a whole-building focus provided SIFYB with increased insight into not only the needs of individual customers but the needs of similar customers as well.

Opportunities and Challenges in Commercial Real Estate Segment

The CRE building community presented obvious potential for a dedicated marketing approach. From the beginning, these customers were targeted by trade allies and service providers representing a range of SIFYB programs, with retro-commissioning and standard offers such as lighting gaining significant penetration, as noted earlier. However, these projects typically focused on base building and common area measures, with little or no tenant engagement.

The decision was made in 2011 to dedicate resources specifically to capturing additional savings from the commercial real estate sector, with a focus on generating savings in tenant spaces. The high number of very large multi-tenant commercial buildings in the ComEd footprint, particularly in downtown Chicago, and their high energy usage illustrated the potential of the segment to generate substantial energy savings. The frequently complicated ownership structures and leasing arrangements of these facilities dictated the need for a sophisticated multi-touch outreach strategy. Finally, the vast majority of tenants in these buildings were classified as small business customers, which as stated earlier were not only under-represented in program participation, but were also the intended beneficiary of greatly increased SIFYB resources due to government mandate.

There were several underlying causes for low CRE tenant engagement in SIFYB energy efficiency programs. The first of these was the well-documented "split incentive" problem. If energy costs are built into tenant leases and covered in rent payments, building management has little incentive to improve the energy efficiency of tenant spaces or common areas. From the opposite perspective, if tenants don't receive any reductions in rent for reducing their energy usage, they are very unlikely to invest in energy efficiency. Finally, unless a tenant has no plans to leave for several years, the paybacks on efficiency projects are typically too long to justify investment even if the tenant is able to capture the financial benefits from lowering energy costs.

Identification of the proper contacts at a given customer building presented another challenge. This was multiplied by the complexity inherent to the CRE market – frequent building ownership changes and resulting changes in property management firms were and are a significant hindrance to the establishment and maintenance of the relationships needed to get buy-in for energy efficiency projects and to see them through implementation.

More troubling from the SIFYB perspective was a lack of customer relationships in general. Existing ComEd interactions with customers were typically related to installation of new services, problems with existing service, or billing issues, and not to energy efficiency. As a result, the new conversation had to compete with these other priorities. In some cases, the identification with ComEd presented an extra hurdle for SIFYB to overcome - the message that the company you bought electricity from now wanted to help you buy less of it was counter-intuitive to customers unfamiliar with the program.

Finally, the sheer scale of many CRE properties presented logistical hurdles. Some buildings had several dozen tenants or more, each with their own decision-makers. Engaging

each tenant individually was not feasible from a practical standpoint, and would make any outreach strategy that did so cost-prohibitive in any event.

CRE Segment Strategy

In response to this array of roadblocks, SIFYB combined several tactics into the June 2012 launch of its formal outreach program to the commercial real estate market. First and foremost, the decision was made to foster tenant involvement through building management and ownership groups, rather than attempting to engage individual tenants. Building managers would then receive assistance in reaching out to tenants and their representatives. In order to address its lack of existing relationships with CRE owners and property managers, SIFYB engaged a prominent local property ownership and management firm to provide introductions, broaden awareness of the program within the CRE community through industry events and trade organizations, and in general use its own network to help SIFYB build relationships with portfolio managers, energy managers, sustainability directors, and other decision-makers and influencers.

An additional dimension was the creation of a tiered bonus structure offered on a temporary basis to encourage CRE buildings to seek tenant involvement in energy efficiency. The top tier offered a \$60,000 bonus to buildings which achieved a total of more than 1 million kWh in savings through a combination of energy efficiency projects in base building and tenant spaces.

Tailored messaging about SIFYB and energy efficiency in general was also developed for the CRE segment. The positive impact of energy efficiency on net operating income was highlighted, as were the benefits of ENERGY STAR certification; for example, the need for ENERGY STAR certification in order to attract federal government tenants was included in marketing collateral. The advantages of being able to offer a “green” building to potential tenants were also stressed. Tenants of an efficient building would enjoy lower energy costs, a more comfortable working environment for their employees, and an enhanced ability to position themselves as a “green” company in their own marketing efforts.

