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Study finds big energy savings for businesses

More efficient offices could save \$2 billion along Front Range

By Gargi Chakrabarty, Rocky Mountain News
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Denver-area offices and retail stores could save nearly \$2 billion over the next two decades if they install more energy-efficient lights, air conditioners and office equipment, according to a report released on Thursday.

Apart from the savings, businesses also can protect themselves from skyrocketing energy prices by adopting energy-efficient practices, the study added. And they can benefit from rebates offered by utilities such as Xcel Energy.

"What is good for the environment is good for the bottom line and good for the shareholders," said Peter Dea, president and CEO of Denver-based Western Gas Resources and also chairman of Metro Denver Economic Development Corp.'s executive committee. "Energy efficiency is not only the right thing to do to reduce waste and conserve resources, but it also saves money."

The Metro Denver EDC sponsored the study, which was authored by the Colorado Energy Science Center.

The study analyzed half of the office and retail buildings in the metro area covering nine counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, Larimer and Weld.

It found that the financial impact would be dramatic if, over the next 20 years, half the existing buildings installed energy-efficient lights and fixtures or heating and air-conditioning systems and if 80 percent of new buildings used energy-efficient building designs.

The result: A \$600 million investment would produce nearly \$1.9 billion in energy savings by 2026, create more than 12,000 jobs and increase wages and salaries by more than \$300 million.

"We picked the most common buildings and the most common type of measures while making the assessment about potential savings," said Patrick Keegan of the Colorado Energy Science Center and author of the study. "That made a little easier analysis and assured us that the finding was a conservative estimate and we weren't overly aggressive in trying to show too much savings."

The study found it's easier for businesses to make a decision regarding investment in energy efficient appliances when they are either renovating an old building, leasing a new office space or constructing a new building.

At that point, offices and stores can get an estimate of their costs and savings. In most cases, they can recover their investment in a few years, although that may vary with different buildings and designs.

For instance, Dea said the Granite Towers building at 1099 18th St., which houses the downtown Denver office of Western Gas, was among the first certified energy efficient buildings in the city. It has energy efficient light bulbs, fixtures and reflectors, as well as upgraded heating and cooling systems, that have resulted in savings on utility bills.

"(The building) has seen about a three-year payout on the investment here," Dea said. "There is a mind-set that there needs to be a short-term payout, but new buildings will be here for 100 years, and it is worthwhile to have a long-term view."

Despite the advantages, it still would be a challenge to get most offices and retail buildings to voluntarily adopt energy efficient practices, Keegan conceded. And a lot of that would depend on the Metro Denver EDC's efforts.

"It would be the decision of Metro Denver EDC regarding how much effort they will put into pursuing a voluntary initiative," Keegan said.

The Metro Denver EDC proposes to establish the Colorado Energy Coalition, a consortium of private sector energy companies, research institutions and energy associations.

It plans to start a pilot program by recruiting five to 10 metro-area companies and getting a voluntary commitment from them to improve energy efficiency the next time they expand offices, renovate or build new offices. It also will help those companies get an energy analysis by a firm or find dependable vendors to get the work done.

"Many of the commercial buildings are interested, but they don't know where to go," said Holli Baumunk, vice president of Economic Development for the Metro Denver EDC. "What we can do is get them hooked up with firms that can provide energy analysis, maybe at a discounted rate, or provide them with information. It will be an opportunity for us to see how it works."

A program for energy efficiency

A study released Thursday recommends a voluntary program for metro Denver businesses to improve energy efficiency as they plan to purchase, lease or construct new commercial buildings. The voluntary program would include:

- Creating the Colorado Energy Coalition, a consortium of energy companies, research institutions and existing energy associations.
- A pilot program beginning this summer in which the Metro Denver Economic Development Corp. recruits five to 10 companies to voluntarily commit to making energy efficiency a factor in their next office space decision.
- Participating companies would consult with engineering firms as they begin their search for a building to purchase, lease or build.
- Participating companies might pay an administrative fee on each energy efficiency project to fund an ongoing communication and outreach effort.