

GREEN LEASE

GUIDE AND LANGUAGE EXAMPLES

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ACKNOWLEDGEMENTS

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OVERVIEW AND GOVERNANCE

INTRODUCTION

Why is it important to incorporate green lease language?

In traditional lease agreements, the landlord is responsible for building construction and maintenance, but the tenant is responsible for paying energy and utility costs. This is known as the split-incentive, and it can be a barrier to improving building performance because neither party is incentivized to invest in energy efficiency initiatives, nor does the language in their lease encourage such investments. Developing and implementing lease language that addresses these issues is one of the best ways to increase energy efficiency and decrease unnecessary spending in leased buildings. Green leases, also known as energy-aligned leases, help to break down the barriers set by traditional leases.

How should landlords and tenants use this resource?

This guide consolidates a variety of green lease language examples for more efficiently designed and operated spaces. From clauses that eliminate split-incentives to guidelines for using environmentally safe materials and cleaning products, the lease language herein can be used to support landlords and tenants in structuring agreements that reduce costs while improving building efficiency and the tenant experience. These examples have been pulled from several academic, government, and non-governmental organization (NGO) sources, as well as industry expertise. Landlords and tenants should use the language as a foundation to build their own green lease language, as many of the examples in this document will need to be amended to fit the nuances of each individual owner, building or property specifications, and goals.

Examples provided in this guide are grouped by the following classifications: *Tenant Language*, *Landlord Language*, *Landlord and Tenant Language*, *General Lease Language*, and *Topic-Specific Language*. Within each group, there may be several variations, or options. Variations provided are not mutually exclusive and where applicable, may be stacked depending on the lease objectives.

Tenants who rent a space and are interested in entering, or renegotiating, a green lease should focus on examples labeled *Tenant Language*. These provide guidance on sustainability best practices and mandates for tenants. Alternatively, those examples designated *Landlord Language* are intended to guide landlords and building owners on what they must provide to tenants as well as operating principles to which they must adhere. Examples with the designation *Landlord and Tenant Language* explain actions that must be taken by both parties in a cooperative manner. For example, an agreement in which the landlord handles heating, ventilation, and air conditioning (HVAC) system installation and repair, while tenants are responsible for maintaining an energy efficient setting on their units to ensure optimal HVAC operation. *General Lease Language* examples should be incorporated for overall energy efficiency and building sustainability without specific actions required by one party. Lastly, *Topic-Specific Language* examples include provisions that address specific sustainability subjects within the overarching topic of the section. For example, the *Pass-through Clauses* section includes language regarding cost-sharing and initiatives such as electrification and decarbonization.

For those interested in pursuing Green Lease Leaders recognition, each section also includes guidance on the prerequisites or credits that may be applicable. However, this guidance is not a guarantee of earning Green Lease Leaders designation, as that is determined during the review of each Green Lease Leaders application.

For more industry resources, see the [Additional Resources](#) section of this document.

What updates have been made in this version of the resource?

As cities and states increasingly adopt benchmarking ordinances and Building Performance Standards (BPS) that mandate specific emissions reductions and efficiency targets, green leases can evolve beyond traditional sustainability provisions to address new regulatory compliance risks. This version now includes language for how property owners and tenants may negotiate upfront who bears responsibility when a building exceeds jurisdictional performance standards, how alternative compliance payments are allocated, and how renewable energy credits (RECs) purchased for compliance might be attributed across multiple tenants in shared buildings.

Are there minimum requirements for a lease?

In jurisdictions where utility data must be submitted for benchmarking or BPS, green leases can help facilitate the necessary data sharing and outline responsibilities, as noted above. In these jurisdictions, green lease language should, at a minimum:

- Require utility data to be collected and shared with the property owner/manager
- Require that utility data is complete and accurate
- Request that data is uploaded to a portal, such as ENERGY STAR® Portfolio Manager®
- Outline who is responsible for submitting data to the jurisdiction
- State the implications for late submissions or failure to meet required targets

I have a green lease. How do I earn recognition?

Consider pursuing recognition for instituting your green lease language by applying for [Green Lease Leaders](#). Additionally, this guidance is evolving, so if you implement new lease language examples not covered here and would like to see them added to this document, please send them to greenleaseleaders@imt.org.

For more information on green leases, visit the [Green Lease Leaders Website](#).

DEFINITIONS

Benchmarking: The process of measuring and tracking a building's energy and water consumption and comparing it to other similar buildings using a tool such as ENERGY STAR® Portfolio Manager®.

Building Performance Standards (BPS): Any present or future local, state, or federal law, ordinance, or regulation that requires buildings to meet specific targets for energy use, water use, greenhouse gas emissions, or other performance metrics.

Electrification Feasibility Study: An analysis to determine the viability and cost-effectiveness of converting a building's systems (e.g., heating or hot water) from fossil fuels to electricity.

Energy Audit: A systematic process of identifying and developing modifications and improvements to a building's systems to optimize energy performance.

Energy Management Plan (EMP): Developed and maintained by a designated Energy Manager (by the building owner), the EMP for a building includes: Energy accounting and benchmarking at the net energy level with end use deductions incorporated if sub-metered; Documentation of original, current, and changes in number of occupants, weekly operating hours, production rates, time of day scheduled for occupancy, and energy using equipment; Energy audit reports; Recommended and implemented energy conservation measures (ECMs); A method to inform occupants about the benefits of efficient energy use; A training plan for Operations & Maintenance (O&M) personnel; A capital management plan; A contact list of suppliers and manufacturers' local representatives of energy efficient equipment, qualified energy auditors, the Energy Manager, and building owner; Current lighting schedule and calculated lighting power density along with potential savings from any potential ECMs (noting exemptions: Tier 1 buildings meeting the energy use intensity target, Tier 2 buildings); Current lighting satisfaction survey and lighting checklist (unless exempt); and an O&M plan.

Green Target: An organizational commitment to achieve net zero emissions by 2050, as phrased in Australia's legislation. In a global context, green target may be referred to as a net zero or sustainability target/goal. The green, net zero, or sustainability target encompasses a broader initiative to improve building efficiency and reduce greenhouse gas emissions across new and existing buildings, which is crucial for achieving both organizational and legislative climate goals.

Landlord's Base Building Responsibilities: The Landlord is solely responsible for all costs and obligations related to compliance with BPS, Benchmarking, Energy Audits, Retro-Commissioning (RCx), and Electrification Feasibility Studies that pertain to the Base Building Systems. This includes, but is not limited to, the building's central heating, ventilation, and air conditioning (HVAC) systems, common area lighting, and any building-wide control or automation systems.

Operations and Maintenance (O&M) Program: This program includes the building envelope, systems, and equipment that directly or indirectly consume energy. This program documents O&M objectives, establishes criteria for evaluation, and commits building operators and maintenance personnel to basic goals of performance, such as minimizing equipment failure, ensuring efficient operation, and performing identified maintenance requirements. The plan should cover such tasks as maintenance for all equipment to minimize failures and maintain efficiency for the following building systems: Building envelope, domestic hot water, HVAC, refrigeration, lighting, controls, electric power distribution, and on-site power generation.

Retrocommissioning (RCx): A systematic process for improving an existing building's performance by ensuring that equipment and systems are operating as intended and/or optimized to meet or exceed current building requirements.

Tenant's Premises-Specific Responsibilities: The Tenant is solely responsible for all costs and obligations related to compliance with any applicable laws or standards that pertain specifically to the Tenant's leased premises. This includes, but is not limited to, the Tenant's personal appliances, lighting fixtures, and any supplementary HVAC or other systems installed by or for the Tenant. The Tenant shall operate its leased premises in a manner that assists the Landlord in meeting any applicable BPS, benchmarking, or other performance requirements for the building, as well as the Landlord's sustainability targets.

SUSTAINABILITY CONTACT

Identifying the appropriate point of contact for sustainability initiatives is critical to enabling effective property-level decision making, as the traditional landlord-tenant contact is not always best suited to address sustainability-related matters.

May be applicable for Green Lease Leaders credit: Landlord Prerequisite 1, Tenant Prerequisite 1

► General Lease Language

“Landlord and tenant shall provide a point of contact to discuss issues related to sustainability and energy. Issues include, but not limited to retrofit projects, billing issues, energy efficiency upgrades, and data access.

Tenant sustainability contact:

Email:
Phone:

Landlord sustainability contact:

Email:
Phone:”

(Source: [IMT](#))

LEGAL AND FINANCIAL FRAMEWORK

PASS-THROUGH CLAUSES: OPERATING EXPENSES VS. CAPITAL EXPENSES

Pass-through clauses are lease additions and amendments that ensure the costs of utility efficiency and sustainability measures are shared between the landlord and the tenant. These clauses are typically used to overcome the split-incentive caused by typical lease agreements.

May be applicable for Green Lease Leaders credit: Landlord Prerequisite 2a, Tenant Credit 7

► General Lease Language

Variation 1 - Capital Expenses as Operating Costs

“A pass-through clause includes the cost of any capital improvement to the Building that reduces Building Operating Costs, the costs of such improvements to be amortized over the minimum period acceptable for federal income tax purposes, and only the yearly amortized portion thereof shall be treated as a Building Operating Costs. In no event shall this charge for yearly amortization be more than the actual reduction in the Building Operating Costs.”

(Source: [A Better City](#))

Variation 2 - Capital Improvements as Operating Expenses

“All costs of any capital improvements made to the building that reduce the building’s energy expenses, shall be cost capitalized and hereafter amortized as an annual Operating Expense under generally accepted accounting principles, only the yearly amortized portion of which shall be included in Operating Expenses.” [Drafting Note: The goal is to set the amortization schedule to align with expected or estimated cost reductions. As such, you may add language such as, “In no event shall the charge for yearly amortization be more than the estimated reduction in Operating Expenses.”]

(Source: [IMT](#))

► Landlord Language

Variation 1 - Capital Expenses as Operating Costs

“The Landlord may deem the following Capital Expenses as Operating Expenses: costs of providing, installing, modifying, and upgrading energy and water conservation equipment and systems, and making alterations, replacements or additions to the building intended to reduce operating costs, utility consumption, and/or greenhouse gas emissions, improve the operation of the building and the systems, facilities and equipment serving the building, or maintain their operation.”

(Source: [IMT](#))

Variation 2 - Capital Improvements as Operating Expenses

“Landlord may include in Operating Expenses the Capital Improvements intended to improve energy efficiency. In the case of any Capital Improvement that the independent engineer certifies in writing will, subject to reasonable assumptions and qualifications, reduce the building’s consumption of electricity, oil, natural gas, steam, water, or other utilities, notwithstanding anything to the contrary, the costs of such Capital Improvement shall be deemed reduced by the amount of any government or other incentives for energy efficiency improvements actually received by Landlord to defray the costs of such Capital Improvement.