Initial Results

30 buildings enrolled in the CRE bonus program, which was available from June 2012 to May 2013. Buildings that achieved a combined 250,000 kWh in savings across base building and tenant projects were eligible for a \$20,000 bonus. Those that achieved at least 500,000 kWh in savings earned \$35,000, and those that surpassed 1 million kWh stood to receive \$60,000. Savings from retro-commissioning and data center projects were excluded from the total.

To ensure tenant involvement, two criteria were established. First, participation of at least one tenant along with the base building was required. Second, either 50,000 kWh in savings needed to come from tenant spaces or at least 5% of building tenants had to participate.

Of the 30 buildings that enrolled in the program, 17 eventually received bonus money once all project implementation was completed. Six achieved over a million kWh in energy savings, and therefore received a \$60,000 bonus. Total savings from the participant buildings during the pilot was approximately 15.9 GWh, with 6.8 GWh (43% of total) coming from tenant projects.

Energy savings in the common areas and base building were generated by a variety of project types, ranging from lighting upgrades to installation of variable speed drives to chiller

upgrades. Incorporation of incentives and rebates from the SIFYB standard/prescriptive program helped to make these investments more financially attractive. In addition, funds from the CRE bonus sometimes allowed building managers to accelerate deployment of capital projects. In other words, gaining tenant participation allowed management to improve the energy efficiency of the base building at a more rapid pace than otherwise would have occurred.

The vast majority of savings in tenant spaces were generated through lighting upgrades, which were a ripe target for several reasons. The ubiquity of lighting equipment in tenant spaces, particularly the common presence of outdated technologies such as T12 fixtures, offered opportunity for substantial savings. The existence of a well-established set of lighting contractors that had pre-existing relationships with the participating buildings and were also part of the SIFYB trade ally network presented a good fit from the customer perspective. Since the contractors would apply for rebates and manage the projects, effort required on the part of the customer was kept to a minimum; in many cases, it was limited to providing physical access to the spaces to be retrofitted. Finally, the scale created by combining multiple tenant retrofits into a single project was very attractive to the lighting contractors. They could move a large volume of product and minimize logistical costs, as it was all being installed at a single location. The contractors' sales process was also greatly reduced by the efforts of building management to encourage tenant participation.

SIFYB also piloted a turnkey solution for whole-building lighting retrofits in which a third party would perform a building-wide lighting inventory, solicit multiple bids that factored in lucrative incentives for eligible small business tenants as well as standard incentives for the rest of the facility, and manage the project. Some buildings found this to be useful, while others preferred to use their existing lighting contractors without soliciting multiple bids.

Factors in Successful CRE Outreach

Many factors contribute to successful customer engagement in the commercial real estate market. The following section describes strategies and tactics that the SIFYB team has incorporated in its outreach to the CRE market, and provides supporting examples.

Importance of Prioritization

In its preliminary CRE outreach strategy, SIFYB identified buildings with significant opportunity for energy savings using simple proxies like total square footage or building age - a big, old building was likely to offer substantial opportunity. Similarly, the biggest property management firms (those with the most square footage under management) were obvious targets for outreach. A contact at such a firm can have the ability to make energy efficiency projects happen across a number of properties, making it worthwhile to devote considerable effort to "getting a foot in the door" at a building in that firm's portfolio.

Along with initial evaluation of savings potential, attempts were made to quickly establish customer willingness to participate in the program. This was often very time-intensive, as multiple calls and e-mails to multiple customer representatives over weeks or months were sometimes required just to arrange an initial meeting with someone able to move projects forward. Buildings for which a huge effort was required to generate any meaningful customer engagement or that were determined to have insufficient funds or staff time to pursue projects were lowered in priority for future outreach.