Furthermore, the cost shall further be reduced by any energy efficiency tax credits or similar energy-efficiency-based tax incentives actually accruing to Landlord as a result of such Capital Improvement.”

(Source: [IMT](#))

Variation 3 - Energy Efficiency Capital Improvements as Operating Expenses

“Landlord may include the costs of certain capital improvements [intended to] [that] improve energy efficiency in operating expenses. The amount passed through by Landlord to Tenant in any one year shall not exceed the prorated capital cost of that improvement over the expected life cycle term of that improvement [and shall not exceed in any year the amount of operating expenses actually saved by that improvement]. Interest/the cost of capital can be included.” [Drafting Note: Consider basing the annual not-to-exceed amount of “operating expenses saved” on estimated savings that are reasonably projected at the time the amortization schedule is established.]

(Source: [GSA](#))

Variation 4 - Conditional Capital Improvements as Operating Expenses

“Landlord may include the costs of certain Capital Improvements in Operating Expenses pursuant to [Section 1.1(a)(v)(16)] in accordance with the following:

- I.** In the case of any capital improvement that an independent engineer experienced in energy efficiency matters and selected by Landlord certifies in writing will, subject to reasonable assumptions and qualifications, reduce the building’s consumption of electricity, oil, natural gas, steam, water or other utilities, and notwithstanding anything to the contrary elsewhere in this lease:
 - a.** The costs of such capital improvement shall be deemed reduced by the amount of any government, utility or other incentives for energy efficiency improvements actually received by Landlord to defray the costs of such capital improvement, and shall further be reduced by any energy efficiency tax credits or similar energy-efficiency-based tax incentives actually accruing to Landlord as a result of such capital improvement.
 - b.** For the purposes of this Section, “simple payback period” means the length of time (expressed in months) obtained by dividing (x) the aggregate costs of any such capital improvement, by (y) the projected annual savings. By way of example: If the aggregate costs of such capital improvement are \$2,000,000 and the projected annual savings are \$500,000, then the simple payback period for such capital improvement is forty-eight (48) months.
- II.** Commencing with the first full [calendar][lease] year following the [calendar][lease] year in which such capital improvement is completed and placed in service, and continuing for the duration of the adjusted payback period (as hereinafter defined), Landlord may include in operating expenses a portion of the aggregate costs of such capital improvement equivalent to eighty percent (80%) of the projected annual savings so that the aggregate costs of such capital improvement will be fully amortized over one hundred twenty-five percent (125%) of the simple payback period (such 125% period of time being the “adjusted payback period”). By way of example: If the aggregate costs of such capital improvement are \$2,000,000, the projected annual savings are \$500,000 and the simple payback period for such capital improvement is therefore forty-eight (48) months, then Landlord may include \$400,000 of the aggregate costs of such capital improvement (i.e., an amount equivalent to 80% of the projected annual savings) in operating expenses payable by Tenant for five consecutive [calendar][lease] years (i.e. five years equals sixty (60) months, which is 125% of the 48-month simple payback period in this example).”

(Source: [GSA](#))

Variation 5 - Base Building Operating Expenses

“The Landlord should assume responsibility for all base building operating expenses, increasing rent annually to account for rising operations costs.”

(Source: [NRDC](#))

Variation 6 - Shared Savings

“Savings associated with a capital investment that exceeds Landlord’s lease obligations (i.e. beyond what is required to maintain proper functioning of the Building, such as an innovative resource efficiency project, e.g. co-generation) should be shared at a ratio of [X] percent Landlord/[y] percent Tenant of (Projected/Actual) dollar savings.”

(Source: [NRDC](#))

Variation 7 - Conditional Operating Costs Pass-through

“...Includes the following as operating costs to be passed on to the tenant:

Costs of:

- I.** Providing, installing, modifying and upgrading energy and water conservation equipment and systems, life safety and emergency response systems, materials and procedures and telecommunication and broadband systems and equipment if any
- II.** Making Alterations, replacements or additions to the Building intended to reduce operating costs, utility consumption, and/or greenhouse gas emissions, improve the operation of the building and the systems, facilities and equipment serving the building, or maintain their operation.”

(Source: [A Better City](#))

► Landlord and Tenant Language

Variation 1 - Capital Improvements and Cost Allocation

“The Tenant, at its expense, shall comply with local, state, and federal building requirements, including utility data benchmarking requirements, Building Performance Standards (BPS) (though under Section [X], the Landlord will give the tenant an energy efficiency bonus for making improvements within its leased space that comply with the BPS), the Tenant’s energy consumption limit, the “not to exceed” emissions limit, the premises design criteria, and the Tenant’s plug load standard.

All Tenant alterations must comply with the BPS the energy consumption limit, the “not to exceed” emissions limit, the plug load standard, and the premises design criteria.

The Landlord may, at its sole discretion, elect to perform capital improvements to the Base Building Systems to comply with BPS.

Any costs incurred by the Landlord for such capital improvements shall be allocated as set forth in the “Operating Expenses” section of this lease.

The Landlord may pass through to the Tenant a pro-rata share of such costs, provided that such pass-through is in accordance with applicable law and the terms of this lease.

The Landlord agrees to use commercially or reasonable efforts to secure any available rebates, grants, or other incentives to offset the costs of such improvements.

The costs associated with capital improvements made by the Landlord to comply with BPS—including without limitation, plan/program development costs and upgrades to heating, ventilation, and air conditioning (HVAC) systems, insulation, lighting, and building envelope—shall be allocated between the Landlord and Tenant as follows:

- I. Landlord shall bear the upfront capital costs;
- II. Tenant shall reimburse the Landlord through an amortized charge included in Operating Expenses, provided such improvements result in measurable energy savings or are required by law; and
- III. The amortization period shall be [X] years.”

(Source: [RE Tech Advisors](#))

Variation 2 - Cooperative Pass-through of Operating Expenses

“The Landlord and Tenant agree that the components of operating expenses subject to vacancy adjustment in the calculation of additional rent are those operating expenses that vary with occupancy, not those that are fixed [relevant only if the lease allows for vacancy adjustment].”

(Source: [NRDC](#))

Variation 3 - Incentives Allocation

“Incentives of any type (government, utility, etc.) conferred to the Building due to green improvements performed by the Landlord will accrue to the Landlord, excepting property tax reductions that reduce Tenant’s proportional share of the property tax cost. Similarly, incentives of any type conferred to the Building due to green improvements performed by Tenant will accrue to Tenant.”

(Source: [IMT](#))

► Topic-Specific Landlord and Tenant Language

Variation 1 - Landlord Base Building Responsibilities

“The Landlord is solely responsible for all costs and obligations related to compliance with Building Performance Standards, Benchmarking, Energy Audits, Retrocommissioning, and Electrification Feasibility Studies that pertain to the Base Building Systems. This includes, but is not limited to, the building’s central heating, ventilation, and air conditioning (HVAC) systems, common area lighting, and any building-wide automation or control systems.”

(Source: [RE Tech Advisors](#))

Variation 2 - Tenant Premises Responsibilities

“The Tenant is solely responsible for all costs and obligations related to compliance with any applicable laws or standards that pertain specifically to the Tenant’s leased premises. This includes, but is not limited to, the Tenant’s personal appliances, lighting fixtures, and any supplementary heating, ventilation, and air conditioning (HVAC) or other systems installed by or for the Tenant. The Tenant shall operate its leased premises in a manner that assists the Landlord in meeting any applicable BPS, benchmarking, or other performance requirements for the building.”

(Source: [RE Tech Advisors](#))

Variation 3 - Landlord Decarbonization Initiatives and Sustainability Goals

“The Landlord may implement decarbonization initiatives (e.g., renewable energy procurement, carbon tracking systems) that benefit the building’s overall performance.

The Tenant agrees to participate in such initiatives and contribute to associated costs if 1) the initiative reduces Tenant’s Scope 1 or Scope 2 emissions, 2) the cost allocation is reasonable and documented, and 3) the Tenant receives appropriate recognition or reporting rights for its contribution.”

(Source: [RE Tech Advisors](#))

Variation 4 - Retrocommissioning and Energy Audits

“The Landlord shall conduct periodic retrocommissioning and energy audits as required by law or best practice. The costs of such audits shall be included in Operating Expenses provided 1) the audit covers systems serving Tenant space, 2) the results are shared with the Tenant, and 3) any recommended corrective actions are discussed and prioritized jointly.”

(Source: [RE Tech Advisors](#))

Variation 5 - Electrification

“If electrification measures (e.g., replacing gas appliances with electric alternatives) are required to meet BPS or decarbonization goals, the parties shall 1) collaborate on a transition plan that minimizes disruption to Tenant operations, 2) share costs proportionally based on the affected systems and usage, 3) agree that Tenant improvements requiring fuel switching shall be coordinated with Landlord infrastructure upgrades.”

(Source: [RE Tech Advisors](#))

Variation 6 - Tenant Alterations

“Any alterations or improvements made by the Tenant to the leased premises must be designed and constructed to comply with all applicable Building Performance Standards and must not adversely affect the building’s ability to meet its performance targets. The Landlord reserves the right to withhold consent for any proposed alterations that would jeopardize the building’s compliance with these standards.”

(Source: [RE Tech Advisors](#))

Variation 7 - Operations and Maintenance and Energy Management Plans

“For buildings that are subject to requirements to develop an Operations and Maintenance (O&M) Program and Energy Management Plan (EMP), the Tenant is required to cooperate (and not obstruct the process) to identify O&M objectives, performance goals, evaluation criteria, and actions to optimize building systems. Building operators and maintenance personnel must commit to the actions identified in the O&M plan. The Tenant must coordinate with the [Landlord] [building owner] to designate an Energy Manager (EM) who will develop and maintain the EMP for the building.” [See *Definitions* section of this guide for further details on the O&M and EMP.]

(Source: [RE Tech Advisors](#))

Variation 8 - Cost Sharing via Alternative Compliance Payments, Penalties, Fines, and Fees

“If the building or leased premises fails to meet applicable BPS performance targets and is subject to an Alternative Compliance Payment (ACP) or similar penalty, fee, or fine, the Landlord shall notify the Tenant within [X] days of receiving notice of non-compliance.

The ACP shall be allocated between the Landlord and Tenant [or multiple tenants] based on the source of non-compliance.

If the non-compliance is attributable to Tenant-controlled systems or operations, the Tenant shall bear the proportional cost of the ACP, penalty, fine, or fee. If there are multiple tenants in a building, and the property is sub-metered, the Landlord will attribute the proportional cost to the Tenant that is operating above the allowed threshold and causing the building to be non-compliant.

If the non-compliance is attributable to Landlord-controlled systems or common areas, the Landlord shall bear the proportional cost. The parties may agree to a cost-sharing formula if the source of non-compliance is shared or cannot be clearly attributed.”