The general building classification was also used in prioritization efforts. Class A buildings are typically professionally managed and have resources to devote to efficiency projects, and therefore were early targets. Class B and C buildings, on the other hand, have much leaner staffs, often lack an on-site engineer, and in general have less time and money with which to pursue energy efficiency. Property managers in these buildings are typically less aware of the availability of program incentives than their Class A counterparts and usually don't have strong relationships with their tenants (who also are also operating on limited resources - that's one reason why they are not in a Class A building to begin with). Although the lack of resources to pursue efficiency contributes to high savings potential in Class B and C facilities, the difficulty in establishing customer relationships with which to drive projects resulted in these buildings initially receiving low priority in CRE outreach efforts.

Other building-specific characteristics were incorporated into prioritization efforts as well. One of these was the availability of program incentives. For example, a CRE building with a large number of tenants eligible for lucrative SIFYB small business incentives had a higher likelihood of getting tenants to complete projects than one that didn't. Past participation in SIFYB programs or external sustainability-focused programs like LEED provided information on both the size of potential opportunity for savings as well as the level of customer interest. A building that had received several incentives in the past or was certified LEED Gold was clearly motivated to pursue efficiency projects, but may have already captured some of the low-hanging fruit in terms of energy savings.

In order to tailor its CRE outreach efforts where they were most likely to generate projects over time, the SIFYB team continually weighed the likelihood of successful customer engagement at a given building against the building's energy savings potential. As new information was gathered, the allocation of outreach resources was then adjusted accordingly.

Identifying the “Right” Contacts and Getting Them What They Need

In any organization, the more people that are involved, the longer it typically takes to make decisions. In a CRE building, owners, tenants, property managers, building engineers, and various other parties may all play a role in decision-making. Therefore, it is very important to identify and educate, as early as possible, the people in a customer organization who can make energy efficiency project happen. In some cases, a single individual (for example, an energy manager or sustainability director for a firm that manages a large portfolio of buildings) may not only have direct influence over many properties but could also provide introductions to his or her peers elsewhere in the marketplace; as is true in any networked community, a person playing a connector role in the CRE space can be a very valuable contact. In SIFYB's case, the property ownership and management firm hired for CRE outreach was selected in large part for their ability to identify, educate, and build relationships with people that fit that description.

SIFYB's trade ally network has also been a significant asset in efforts to reach and educate decision-makers in CRE properties. Successful trade allies have well-established relationships with their client buildings and with decision-makers in building management, and presumably are trusted to do good work (or they wouldn't have the relationship). In addition, they often have knowledge about energy-efficiency projects being considered by their customers, including activities planned by tenants large enough to manage their own projects, and can identify opportunities for their customers to take advantage of SIFYB incentives.

Trade allies can also increase program participation by helping to minimize the workload of building managers and tenants in applying for incentives. In general, any steps that can be taken to minimize the effort required of customers, either in time spent or decisions to be made, improves the chances that projects will be approved and carried out. An engaged trade ally can complete building assessments, incentive paperwork, and other activities on behalf of customers. In addition, they can provide useful information on roadblocks to customer participation. For example, SIFYB was able to take advantage of trade ally feedback to create a new process to allow trade allies under certain circumstances to obtain lucrative incentives for all the small business tenants in a building without requiring individual tenant signatures, thus reducing the effort required of the building representative coordinating the project.

Timing

In addition to being limited, customer staff time and financial resources are time-dependent. It is critical to understand the availability of building staff and funding in order to optimize the timing of outreach efforts. For example, a building with plans to renovate or to build out tenant space may be receptive to discussing energy efficiency. Alternatively, a building which has new ownership or a new property manager may be a good target.

Energy-related initiatives external to the incentive program can also provide opportunity. For example, CRE buildings seeking LEED certification frequently set up meetings to discuss energy efficiency with their tenants, creating a ready-made opportunity for outreach. An SIFYB team member presented at one of these LEED-related meetings to building staff and tenants. Although the property manager had been contacted on multiple occasions before, at this meeting she bought into the value proposition of a tenant lighting project and asked how to go about it. Having prepared ahead of time, the outreach representative was able to provide a list of all tenant spaces eligible for Small Business Energy Savings incentives. The building engineer, who was also present, was able to identify from memory what lighting types were in each tenant space. The following week, a trade ally was selected to put together a bid for retrofitting the eligible tenant spaces.