(Source: [RE Tech Advisors](#))

Variation 9 - Landlord and Tenant Transparency

“Both parties agree to maintain transparency regarding sustainability-related expenditures and performance metrics. The Landlord shall provide annual reports detailing 1) BPS compliance status, 2) energy usage and savings, and 3) cost allocations and amortization schedules.”

(Source: [RE Tech Advisors](#))

BENCHMARKING AND BUILDING PERFORMANCE STANDARDS

Achieving company-wide efficiency goals, complying with regulations like building performance standards (BPS), and meeting stakeholder demands all require building-level strategies to reduce emissions.

May be applicable for Green Lease Leaders credit: Landlord Credit 13, Tenant Credit 9

► Landlord and Tenant Language

Variation 1 - Compliance with BPS

“Defines ‘Premises Design Criteria’ as ‘the design criteria for the Premises set forth in [Exhibit D].’ Such criteria would require compliance with the construction standards included in the Building Performance Standards.

The Landlord may withhold approval from any “Initial Improvements” that “fail to comply with the Building Performance Standards, Energy Consumption Limit, Plug Load Standard, and Premises Design Criteria. The Tenant, at its expense, shall comply with Landlord’s Building Performance Standards (though under [X], the Landlord will give the Tenant an Energy Efficiency Bonus for making improvements within its leased space that comply with the Building Performance Standards), the Tenant’s Energy Consumption Limit, the Premises Design Criteria, and the Tenant’s Plug Load Standard.

Any future Tenant Alterations must “comply with the Building Performance Standards, the Energy Consumption Limit, the Plug Load Standard, and the Premises Design Criteria.”

(Source: [IMT](#))

Variation 2 - Compliance with Jurisdiction-Specific BPS

“Tenant shall comply with (i) Landlord’s Building Performance Standards (BPS) set forth in [X] and (ii) all Laws with respect to the Premises, including, without limitation, (i) any improvements or Alterations in the Premises and Tenant’s occupancy, use and manner of use of the Premises, and (ii) the payment of any portion of the penalties or excess emissions charges incurred by Landlord under BPS equitably attributable to Tenant’s consumption of energy exclusively serving the Premises in excess of the energy use limit equitably allocated to the Premises as set forth in [X] based on the Building’s emissions limit in the aggregate which causes Landlord to exceed the annual building emissions limit Landlord is required to comply with under such BPS for such calendar year in question (taking into consideration any and all credits with respect to such limit obtained by Landlord, if the cost of such credit is included in Operating Expenses); provided however, in connection with the foregoing, Landlord shall have the burden to demonstrate to Tenant, through means and methods reasonably acceptable to Tenant, that any such liability of Tenant under this [X], or elsewhere in this Lease in connection with BPS, is equitably attributable to Tenant’s consumption of energy; and provided, further, that, Landlord shall be solely responsible, and shall not hold Tenant accountable, for any portion of any penalties or charges levied upon the Building under BPS due to (i) the failure of Landlord to timely or duly meet reporting obligations under [ordinance name, for example Local Law 97], (ii) to the consumption of utilities by any other tenant or occupant of the Building, (iii) any extraordinary use of Building Systems in the Common Areas during periods outside of a Business Day, or (iv) Landlord’s failure to operate and maintain the Building Systems in accordance with the standards from time to time prevailing for comparable [property type in region, for example, first-class office buildings in midtown Manhattan].”

(Source: [IMT](#))

► Landlord Language

Variation 1 - Benchmarking Progress Toward Green Target

- I. “Within [30 (thirty) Business Days] after each anniversary of the Commencement Date and on the Date of Practical Completion, the Climate Professional must provide the Principal and the Contractor with an:
 - a. Accurate Emissions Scorecard for the preceding Year (or part of a Year where relevant); and
 - b. Accurate report that indicates whether the:
 - i. Green Target has been met;
 - ii. Green Target has not been met but the Emissions for the specified Year are less than the Green Baseline for the applicable Year;
 - iii. Emissions for the specified Year are equal to the Green Baseline for the applicable Year; or
 - iv. Emissions for the specified Year exceed the Green Baseline for the applicable Year.
- II. Subject to clause [above], if the report issued in accordance with [above] has been approved by the Principal (such approval not

to be unreasonably withheld or delayed) and indicates that the:

- a. Green Target has been met, then 100 (one hundred) percent of the Green Incentive is payable to the Contractor [in accordance with the payment terms at clause [X]];
 - b. Green Target has not been met, but the Emissions for the specified Year are less than the Green Baseline for the applicable year, then 75 (seventy-five) percent of the Green Incentive is payable to the Contractor [in accordance with the payment terms at clause [X]]; or
 - c. Emissions for the specified Year are equal to the Green Baseline for the applicable Year, then [50 (fifty)]percent of the Green Incentive is payable to the Contractor [in accordance with the payment terms at clause [X]]; or
 - d. Emissions for the specified Year exceed the Green Baseline for the applicable Year, then clauses [x to x] shall apply.
- III.** The Principal must pay to the Contractor the amount (if any) of the Green Incentive which is payable to the Contractor calculated in accordance with clause [X] or clause [X] within [X] days of receipt of the Emissions Scorecard and related report.
- IV.** *[Drafting Note: a Contractor’s entitlement to payment under clause [X] is a separate entitlement to that contained in clause [X]]*”

(Source: [The Chancery Lane Project](#))

Variation 2 - Conducting a Benchmark and Comparative Benchmark

“Conduct a Benchmark

- I.** The Principal may, by using a Climate Professional, initiate a benchmarking exercise of all or any part of the items or components set out in the Emissions Scorecard in accordance with clause [X] ([insert clause, such as “Benchmarking Exercise”]) by giving a notice to the Contractor in accordance with clause [X],” *[Drafting Note: Insert cross reference to notice provisions], “specifying the item or component of the Emissions Scorecard against which the benchmark is to be conducted (Benchmarked Items).*
- II.** The Principal undertakes to engage a Climate Professional to conduct the Benchmarking Exercise, on the terms specified in Annex Part [X] subject to any amendments that may be requested by the Climate Professional and approved by the Contractor (such approval not to be unreasonably withheld or delayed).” *[Drafting Note: Consider engaging the Climate Professional by way of a short form consultancy agreement.]*

“Comparative Benchmark

- III.** “The Benchmarking Exercise will compare the Emissions for the Benchmarked Items against the greenhouse gas emissions for items or components that are the same as, or substitutable for, the Benchmarked Items (Comparable Items) based on data or information from:
Other contractors, suppliers, or service providers of deliverables or services that are similar to the Benchmarked Items and that are available in a comparable market and for a comparable project to the [project];
- IV.** A reasonably reputable [national OR international] source, which provides the same or similar benchmarking services or frameworks as contemplated under this clause 1, such as:
 - a. [Insert the relevant benchmarking service, standard or database the Principal wishes to include.]
- V.** Testing the market through reasonably reputable [national or international] databases, such as:
 - a. [Insert the relevant benchmarking database to include as examples. If the Principal wishes to require a particular database, it should list this database and remove the words ‘such as’.]
 - b. Otherwise testing the market; or
 - c. Any combination of the sources in clauses [X],
 - d. As elected by the Principal in its sole discretion” *[Drafting Note: Users may wish to amend this clause to provide that the Contractor, or both parties, determine which of these data or information sources is to be used to determine a market benchmark], “to determine a market benchmark (Market Benchmark).”*

(Source: [The Chancery Lane Project](#))

Variation 3 - Provide Benchmark Report

- I.** “The Climate Professional shall produce a report (Benchmark Report) within [30 (thirty) days] after completing the Benchmarking Exercise.
- II.** The Benchmark Report:
 - a. Must:
 - i. Itemize the Greenhouse Gas emissions of the Comparable Items;
 - ii. Specify the data and information relied upon to support the findings of clause [X];
 - iii. Specify the methodology relied upon to support the calculation of the Market Benchmark; and
 - iv. Recommend alternative suppliers or service providers of the Comparable Items, if the reported Greenhouse Gas emissions are less than the Emissions; and
 - b. [Must OR may] be modified so that it does not identify the entity used for comparative purposes, nor such entity’s confidential information.
- III.** The Principal shall provide the Contractor with a copy of the Benchmark Report within [20 (twenty) Business Days] after it is completed.
- IV.** The Contractor shall [not] be entitled to an extension of time (EOT) arising from the Principal failing to produce the

Benchmarking Report under this clause [X].”
(Source: [The Chancery Lane Project](#))

Variation 4 - Benchmarking Costs

“Regarding costs, the parties agree to:

- I.** Share equally the [reasonable] cost of engaging a Climate Professional to conduct the Benchmarking Exercise [Drafting note: Consider only requiring the ‘reasonable’ costs to be shared, requiring the Principal to provide documentary evidence of the payment to the Climate Professional, and specifying that the Consultant may issue a notice of dispute in accordance with clause [X] if it considers the cost to be unreasonable]; and
- II.** Otherwise, bear their own respective costs incurred under this clause [X].

Extension of time (EOT)

The Contractor is not entitled to an EOT in relation to the performance of any obligations in this clause [X].

Disputes

A Dispute arising in relation to matters the subject of this clause [X], including a dispute in relation to the Principal’s findings under clause [X], shall be subject to [clause [X]].” [Drafting Note: Insert cross reference to dispute resolution provisions and ensure the term ‘Dispute’ is defined in the relevant contract. For example, defined at cl 41 of AS4000-1992 construct only contracts.]

“Edifications

- I.** The Principal may, acting reasonably, in its absolute discretion increase the Green Target.
- II.** If the Principal increases the Green Target in accordance with clause 1.10.1, the Contractor will be entitled to relief in accordance with the clause [X].” [Drafting Note: Insert cross-reference to relevant Variation clause or regime in Contract.]

(Source: [The Chancery Lane Project](#))

ENVIRONMENTAL CONSIDERATIONS

May be applicable for Green Lease Leaders credit: Landlord Credit 16, Tenant Credit 12

► Topic-Specific Landlord and Tenant Language

Variation 1 - Pest Management

“Landlord shall control pests using Integrated Pest Management techniques, as specified in the GSA Environmental Management Integrated Pest Management Technique Guide (E402-1001).”

(Source: [GSA](#))

Variation 2 - Native Landscaping

“Landlord shall retain and protect as much existing on-site vegetation as possible and restore degraded areas in accordance with ASHRAE 189.1 and applicable laws. New plantings shall use native and naturalized shrubs, ground covers and grasses with water requirements appropriate to local conditions. Trees should shade at least 60% of the impermeable surfaces of any area within the Property but outside the Building.”

(Source: [BOMA Green Lease Guide](#))

Variation 3 - Sustainable Soil Management

“Overarching Obligations of the Parties

- I.** The parties will use all [reasonable] endeavors to:
 - a.** Manage soil sustainability and promote Sustainable Soil Management when performing their obligations under this [Agreement]; and
 - b.** Work with [its] [their] contractor[s] to [manage soil sustainably and] promote Sustainable Soil Management in [its] [their] value and supply chains.”

“Sustainable Soil Management Policy

- I.** Each party shall adopt a Sustainable Soil Management Policy.
- II.** Each party shall regularly review and update its Sustainable Soil Management Policy to reflect developments in science and best industry practice, and to include opportunities for the parties to engage in landscape and catchment level approaches.
- III.** Each party shall ensure that, as far as possible and in accordance with a just transition, they will support and promote Sustainable Soil Management and actively consider Sustainable Soil Management:
 - a.** In their activities in all jurisdictions;
 - b.** Throughout their value and supply chains; and

c. In investment planning and decision-making.”

“Cascade throughout a party’s value chain

Each party shall copy clauses [X] into [any subcontracts that relate to the performance of this Agreement OR all of its contracts].”

“Training

Each party shall include Sustainable Soil Management in staff training at all levels of its organization (including at board level), and across all aspects of its business including strategy, research and development, operations, procurement, estates management and human resources.”

“Obligations as land owners, landlords or lessors

- I.** Each party shall ensure that leases and tenancy agreements under their ownership or control support Sustainable Soil Management expressly and in practice.
- II.** Each party shall ensure that they and their lessees adhere, as a minimum, to the soil-related standards and practices set out under the Sustainable Farming Incentive (SFI) Actions For Soil scheme that are compatible with and applicable to soil on land that is under its ownership or control.
- III.** Each party shall, in relation to land under its ownership or control:
 - a.** Take all [reasonable] steps to monitor soil organic carbon (SOC) levels and Soil Biodiversity indicators and maintain or enhance existing levels; and
 - b.** Take into account the direct and indirect greenhouse gas (GHG) emissions associated with soil organic matter (SOM) inputs to improve and optimize climate mitigation, adaptation and co-benefits resulting from efforts to maintain or increase SOC levels.
- IV.** Each party shall actively consider SOC levels, Soil Type, Soil Properties, Soil Health, Soil Biodiversity, Soil Functions and Ecosystem Services, and Sustainable Soil Management in:
 - a.** Strategic planning and impact assessments;
 - b.** Environmental and Biodiversity related decision-making; and
 - c.** All decision-making relating to proposed and ongoing construction and development.
- V.** In addition, each party shall:
 - a.** As far as possible, avoid or minimize Soil Sealing;
 - b.** As far as possible, use Brownfield Sites and re-use abandoned sites rather than using unsealed soil;
 - c.** Identify and take into account Agricultural Land Classification to preserve Prime Agricultural Land;
 - d.** [Explore and take into account additional[, broader] land assessments and Soil Quality Assessments other than those prescribed in this Agreement with a view to prioritizing, safeguarding and restoring Soil Functions and Ecosystem Services];
 - e.** Expressly specify requirements for measuring SOC levels and assessing Soil Biodiversity OR soil organisms alongside Ground Condition Survey specifications and in other descriptive land and soil surveys;
 - f.** As far as possible, use construction and/or drainage techniques that allow as many Soil Functions and Ecosystem Services as possible to be preserved, including where Soil Sealing occurs; and
 - g.** Adhere to DEFRA’s Code of Practice for the Sustainable Use of Soils on Construction Sites [, the Institute for Environmental Management and Assessment Guidance on Land and Soil in Environmental Impact Assessments] and their updates, and other relevant guidance on best practice in relation to Sustainable Soil Management.”

“Peatlands and High Carbon Soils

Each party agrees to protect, conserve and enhance Peatlands and High Carbon Soils [under its ownership or control] and shall:

- I.** Use all [reasonable] endeavors to identify all Peatlands and High Carbon Soils [under its ownership or control OR in and/or around the site];
- II.** Take all [reasonable] steps to assess the state of those Peatlands and High Carbon Soils;
- III.** As far as possible take all [reasonable] steps to protect, conserve and enhance those Peatlands and High Carbon Soils and to remediate those that are degraded;
- IV.** Where relevant, take all [reasonable] steps to commence a just transition to more appropriate use and management of such Peatlands and High Carbon Soils, in alignment with climate and flood prevention objectives;
- V.** Avoid tree planting on Peatlands which could have an adverse impact on Peatland, Soil Biodiversity, Peatland function, climate regulation or flood prevention; and
- VI.** Wherever possible use locally produced peat-free products.”

“Offsetting

Each party shall prioritise reducing their GHG Emissions before using Offsetting. The parties shall act in accordance with the guidance set out in the Oxford Principles for Net Zero Aligned Carbon Offsetting, the IUCN Global Standard for Nature-based Solutions (NbS) other best practice. The parties shall ensure that any NbS or Offsetting schemes they are involved in are of high quality, relate to an appropriate time-scale and support Sustainable Soil Management.”

(Sources: [The Chancery Lane Project](#); [DEFRA Code of Practice for the Sustainable Use of Soils on Construction Sites](#); [EIA Guidance](#)

Variation 4 - Carbon Pricing

“Upon written permission from the Tenant, the Landlord may apply a price per ton of carbon emissions reduction to the savings from a capital project.”

(Source: [NRDC](#))

Variation 5 - Net Zero

“The building shall [achieve][aspire to] net-zero energy, as defined by the U.S. Department of Energy as of the date of this lease, within one year after occupancy and shall maintain that status for the remainder of the lease term.”

[Alternative:] “The Parties agree in the original lease to incorporate all energy saving measures necessary to achieve net zero energy, with the understanding that net zero may not be achievable initially. On that basis, the parties agree to periodically (every [X] years) assess and review the incremental progress/movement towards net zero energy use as measured by the actual usage numbers. The Parties agree, in good faith, to discuss future potential lease amendments and distribution/assignment of cost savings, along with possible lease cost adjustments, based on the resulting information.”

(Source: [GSA](#))

Variation 6 - Transportation Management Plan

“Landlord will develop a Transportation Management Plan for the building to describe the various alternative mobility opportunities available to building occupants. Tenant and Landlord shall work together to implement [one] [three] of the following provisions:

- I.** Tenant shall provide at least [\$x, e.g. \$30] per month towards a transit pass or vanpool pass (or the full cost of a pass if it is less than [\$30]) to each employee who commutes using transit or a vanpool. This credit may also be used with an alternative mobility company to enable alternative modes (such as a credit with Uber or Lyft), especially during peak times or adverse weather.
- II.** Tenant shall institute a telework program that reduces the number of commuting trips employees make by at least 6 percent.
- III.** Tenant shall provide at least [\$x, e.g., \$30] per month (in lieu of providing a parking spot) to each employee who leaves their car at home and commute another way.
- IV.** Landlord shall provide bicycle storage (racks) in the building and showering/locker room facilities in proximity to the bicycle storage facility. Landlord shall operate, maintain and secure the bike storage facility and showering/locker room facilities in first-class condition. Tenant shall provide at least one bicycle available to its employees for use.
- V.** Landlord shall establish preferred parking programs for hybrid and alternative fuel vehicles (at a minimum of 3% of all parking stalls) in the building, and [install][study the feasibility of installing] electric car charging stations in the building for use by tenants and their visitors at no additional charge.
- VI.** Landlord shall establish a preferred parking program in the building’s parking facility for high occupancy vehicles (carpool or vanpool).
- VII.** The costs for parking shall be charged/paid separately from each tenant’s rent²⁴ and shall be charged on a uniform or near uniform basis to all.
- VIII.** Tenant organization must also offer access to an Emergency Ride Home program.”

(Source: [GSA](#))

DATA SHARING, REPORTING, AND BENCHMARKING

DATA SHARING AND DISCLOSURE

Transparency and data sharing are integral to the continued understanding and acceptance of energy efficiency best practices. By writing these clauses into a lease, both tenants and landlords benefit from increased disclosure.

May be applicable for Green Lease Leaders credit: Landlord Credit 12, Tenant Credit 3

► Landlord and Tenant Language

Variation 1 - Mutual Data Sharing

- I. “The Landlord and the Tenant will share with the other the energy, water and waste data they hold relating to the Premises [and the Building] [including (in the case of the Landlord) the Common Parts] and such other Environmental Performance data [and/or Social Impact data] as may be agreed from time to time by the parties. The energy, water, and waste data, and any other data the parties agree to share will be shared on a regular basis [but not less frequently than monthly/quarterly/annually], with each other, the Managing Agent and with any third party who the Landlord or the Tenant (or both of them) (acting reasonably) believes needs to receive that data including for the purpose of any reporting or advice subject to the provisions of clause [(ii)].
- II. The Landlord and the Tenant will keep and will ensure their agents or advisers keep that data confidential except that they are entitled to use that data for any of the following:
 - a. Monitoring and Improving the Environmental Performance [and Social Impact] of the Premises [and the Building];
 - b. Measuring the Environmental Performance [and Social Impact] of the Premises [or the Building] against any agreed or other targets; and
 - c. Any reporting required by any Act or regulation or any voluntary certification or rating scheme affecting the Premises [or the Building] or the Landlord or the Tenant or required by any finance arrangements of either party.
- III. Where either party or their agents or advisers use the Environmental Performance data [and Social Impact data] for any reporting, that party must ensure that they and their agents or advisers ensure that all data is anonymized.
- IV. The Landlord and the Tenant must each nominate a point of contact responsible for data sharing and must promptly notify the other when this point of contact changes.
- V. Where the Tenant procures its supplies directly from the providers of those Supplies, the Tenant hereby authorizes the Landlord to contact those providers direct to obtain consumption data in relation to the premises, and will, at the request of the Landlord provide any letter of authority a supplies provider requires.
- VI. Nothing in this provision will oblige the Landlord to disclose to the Tenant Environmental Performance data received from any other tenant or occupier of [the Building].
- VII. The Landlord will not disclose the Environmental Performance data provided by the Tenant to any other tenant or occupier of [the Building].”

(Source: [Better Buildings Partnership Green Lease Toolkit](#))

Variation 2 - Tenant Provides Data and Authorization

“The Tenant shall, upon the Landlord’s reasonable request, provide the Landlord with timely access to any and all energy and utility consumption data for the leased premises that is necessary for the Landlord to comply with any benchmarking, Building Performance Standard, or other reporting requirements.

This includes providing the Landlord with any necessary authorization to obtain utility data directly from the utility provider, subject to applicable privacy laws. Where the Tenant procures its supplies directly from the providers of those supplies the Tenant hereby

authorizes the Landlord to contact those providers direct to obtain consumption data in relation to the Premises and will at the request of the Landlord provide any letter of authority a supplies provider requires.”

(Source: [RE Tech Advisors](#))

Variation 3 - Shared Benchmarking Responsibilities

“Unless otherwise stated and agreed to by both parties, the Landlord will be responsible for claiming the building in the jurisdiction’s online portal and establishing the ENERGY STAR® Portfolio Manager® account, and the Tenant will be responsible for uploading and maintaining the utility data and building details in a data platform (preferably ENERGY STAR Portfolio Manager) (to be updated no less than quarterly, but preferably monthly) and submitting the required data in a timely manner prior to the deadline through the required portal or format to the jurisdiction.”