The Importance of CRM

The CRM solution implemented by SIFYB has been integral to the evolution of the team's CRE outreach strategy over time, and continues to increase in value as it accumulates building data, customer contact information, and histories of customer interactions. It also provides the ability to set up reminders for follow-up tasks and other time-sensitive activities (a critical functionality in the multi-touch, multi-party world of CRE outreach). Through this platform, team members are aware of any interactions that SIFYB has had with the customer and so can maintain messaging consistency. Regular meetings between outreach staff across the whole Smart Ideas portfolio are held to continually improve utilization of the CRM tool and to share successful customer engagement strategies.

Opportunities Related to Government and Public Policy

Over the last two years, SIFYB has been able to take advantage of government and legislative activity to improve the effectiveness of its outreach to the CRE market. In 2013 the Illinois Power Authority, which procures electricity for residential and small business customers

of ComEd, directed that a huge increase in resources be allocated to energy efficiency in those market segments. As most tenants in CRE buildings are classified as small businesses, the existing CRE outreach model was altered to work more actively with SIFYB's Small Business Energy Savings (SBES) program.

With some of the new funding, SBES offered new, more lucrative incentives that were not available to customers with peak demand over 100 kW. The presence of these incentives made tenant projects in CRE buildings, and in particular tenant lighting projects, even more attractive from a financial standpoint. In some cases, buildings could perform lighting upgrades in tenant spaces at small or even no cost to the tenants themselves. The CRE team coordinated its outreach efforts with SBES to ensure a seamless handoff from initial customer conversations to project execution.

One of the biggest drivers of energy efficiency activity outside of ComEd programs was the City of Chicago's adoption of an energy benchmarking ordinance in September 2013. Commercial and multi-family properties above 50,000 square feet would be required to benchmark 12 months of whole-building energy usage, have the data certified as accurate by a credentialed third party, upload it to the Energy Star Portfolio Manager website, and share it with the City. Compliance dates would be staggered, with the first wave (commercial buildings over 250,000 square feet) required to comply by June 1, 2014.

The SIFYB team provided input to the City as the ordinance was developed, and pledged to support its customers in compliance efforts. Specifically, it would help customers utilize ComEd's Energy Usage Data System (EUDS). This web-based tool allows building managers to review and confirm a list of tenants from ComEd's databases and then download aggregate whole-building electricity usage. Further, it provides an automated method for uploading the data to Portfolio Manager. As the ordinance was rolled out, the SIFYB team participated in the City's training sessions and outreach efforts to ensure customers are aware that EUDS is available as a resource.

The training sessions also presented an opportunity to reach out to successive segments of the CRE building stock in Chicago to discuss the whole portfolio of energy efficiency options offered by SIFYB. There have been relatively few requests for assistance to date, as many large buildings completed benchmarking independent of the ordinance. Customer feedback suggests that the June 2015 deadline, which will require buildings between 50,000 and 250,000 square feet to complete benchmarking, will generate a much higher level of interest in SIFYB (especially EUDS) and the support it can provide.

Another significant public initiative in the local CRE market is the Chicago Retrofit Challenge. Participants commit to reducing their whole-building energy usage by 20% over a specific time frame. To meet this aggressive savings target, the buildings must pursue a wide range of energy efficiency options. Some of the early buildings that committed to the Challenge received energy roadmaps, which provided a strategy for reaching the 20% goal. SIFYB contributed to development of these roadmaps by identifying the various incentive options available at each facility and advising on strategic direction for financial and scheduling issues.

The team also lends its expertise to other public activities that promote energy efficiency in the commercial real estate sector, such as the Green Office Challenge organized by the Delta Institute, and participates in public forums held by industry groups such as BOMA. Market activities such as these, driven by government, non-profit organizations, and other groups, will continue to provide opportunities for CRE outreach in the future.