(Source: [RE Tech Advisors](#))

Variation 4 - Cooperative BPS Compliance

“The Landlord and Tenant acknowledge the applicability of federal, state, and local Building Performance Standards (BPS) and related efficiency-related requirements, operation and maintenance (O&M) program requirements, energy management plan (EMP) requirements, retrocommissioning protocols, and decarbonization initiatives. Both parties agree to cooperate in good faith to ensure the leased premises and the building comply with such standards. The Landlord shall provide the Tenant with reasonable notice of any planned work, audits, plans, or studies that may affect the Tenant’s premises. The tenant shall not unreasonably withhold, condition, or delay its consent to such activities. The Tenant, at its expense, shall comply with local, state, and federal building requirements, including utility data benchmarking requirements, O&M Program requirements, EMP requirements, BPS requirements, the Tenant’s Energy Consumption Limit, the “not to exceed” emissions limit, the Premises Design Criteria, and the Tenant’s Plug Load Standard.”

(Source: [RE Tech Advisors](#))

DATA TRACKING AND SUBMETERING

Submetering is one of the best methods to ensure buildings with multiple tenants and units properly measure energy and water usage.

May be applicable for Green Lease Leaders credit: Landlord Credit 1, Landlord Credit 2, Landlord Credit 3, Landlord Credit 10, Landlord Credit 12, Tenant Prerequisite 2, Tenant Credit 1, Tenant Credit 2

► Landlord and Tenant Language

Variation 1 - Shared Water Tracking

“We are committed to reduce our water consumption. We shall track water usage of the common areas at all our properties on a quarterly basis. This water usage data will be recorded quarterly via ENERGY STAR® Portfolio Manager® or other tracking tools. Data will be used for the purposes of:

- I. Monitoring and reducing the water usage of the Premise and/or
- II. Measuring the water usage of the Premises against any agreed targets.

We are committed to tracking the data for spaces we control and collaborating with the tenant to obtain as much whole building data as feasible. We will benchmark this information and provide tenants with performance information, such as a total building water consumption metric.”

(Source: [IMT](#))

Variation 2 - Landlord-Installed Submetering and Cost Allocation

“Landlord may, at any time, install separate metering for the Premises or for any specific use within the Premises (including, without limitation, Tenant’s data center, server rooms, or other information technology equipment) for electricity, water, gas, steam, or other utility usage. Landlord shall have access to the Premises as is reasonably necessary to accomplish the installation set forth in this paragraph. Such separate metering may be a direct meter, a submeter, or a check meter. Any meter so installed may, at Landlord’s option, be a “smart meter”. The cost of installation shall be a capital expense that is included in Operating Charges on an amortized basis over the expected useful life of the meter. If such a meter is installed, Tenant shall pay for the consumption shown on the meter plus any fee applicable to reading the meter, either directly to the third party utility provider in the case of a direct meter, or to Landlord in the case of a sub-meter or check meter, and Tenant shall report to Landlord Tenant’s usage as measured by the meter. If such a meter is installed, Tenant shall thereafter not be charged as an Operating Charge for any other tenant’s use of that utility in the other tenant’s own premises, but shall still be charged its pro rata share for the consumption of that utility in any part of the Building that is not leased to another tenant.”

(Source: [BOMA Green Lease Guide](#))

Variation 3 - Smart Submetering and Data Access Rights

“The Landlord must (where reasonably practicable) [at its own cost] install equipment (whether fiscal meters, sub-meters, check meters, automatic meter reading devices or other equipment) to measure the energy [and water] consumed at the Premises and the Landlord or its agents (or both of them) have the right to enter and remain on the Premises (with workmen, contractors, and necessary equipment) at reasonable times in order to carry out such installation works, provided that installation of the equipment will not adversely affect the Tenant’s beneficial use and occupation of the Premises [to any material extent].

Where the Landlord installs meters relating to the Premises within the [Common Parts], the Tenant has a right to enter onto the parts of the [Common Parts] where the meters are installed at reasonable times to read the meters.

Where reasonably practicable the Landlord will ensure that all metering installed to measure the energy [and water] consumed at the Premises uses smart meter technology, which provides half hourly automated meter readings and facilitates communication to third-party platforms and will take all necessary steps to ensure the Tenant has direct access to the data generated by the smart meter technology.

The Landlord and the Tenant must notify each other as soon as reasonably practicable of any fault or disrepair of any equipment so that the appropriate party can take steps to remedy the disrepair or fault.

If the Landlord fails to install metering equipment following a request from the Tenant to do so the Tenant may install (at its own expense unless the Landlord is in breach of its obligations in clause [X]) within the Premises equipment (whether fiscal meters, sub-meters, check meters, Automatic Meter Reading devices or other equipment) to measure the supply of energy [and water] consumed at the Premises provided that:

- I.** The carrying out of such installation works neither impairs the continuity of supply nor has any long term adverse effect on the supply of energy [and water] to the remainder of the Building;
- II.** Consent of the Landlord (if required under clause [the alterations clause]) is first obtained;
- III.** The carrying out of such installation works will not cause a breach of the terms of supply to the Building of energy [and water]; and
- IV.** Where reasonably practicable all meters installed shall use smart meter technology, which provides half hourly automated meter readings and facilitates communication to third party platforms and the Tenant will take all necessary steps to ensure the Landlord has direct access to the data generated by the smart meter technology.”

(Source: [Better Buildings Partnership Green Lease Toolkit](#))

Variation 4 - Submetering with Direct Tenant Billing

[Tenant perspective:] “Landlord will install an electric submeter to service the lease premises to measure the consumption of electricity in the lease premises, and Landlord will charge Tenant and Tenant will pay as an additional charge hereunder such amounts as are invoiced by Landlord for Tenant’s electricity usage as measured by such submeter, without markup by Landlord, and Landlord will make appropriate adjustments to the electricity charges included in Operating Expenses so that Tenant’s proportionate share of operating expense increase will not include such amounts which are separately invoiced and paid by Tenant.”

[Landlord perspective:] “Landlord is hereby authorized to request and obtain, on behalf of Tenant, Tenant’s electric consumption data from the applicable utility provider. Notwithstanding anything herein to the contrary, Tenant agrees to pay for the installation of a separate electric meter to measure electrical usage and to pay Landlord for electricity consumption registered in such submeter.”

(Source: [IMT](#))

Variation 5 - Equipment-Level Submetering

“Landlord will install and pay for an electric submeter to service the lease premises to measure the consumption of electricity in the lease premises, including a submeter for each piece of Tenant capital equipment such as rooftop units (RTUs). Landlord will install and Tenant will pay for an electric submeter to service the lease premises to measure the consumption of electricity in the lease premises, including a submeter for each piece of Tenant capital equipment such as RTUs. These submeters will measure electricity consumption as well as peak demand. Landlord will charge Tenant, and Tenant will pay as an additional charge hereunder such amounts as are invoiced by Landlord for Tenant’s electricity usage as measured by such submeter, without markup by Landlord, and Landlord will make appropriate adjustments to the electricity charges included in operating expenses so that Tenant’s proportionate share of operating expense increase will not include such amounts which are separately invoiced and paid by Tenant.”

(Source: [IMT](#))

Variation 6 - Excess Energy Use Submetering

“Notwithstanding anything herein to the contrary, if Landlord reasonably determines that Tenant’s use of electricity is materially in excess of normal use, Tenant agrees to install a submeter to measure energy consumption in excess of normal use and to pay Landlord for all such excess electricity registered in such submeter. “Normal use” is defined as an ENERGY STAR® Portfolio Manager® score of 64 or higher.”

(Source: [IMT](#))

Variation 7 - Submetering Workarounds

“Where submetering of Tenant space is infeasible, the Landlord should submeter the Building by floor.”

[Alternative:] “Where submetering is infeasible and the Tenant has electric rent inclusion (ERI), the Tenant may initiate a survey of equipment and systems. The Landlord should credit the Tenant for demonstrable efforts to save. Surveys should be performed annually.”

(Source: [NRDC](#))

Variation 8 - Annual Energy Performance Summary

“Landlord shall provide Tenant with an annual energy use summary indicating the energy consumed in any Building Common Areas (total and kilowatt hours/square foot) and the energy consumed in the Building as a whole (total and kilowatt hours per square foot) the previous year. Landlord shall also provide Tenant the Building’s ENERGY STAR® score.”

(Source: [IMT](#))

Variation 9 - ENERGY STAR® Certification and Performance Review

“The building must be ENERGY STAR® labeled by achieving an ENERGY STAR rating of 75, and ENERGY STAR certification must be maintained for the duration of the lease term:

- In buildings where an ENERGY STAR rating cannot be obtained (i.e. because the building is too new to have a sufficient operating history to generate the requisite data or because the building’s vacancy exceeds the vacancy allowed for an ENERGY STAR label), a lease may include the provision that the landlord has one year after the building reaches the requisite threshold in operating history and/or occupancy to achieve the ENERGY STAR label. In general, any building over 5,000 gross square feet with a year of utility bills can get an ENERGY STAR score (see ENERGY STAR website for more information on exceptions and details).
- If an ENERGY STAR rating is not available for the reasons identified above, the landlord must show it has implemented all cost-effective energy upgrades.
- Tenant shall collaborate with landlord to incorporate efficiency into energy-using equipment, e.g., by using ENERGY STAR labelled equipment, and optimize its operating schedules, e.g., by not operating during non-standard business hours without paying the incremental cost.”

[Alternative:] “In the initial lease, where no previous energy use data is available, the parties shall construct an estimate of potential future energy usage by the tenant using such principles and data as can be agreed upon. Upon the accrual of a sufficient number of years of energy use data for the structure, the Parties/Landlord shall themselves or through a third party conduct an overall energy assessment based on the usage history to determine overall usage rates, trends, time sensitivity of usage patterns (if metered to that level), and other relevant data. The Parties will then meet to review the usage data and identify patterns and trends, and compare the results to the original projected usage projections. The parties will then discuss any lease modifications or other energy related modifications to the premises that may be suggested from or supported by the data, towards an overall review of the level of energy and cost savings relevant to the original lease rates for the property.”

(Source: [GSA](#))

► Landlord Language

Variation 1 - Tenant Space Electric Submetering

“Landlord shall install an electric meter/submeters to service the leased premises to measure the consumption of electricity in the leased premises. Where Tenant does not occupy the entire building or an entire floor, the partial floor or leased premises shall be separately metered.”

(Source: [GSA](#))

Variation 2 - End-Use Energy Submetering

“Landlord shall install an electric meter and submeters to service the leased premises to measure the consumption of energy (both electricity and natural gas) broken out by each major energy end use as well as broken out by tenant. Actual or estimated breakdowns may be used, depending on the granularity of the data provided. Energy end uses shall include, at a minimum, heating, cooling, lighting, fans, pumps, plug loads, domestic hot water and elevators (where applicable).”

(Source: [GSA](#))

Variation 3 - Water Submetering and Reporting

“Landlord shall separately submeter and track indoor water use for the tenants and common areas and outdoor water use. Landlord shall provide regular [annual] [quarterly] reports for the amount of water consumed at the building and cost per month for the duration of this lease. If such data is not available or is confidential, estimated water use per tenant may be provided along with the basis for the estimate.”

(Source: [GSA](#))

Variation 4 - Feasible Submetering Standard

“Landlords should submeter resource use in Tenant space wherever it is technically feasible and within reasonable financial parameters.”

(Source: [NRDC](#))

Variation 5 - Landlord Reporting of Submetered Data

“Base Building electric usage should be calculated, to the maximum extent feasible, utilizing submeters to exclude Tenant spaces.”

[Option 1:] “The Landlord should annually report to the Tenant the benchmarked resource usage of the Building (see [X] above) as well as the Tenant’s contribution to the score—by calculating the difference between the Building score, with and without Tenant usage.”

[Option 2:] “The Landlord should annually report to Tenants the total resource usage of the Building in terms of kilowatt-hours (kWh) and MMBtus or, alternatively, in MMBTtu equivalents and in gallons of water.”

[Option 3:] “The Landlord should annually report to Tenants the total carbon emissions of the Building in tons.”

“The Landlord should also provide a comparison between Tenant’s proportion of the Building’s rentable square footage relative to its proportion of the Building’s resource use.

Tenant should annually report to Landlord any electric, gas, steam, or water usage in Tenant space that is directly metered by the distributor of the commodity i.e. that does not flow through Landlord’s meter.”

(Source: [NRDC](#))

► Green Lease Language in Action

Below is an excerpt from a lease of a U.S. affordable multifamily residential investment firm, Avanath Capital Management. This language clearly outlines the Landlord’s right to collect building-level whole building utility data by various means.

DATA TRACKING AND REPORTING

“Resident acknowledges that Landlord may collect, track and report whole-building energy, water and waste consumption data through aggregation of utility accounts, submeters, or similar services. Such tracking and reporting shall be conducted by the Landlord or its service providers.”

- Avanath Capital Management

ENERGY PERFORMANCE REQUIREMENTS

ENERGY EFFICIENCY

Reporting and sharing data provides landlords and tenants with an understanding of a building's performance over time. Sharing requirements in lease provisions support transparency and benchmarking, and informs opportunities to improve efficiency and building performance.

May be applicable for Green Lease Leaders credit: Landlord Credit 4, Landlord Credit 12

► Landlord and Tenant Language

Variation 1 - Annual Performance Reporting

“Landlord shall provide an environmental performance report annually to Tenant. To the extent other tenants of the Building have reported their own consumption data to Landlord, such report shall address: the Building’s ENERGY STAR® rating; the Building’s gross consumption, per square foot, and consumption per occupant of electricity (and noting any alternative sources of electricity consumed), gas, other fuels, and water; and total gross waste (by ton) generated, sent to landfills or for incineration, or diverted from landfills and incineration.”

(Source: [BOMA Green Lease Guide](#))

Variation 2 - Ongoing Data Sharing

“The Landlord and the Tenant will share the Environmental Performance Data they hold relating to the Premises and/or the Building. This Environmental Performance Data will be shared on a regular basis [but not less frequently than monthly/quarterly/annually] with each other, with the Managing Agent and with any third party who the Landlord and the Tenant agree needs to receive such data. Save where they are under a statutory obligation of disclosure, the Landlord and the Tenant will keep confidential the Environmental Performance Data shared under this clause, and will only use such data for the purposes of:

- I. Monitoring and improving the Environmental Performance of the Premises and/or the Building and/or
- II. Measuring the Environmental Performance of the Premises and/or the Building against any agreed targets.

The Landlord will procure that the Managing Agent is placed under a similar obligation to that set out in clause [X] to keep any shared data confidential and to use it only for the purposes listed in that clause.

Where the Landlord or Tenant discloses any shared data to a third party, they will procure that third party is placed under a similar obligation to that set out in clause [insert clause information] to keep any shared data confidential and to use it only for the purposes listed in that clause.”

(Source: [A Better City](#))

Variation 3 - Confidential Data Sharing

“The Landlord and the Tenant will share the Environmental Performance Data they hold relating to the Premises and/or the Building. This Environmental Performance Data will be shared on a regular basis [but not less frequently than monthly/quarterly/annually] with each other, with the Managing Agent and with any third party who the Landlord and the Tenant agree needs to receive such data. Save where they are under a statutory obligation of disclosure, the Landlord and the Tenant will keep confidential the Environmental Performance Data shared under this clause, and will only use such data for the purposes of:

- I. Monitoring and improving the Environmental Performance of the Premises and/or the Building and/or
- II. Measuring the Environmental Performance of the Premises and/or the Building against any agreed targets. The Landlord will procure that the Managing Agent is placed under a similar obligation to that set out in clause [] to keep any shared data confidential and to use it only for the purposes listed in that clause.

Where the Landlord or Tenant discloses any shared data to a third party, they will procure that third party is placed under a similar obligation to that set out in clause [insert page number of clauses outside of the lease document] to keep any shared data confidential and to use it only for the purposes listed in that clause.”

(Source: [A Better City](#))

► Landlord and Tenant Language

Variation 1 - Utility Reporting and ENERGY STAR® Portfolio Manager® Access

“Landlord shall provide reports for the amount of electricity, natural gas and fuel oil (where applicable) consumed at the building broken down by utility type, energy unit usage (e.g., kWh or therms), cost per month for each energy source for the duration of the Lease and the Energy Use Intensity (EUI, measured in kBtu per square foot per year).

Unless disclosure is prohibited by state or local law or if data is not available or is confidential, estimated energy use per tenant may be provided. Such reports shall be provided within ninety (90) days after the end of each [calendar quarter][June 30 and December 31], [calendar year]. Where applicable, Landlord shall provide read-only access to tenant of the building’s ENERGY STAR® Portfolio Manager® account and vice versa. To the extent Tenant obtains electricity independently of the building, Tenant shall give Landlord access to Tenant’s data on energy use for inclusion in Landlord’s annual reports, ENERGY STAR annual rating, and similar purposes.”

(Source: [GSA](#))

ENERGY MANAGEMENT BEST PRACTICES

The following practices ensure both tenants and landlords adhere to efficient building operation principles.

May be applicable for Green Lease Leaders credit: Landlord Credit 8, Landlord Credit 10, Tenant Prerequisite 2, Tenant Credit 5

► Topic-Specific Landlord and Tenant Language

Variation 1 - Electric Consumption Cap

“Landlord and Tenant agree that Tenant space should have access to [X] Watts per square foot of electric service.”

[*Drafting Note:* Commercial office space should be presumed to require not more than three (3) Watts per square foot of demand (not connected load).]

[Option 1:] “After a year of occupancy, Tenant should lose [X] percent of unused service. For example, a Tenant actually using 2.5 Watts per square foot may be dropped from a lease stipulated 6 to 3 Watts per square foot (to cushion for future growth).”

[Option 2:] “Landlord should have the right to charge Tenant for unused capacity. For every watt per square foot reserved for Tenant, but in excess of the maximum usage of Tenant in a given year, the Landlord should assess a fee.”

(Source: [NRDC](#))

Variation 2 - Tenant Preferences in Efficiency Projects

“Tenant should share operational requirements and preferences, concerns, and interests with Landlord’s contractors engaged to improve efficiency in the Building.”

(Source: [NRDC](#))

Variation 3 - Monitoring Energy Use

“Installed electrical wiring and facilities for plug load equipment including personal computers and other standard office equipment shall be limited to [3.5/2.5/1.5] watts per usable square foot.”

(Source: [GSA](#))

Variation 4 - Lighting Controls and Daylight Optimization

[Option 1:] “Daylight dimming controls shall be installed in atriums or within 15 feet of windows and skylights where daylight can contribute to energy savings. Daylight dimming controls shall be either integral to the fixtures or ceiling mounted and shall maintain required lighting levels in work spaces. Lighting controls, including vacancy sensors and scheduling controls, shall be provided for all lighting equipment.”

[Option 2:] “Implement lighting controls, including daylight dimming controls for at least 50% of lighting load and vacancy sensors for at least 75% of connected lighting load. This measure is to be implemented if the simple payback period is demonstrated to be five years or less based on projected savings and estimated cost subject to Building management team’s review. Design and build to optimize daylight and views for occupants, which may be achieved through a design that includes interior rather than perimeter offices, or perimeter offices with glass fronts if perimeter offices are a design requirement.”

[Option 3:] “The Tenant shall initiate a review of lighting needs in all areas of the workplace [X] times within the year to accumulate lighting measurement data to compare with usage patterns. In conjunction with this effort, the specified energy rates for various areas will be reviewed and compared to the data to attempt to identify patterns and potential adjustments to lighting controls and sensors.”

(Source: [GSA](#))

Variation 5 - Task Lighting Controls

“[Landlord] [Tenant] [Landlord and Tenant] [Landlord and all tenants of the building] shall provide individual control of task lighting for all occupants within offices or workstations. Task lighting shall be energy efficient fixtures (e.g., LED).”

(Source: [GSA](#))

Variation 6 - Lighting Power Densities

“The building shall comply with lighting power densities at or below ASHRAE 90.1 2016, as provided by the table below.”

Space type (using building area calculation method)	Maximum lighting power density (Watts/SF)
Office	0.79
Convention Center	0.78
Courthouse	0.90
Dining: Cafeteria	0.79
Library	0.78

(For additional space types or calculation compliance paths and exceptions, please refer directly to the ASHRAE 90.1 2016 standard.)

(Source: [GSA](#))

Variation 7 - Lighting Efficiency Requirements for Fit-outs

“Landlord’s approval of Tenant’s proposed Space Plan, Working Drawings, or Change Order shall not be unreasonably withheld, conditioned or delayed; provided, however, that Landlord shall not be deemed to have unreasonably withheld its approval of any Space Plan, Working Drawings, or Change Order that: Does not reflect a ten percent (10%) efficiency improvement in tenant fit up lighting efficiency over minimum code.”

(Source: [IMT](#))

► Topic-Specific Tenant Language

Variation 1 - Plug Load Controls

“Tenant shall provide sensor or timer controls for all of its major office equipment, including personal computers and copiers/printers.”

(Source: [GSA](#))

Variation 2 - Occupancy Sensors and Lighting Controls

“Tenant shall install automatic dimmer switches and occupancy sensors on all light fixtures so that they automatically switch off or dim when an area is unoccupied. Such sensors may be installed with manual overrides for areas that are normally occupied, such as individual offices and conference rooms.”