Strategies and Challenges Going Forward

SIFYB's outreach to CRE properties has succeeded in driving energy savings in base building and tenant spaces of many properties, but much opportunity remains. In 2013, the team officially adopted the Building Performance with Energy Star (BPwES) framework, signaling its intent to follow a whole-building approach to driving deep energy savings in commercial buildings. SIFYB is also working with the Energy Star team to foster introductions to Energy Star partner buildings.

While recent outreach has emphasized the SBES-related incentives available to many CRE building tenants, efforts are ongoing to broaden the message beyond its primary focus on tenant lighting retrofits. At the building level, the CRE team is working to assist managers in their benchmarking and long-range planning activities. SIFYB is also piloting a strategic energy management (SEM) offer to two large corporate clients, providing resources to the companies with the goal of driving deep savings across their portfolio of buildings. The SEM concept offers the opportunity to help customers not only maximize the number of projects performed, but to optimize the order in which they are performed to maximize their effectiveness.

Adjustments to incentive offers provide another opportunity to increase savings. The initial CRE bonus program was successful at gaining participation and broadening overall market awareness but came at a high cost. Recent customer feedback has indicated that the availability of high tenant incentives isn't a universally motivating factor to get building managers to engage, particularly in Class B and C buildings, where resources are limited and tenant relationships are weaker. Even if incentives to tenants will cover 100% of project costs, the "what's in it for me?" hurdle remains for many property managers. An incentive to property managers, or offers to assist with benchmarking and energy use planning, may improve results in these cases.

In another example, small business tenants are eligible for free direct installation of energy-saving equipment such as VendingMisers and faucet aerators in addition to lighting incentives. However, the lighting contractors doing retrofits are not interested in performing that work. The team is considering strategies to get those measures adopted in tenant spaces, either with or without the cooperation of the lighting contractors.

Adding an element of time sensitivity to available incentives is another strategy that could be employed to increase customer participation. Establishing deadlines to limit availability for incentives has proven to be a successful strategy across the SIFYB portfolio in driving timely action – no one wants to miss out on a good thing.

Lessons from recent geo-targeting campaigns in the small business market could also be applied to the CRE segment more generally. In those campaigns, the SBES team selected a town, a city neighborhood, or other area for an intense marketing focus on small business customers. ComEd's External Affairs team worked with Chambers of Commerce and other local organizations to publicize the upcoming campaign to their members, and to spread the message as widely as possible. Special limited-time incentives covering up to 100% of direct installations of selected energy efficiency equipment and of T12 to T8 retrofits were made available for the duration of the campaign.

A fixed set of trade allies were selected in advance to perform the work in that area. Following the initial publicity, they conducted their own marketing efforts, made sales calls, and knocked on customer doors in a "feet on the street" approach to generate business. Direct mail was sent to eligible small business customers in the targeted area, and marketing materials were

given to the Chamber and other organizations to distribute. By the time a campaign began, customers had been touched multiple times by multiple parties, and were aware of the time sensitivity of the offer.

By substituting “building management” for “Chamber of Commerce,” the same playbook could be used to treat a large multi-tenant CRE building or portfolio of buildings as its own local market. The success of geo-targeting in the small business market to date suggests a great deal of potential for generating tenant savings with this approach in CRE properties.

Conclusion

ComEd’s Smart Ideas for Your Business team has employed a variety of strategies to overcome the challenges intrinsic to driving energy efficiency in the commercial real estate market. The team has improved its customer knowledge base and developed CRM tools to manage customer information and interactions. It has employed a local property ownership and management firm to build relationships with decision-makers in the CRE community, and leveraged its network of trade allies to reach customers and to educate the market. Various prioritization methods have been used to allocate resources where they would generate the most energy savings. Finally, the team has taken advantage of opportunities presented by external players in the market such as government and non-profit organizations to support customers in their energy efficiency efforts. As SIFYB moves into its third year of dedicated CRE outreach, these tactics will continue to be employed, and the team will continue to incorporate new information into its customer targeting, messaging strategies, and program offers.