(Source: [BOMA Green Lease Guide](#))

HEATING, VENTILATION, AND AIR CONDITIONING

Temperature Setting and Use of Stand-Alone Energy Intensive Equipment

Landlords may use lease language to establish temperature setpoints to balance tenant comfort and heating, ventilation and air conditioning (HVAC) efficiency. Prohibiting or limiting tenant use of stand-alone equipment, such as space heaters, helps reduce energy consumption and reduce operating costs.

May be applicable for Green Lease Leaders credit: Landlord Credit 8, Tenant Credit 5

► Landlord and Tenant Language

Variation 1 - HVAC Service Hours and Stand-Alone Equipment Restriction

“The Landlord shall provide heating, cooling and air conditioning (HVAC) in quantities and at temperatures required to maintain conditions within a reasonable temperature range in the Premises during Business Hours.”

[Optional]: “HVAC and lighting supplied to the premises outside of Normal Business Hours requested by the Tenant shall be at the Tenant’s cost at the rate equal to the then prevailing rate for such service or utility plus the Landlord’s [X% administration fee].”

[Optional:] “The Tenant shall not permit the use of, within its premises any stand-alone energy-intensive equipment designed to modify indoor air temperature or humidity, such as portable air conditioners, space heaters, humidifiers or dehumidifiers.”

(Source: [A Better City](#))

Variation 2 - Temperature Setpoints and Seasonal Controls

“Occupied temperature of the building should not be lower than in the summer or higher than in the winter; unoccupied temperature of the building should not be lower than in the summer or higher than in the winter.”

[Drafting Note: The landlord and tenant should agree on reasonable temperatures based on system capacities such that the building does not require overheating or over-cooling in order to satisfy a single, more restrictive lease. See the American Society of Heating, Refrigerating and Air-Conditioning Engineers’ (ASHRAE) Standard 55-2004 Thermal Environmental Conditions for Human Occupancy.

Sample temperatures might be:

- Summer occupied: 72° F at 60 percent relative humidity
- Winter occupied: 68° F
- Summer unoccupied: 82° F
- Winter unoccupied: 60° F

If a building has the capacity to maintain 50 percent relative humidity, it may be possible to operate the building at 75° (summer occupied). Most buildings do not have independent humidity control, however. Landlords should consistently negotiate for the highest summer temperature and the coolest winter temperatures consistent with system capacities and tenant comfort.]

(Source: [NRDC](#))

Variation 3 - Individual Thermal Comfort Control

“[Landlord] [Tenant] [Landlord and Tenant] [Landlord and all tenants of the building] shall provide individual thermal comfort control at workstations and/or offices.”

(Source: [GSA](#))

Variation 4 - Equipment Standards

“All imaging equipment (i.e. copiers and printers) used by Tenant shall be ENERGY STAR® certified and energy saving modes must be activated. Space heaters are not permitted in the leased premises.”

(Source: [GSA](#))

Variation 5 - After-Hours HVAC and Temperature Control Options

[Option 1:] “The Landlord shall provide heating, cooling, and air conditioning (HVAC) system apparatus in quantities and set at temperatures required to maintain conditions within a reasonable temperature range in the Premises during Business Hours. HVAC and lighting supplied to the premises outside of Normal Business Hours requested by the Tenant shall be at the Tenant’s cost at the rate equal to the then prevailing rate for such service or utility plus the Landlord’s [X] administration fee.” [Optional addition:] “The Tenant shall not permit the use of, within its premises any stand-alone or energy-intensive equipment designed to modify indoor air temperature or humidity, such as portable air conditioners, space heaters, humidifiers, or dehumidifiers.”

[Option 2:] “Landlord shall furnish to the Premises during normal hours of operation of the Building air-conditioning and heat during the seasons when they are required, as and to the extent determined in Landlord’s reasonable judgment taking into account standards prevalent in comparable buildings in the market in which the Building is located. It is also agreed that if Tenant requires air-conditioning or heat beyond the normal hours of operation set forth herein, Landlord will furnish such air-conditioning or heat provided Tenant gives Landlord sufficient advance notice of such requirement, and Tenant hereby agrees to pay for such extra service in accordance with Landlord’s then-current schedule of costs and assessments for such extra service. To maintain proper air balancing and pressurization, Tenant shall keep all of its suite entry doors closed except as actually used for ingress or egress.”

(Source: [IMT](#))

► Tenant Language

Variation 1 - Energy-Conscious HVAC Use

“Tenant shall: Use best efforts to help meet building-wide energy use reduction goals and minimize unnecessary use of electricity, water, heating, and air conditioning, including recommended use of window shades and curtains to keep out summer heat and keep in winter warmth.”

(Source: [A Better City](#))

► Landlord Language

Variation 1 - ASHRAE Standard Compliance

“During [normal business hours], Landlord will provide heating, ventilation, and air conditioning (HVAC) in accordance with the applicable ASHRAE Environmental Standards, including ASHRAE Standard 55-2006 Thermal Environmental Conditions for Human Occupancy, ASHRAE Standard 62.1-2004 Ventilation for Acceptable Indoor Air Quality, as well as meet or exceed applicable [codes and Design Guidelines].”

(Source: [A Better City](#))

Variation 2 - HVAC Controls and Performance Standards

“Landlord shall provide heating, ventilation, and air conditioning (HVAC) systems required to maintain conditions within a reasonable temperature range in the premises during business hours. The HVAC systems shall maintain the occupied temperature and humidity setpoints of 75°F cooling, 70°F heating, less than 60% relative humidity; and the unoccupied temperature setpoints of 85°F and 60°F. The occupied temperature and relative humidity setpoints shall be maintained 30 minutes prior to opening business hours. The cooling and heating capacities shall be determined by a qualified engineer or contractor in accordance with ACCA Manual N or ASHRAE Standard 183. HVAC system operation shall meet the ventilation requirements of ASHRAE Standard 62.1. Engineering staff shall have the capability to adjust rooftop unit (RTU) setpoints manually to optimize the RTUs and increase overall efficiency in unusual occupancy circumstances. Prior to space turnover, Landlord shall conduct and document testing and balancing of existing RTUs to ensure the units meet Tenant requirements.”

(Source: [IMT](#))

INDOOR AIR QUALITY

Indoor air quality is critical to occupant health, comfort, and productivity. Lease provisions that address ventilation rates and air filtration standards help ensure a healthy indoor environment while supporting efficient building operations.

May be applicable for Green Lease Leaders credit: Landlord Credit 14, Tenant Credit 10

► Landlord Language

Variation 1 - Minimum Air Quality Standards

“Air filtration shall be provided and maintained by Landlord with filters having a minimum efficiency rating as determined by the latest edition of ASHRAE Standard 52.2 or MERV [8][11], whichever is more stringent. Filters shall be replaced a minimum of [X, e.g., 2 or 4] times per calendar year. For healthcare settings, filtration requirements ASHRAE Standard 170 shall be used.”

(Source: [GSA](#))

Variation 2 - Outdoor Air Intake

“The outdoor air intake rate provided by Landlord will be at least 10% above ASHRAE Standard 62.1. For applicable healthcare facilities, the rate shall be increased relative to ASHRAE Standard 170. [Alternative:] Monitor delivery of outside air to ensure indoor air quality and outdoor airflow compliance with ASHRAE Standard 62.1- 2016 requirements.”

(Source: [GSA](#))

Variation 3 - ASHRAE-Compliant Indoor Air Quality

“Ventilation should meet or exceed the most recent ASHRAE standard for indoor air quality.”

[Drafting Note: Best practice recommendation that may be cited here is ASHRAE Standard 62.1—2004 Ventilation for Acceptable Indoor Air Quality. Alternative compliance through demand controlled ventilation is preferred.]

(Source: [NRDC](#))

ROOFTOP UNIT INSTALLATION, MAINTENANCE AND OPERATION

Both landlords and tenants benefit from proper installation and maintenance of rooftop units (RTUs). Depending on the type of building, ownership, and operation and management the party responsible for installing and maintaining the RTU will change, but all parties should be knowledgeable.

► Landlord and Tenant Language

Variation 1 - Landlord Responsible for Meeting RTU Capacity Needs and Standards

“Prior to delivery of possession to Tenant, Landlord shall pay for any additional rooftop units (RTUf) to cover increased cooling capacity needs. This cost is outside the Tenant Improvement Allowance or Turnkey structure. ANSI/ACCA Standard 5 for HVAC Quality Installation Specification must be followed for installation of any new RTUs.”

(Source: [IMT](#))

Variation 2 - RTU Efficiency Improvements and Cost Recovery

“Efficiency improvement costs of rooftop units (RTUs) are to be shared between the Landlord and the Tenant. Landlord may pass through smaller efficiency project costs as operating expenses. Smaller improvements (<10% of total project cost) such as RTU controls, RTU maintenance, and installation of submeters could be included as operating expenses charged to Tenant on a pro rata basis through Common Area Maintenance (CAM).”

[Select one:]

- I. “Major capital RTU repairs shall be included as operating expenses provided such capital repairs were necessitated by a change in Law occurring after the date of this Lease or were intended to have cost saving benefits over the Term and amortized costs of same over the useful life of the improvement in accordance with generally accepted accounting principles, or with respect to cost savings, over the payback period of such improvement.”
- II. “Landlord’s cost recovery is based on a prediction of savings as determined by an energy specialist agreed upon by both parties, but Landlord’s capital expense pass-through is limited to 80 percent of such predicted savings in any given year. This provides Tenant with a cushion to protect against under-performance; accordingly, Landlord’s payback (recovery) period is extended by 25 percent.”

(Source: [IMT](#))

Variation 3 - RTU End-of-Life Determination

“Rooftop unit (RTU) end of useful service life is determined by an unbiased third party agreed upon by both Landlord and Tenant.”

(Source: [IMT](#))

Variation 4 - RTU Replacement Responsibility Options

[Landlord Responsible:]

“Landlord is responsible for replacement of rooftop unit (RTU) at the end of its useful service life, as determined by a mutual unbiased third party, no matter the length of Tenant lease. Landlord is responsible for replacement of RTU when the cost of repairs and energy inefficiency outweigh the cost of a new unit, no matter the length of Tenant lease, as determined by calculation guidance in the Department of Energy’s Business Case for Proactive RTU Replacement.”

[Tenant Responsible:]

“Tenant is responsible for replacement of RTU during the life of the lease. If purchased by Tenant and replaced mid-lease, the depreciation schedule of the RTU matches the remaining length of the Tenant lease.”

[Joint Responsibility:]

“Capital RTU replacements shall be included as operating expenses provided such capital replacements were necessitated by a change in law occurring after the date of this Lease or were intended to have cost saving benefits over the Term and amortized costs of same over the useful life of the improvement in accordance with generally accepted accounting principles or with respect to cost savings, over the payback period of such improvement.”

[Add after Landlord/Tenant/Joint Responsibility language:]

“The cost of any capital improvement to the building that reduces Building Operating Costs, the costs of such improvements to be

amortized over the minimum period acceptable for federal income tax purposes, and only the yearly amortized portion thereof shall be treated as Building Operating Costs. In no event shall this charge for yearly amortization be more than the actual reduction in the Building Operating Costs.”

(Source: [IMT](#))

Variation 5 - Advanced RTU Controls Retrofits

[Drafting Note: Update as needed based on recent technology advancements and Landlord/Tenant cost share agreements:]

“If rooftop unit (RTU) is over 7 tons in size, has over 5 years of expected useful service life left, and units do not have advanced controls (e.g. economizer, variable fan drives), Tenant may choose to fund an RTU efficiency improvement following the Advanced RTU Campaign specification for advanced control retrofits. Essential advanced retrofit control features include:

- Multi-speed or variable speed supply fan control with, at a minimum, reduced fan speed operation for first stage cooling and ventilation modes
- Modulating outdoor air damper control to maintain proper ventilation rates according to ASHRAE Standard 62.1 under different fan speeds”

(Source: [IMT](#))

Variation 6 - RTU Commissioning and Testing

“Parties are required to engage a third party mutually-agreed-upon commissioning authority to confirm that the installed rooftop unit (RTU) systems are functioning optimally as designed via such activities as testing and balancing. The report of the commissioning authority shall be issued jointly to Landlord and Tenant. Landlord must make adjustments to correct any errors identified from the commissioning process.”

(Source: [IMT](#))

Variation 7 - RTU Performance Specifications

“Rooftop unit (RTU) efficiency, cooling capacity, and operational details shall be determined by Tenant upon completion of architectural and engineering designs, and reported to Landlord in the Work Letter. Such details may include but are not limited to: required minimum cooling tonnage per sq. ft., and required number of cooling zones.”

(Source: [IMT](#))

► General Lease Language

Variation 1 - High-Efficiency RTU Specifications

“Any new rooftop unit (RTU) that serves the Premises must meet the Department of Energy’s Better Buildings Alliance High-Efficiency RTU Specification sections addressing:

- Cooling Performance
- Heating Performance
- Fan Operation
- Controls
- Economizers
- Outside Air Dampers
- Sizing
- Quality Installation
- Quality Maintenance

(Source: [IMT](#))

Variation 2 - Equipment Documentation Requirements

“Documentation cut-sheets are required for all RTU equipment as part of the documentation package provided for Tenant build-out.”

(Source: [IMT](#))

► Tenant Language

Variation 1 - RTU Maintenance Standards

“Tenant is responsible for maintenance of the units, and will follow the ANSI/ASHRAE/ACCA Standard 180, Standard Practice for Inspection and Maintenance of Commercial Building HVAC Systems for all RTU maintenance activities.”

(Source: [IMT](#))

RETROCOMMISSIONING

Retrocommissioning (RCx) aims to improve building efficiency and fix issues that may have been caused during construction or renovations over the building's life.

May be applicable for Green Lease Leaders credit: Landlord Credit 8, Tenant Credit 5

► Landlord and Tenant Language

Variation 1 - Periodic Whole-Building RCx

“In order to maintain and enhance performance toward the Building Performance Standard, the Landlord will recommission the Building Systems, including, but not limited to, base building systems and common areas, once every [3] calendar years. The cost of recommissioning will be billed to all tenants of the Building as an Operating Expense. Each recommissioning will comply with ASHRAE Guideline 0.2 (for initial commissioning and retrocommissioning of base building systems). The Landlord will evaluate specific commissioning standards at each [3 year] interval, and update the standards as appropriate. At a minimum, recommissioning will address heating, ventilating, air conditioning and refrigeration (HVAC&R) systems and associated controls, lighting and lighting controls, plug loads, and domestic hot water systems.

The Landlord shall share the results of the recommissioning with the Tenant. The recommendations of the recommissioning will be promptly undertaken by Landlord as an Operating Expense.”

(Source: [IMT](#))

Variation 2 - RCx Standards

“Landlord shall incorporate recommissioning requirements to verify that the installation and performance of energy consuming systems meet project requirements. Recommissioning shall occur every 3 years at a minimum. Recommissioning shall comply with ASHRAE Guideline 0.2 (for initial commissioning and retro-commissioning of base building systems) or ASHRAE Guideline 202 (for new commissioning of tenant fit out equipment). Recommissioning shall address at a minimum: heating, ventilating, air conditioning and refrigeration (HVAC&R) systems and associated controls, lighting and lighting controls, and domestic hot water systems. Commissioning and a written report should be provided triennially. Tenant shall triennially commission the energy using equipment in its premises, including plug loads. Opportunities for efficiency shall be coordinated between both parties.”

(Source: [GSA](#))

Variation 3 - Split RCx Responsibilities

“Landlord shall perform a retrocommissioning study of base building systems that consume energy or water every [3] [5] year(s). Tenant shall perform a retrocommissioning study of the equipment (including plug loads) installed by it in the leased premises every [3] [5] year(s). Within [2] [3] months after the conclusion of their respective retro-commissioning studies, each party shall start to implement recommendations identified by the retro-commissioning study that are deemed cost effective. For purposes of this Section, the term “cost effective” means an improvement that will result in substantial operational cost savings by reducing electricity or fossil fuel consumption, water, or other utility costs and where such operational cost saving over the then-remaining term of this lease (or some other period of time that is mutually acceptable) is sufficient to pay the incremental additional costs of making the improvements.” [Alternative:] “Perform commissioning of energy systems within the space (including, without limitation, lighting, HVAC, electrical and plug loads) to ensure design optimizes performance and systems are constructed and function per efficient design.”

(Source: [GSA](#))

Variation 4 - Commissioning Standards for New Installations

“All installations of resource-consuming equipment or systems in the Base Building and in Tenant space should meet [X] standard whether they are installed by Tenant or Landlord. This provision should apply to fit-out of new space as well as replacements in currently leased space.”

(Source: [NRDC](#))

► Tenant Language

Variation 1 - Tenant Space RCx

“Tenant has a reciprocal obligation to retrocommission its space every [X] years.”

[Drafting Note: Three years between retrocommissioning studies is optimal; five years the outer limit. A basic energy and operational audit of lighting, plug loads, data centers, and supplemental HVAC may be a better alternative to retrocommissioning in tenant-leased space, particularly for smaller tenants. Update language accordingly.]

(Source: [NRDC](#))

Variation 2 - Tenant Implementation of RCx Measures with Cost Cap

“The Tenant has a reciprocal obligation to implement recommendations of the retrocommissioning study up to an agreed upon cumulative dollar value.”

(Source: [NRDC](#))

► Landlord Language

Variation 1 - Landlord Implementation of RCx Measures

“Within an agreed upon timeframe, the Landlord should implement the recommendations of the retrocommissioning study that cumulatively do not exceed an agreed upon dollar value so long as the recommendations do not violate the terms of any other existing lease obligations.”

(Source: [NRDC](#))

RENEWABLE ENERGY

As the cost of renewable energy technologies, such as solar panels, declines, landlords and tenants are increasingly positioned to invest in these technologies. By including financing, installation, and operational responsibilities within the lease, both parties can invest in renewables with confidence.

May be applicable for Green Lease Leaders credit: Landlord Credit 9, Tenant Credit 6

► Landlord and Tenant Language

Variation 1 - 100% Renewable Electricity Procurement

[Landlord’s Obligations:]

- I.** “Electricity Supply
 - a.** The Landlord shall procure electricity for the Premises that is 100% Renewable Energy.
 - b.** The Landlord shall provide the Tenant on demand with appropriate documentation to evidence the energy sources used to generate electricity for the Premises.”

[Tenant’s obligations:]

- II.** “Electricity Supply
 - a.** If the Tenant procures any electricity for the Premises, it shall be 100% Renewable Energy.
 - b.** Tenant shall provide the Landlord on demand with appropriate documentation to evidence the energy sources used to generate any electricity procured by the Tenant.”

(Source: [The Chancery Lane Project](#))

Variation 2 - Tenant On-site Solar Installation

[Tenant perspective:] “Tenant may install solar panels on the building and Tenant is entitled to all benefits to be derived from such installation including any incentives and credits and any revenues resulting from power generation.”

[Landlord perspective:] “Tenant shall be entitled to place electrical generating equipment on the Building’s roof pursuant to the terms and conditions set by the Landlord. All of the terms of this Lease shall be applicable to Tenant’s Generating Equipment as if the Generating Equipment were part of the Premises, but Tenant acknowledges that the Generating Equipment is not part of the Premises. The Generating Equipment and rooftop shall not be used for any other purpose without Landlord’s written consent. Tenant shall bear all of the cost and expense of designing, purchasing, installing, operating, maintaining, repairing, removing and replacing the Generating Equipment, and for repairing and restoring any damage to the Building or to Landlord’s or any other person’s or entity’s property arising from it. The Generating Equipment shall be installed and maintained by Tenant in a manner reasonably acceptable to Landlord. Nothing herein grants Tenant any right to access the roof of the Building unless accompanied by an employee of the Building Manager or other representative of Landlord, except that access shall be permitted in emergencies. Tenant’s rights to place Generating Equipment on the rooftop are non-exclusive.”

(Source: [IMT](#))

Variation 3 - Renewable Energy Credit (REC) Sharing Agreement

“The Landlord and Tenant agree to coordinate on sustainability disclosures and emissions reporting to ensure consistency and accuracy. Each Party shall notify the other of any intended public claims related to renewable energy use or emissions reductions that may involve

sharing building systems or infrastructure.

If the Landlord procures RECs on behalf of the Tenant, the parties shall enter into a separate agreement outlining [or explicitly outline] REC ownership, retirement responsibilities, and reporting rights to ensure compliance with the Greenhouse Gas Protocol and to avoid double counting.”

(Source: [RE Tech Advisors](#))

► Landlord Language

Variation 1 - Minimum Renewable Electricity Percentage

“At least [50/100] percent of [the building’s] [Tenant’s] electricity shall be purchased from renewable sources. Where direct green power purchasing is not available from the utility, utilize renewable energy credits (RECs) or carbon offsets. For the purposes of this lease, “renewable sources” [shall] [shall not] include nuclear-generated power.”

(Source: [GSA](#))

Variation 2 - Landlord Ownership of On-site RECs

“The landlord retains all rights, title, and interest in and to any and all renewable energy certificates (RECs) generated by any on-site renewable energy system installed on the Leased Premises, including but not limited to solar photovoltaic panels, wind turbines, or other similar systems.”

(Source: [RE Tech Advisors](#))

Variation 3 - Tenant Waiver of REC Ownership

“The Tenant acknowledges and agrees that they have no right to, and shall not make any claim to, the renewable energy credits (RECs) generated by the Landlord’s renewable energy system, unless specifically authorized in writing by the Landlord.”

(Source: [RE Tech Advisors](#))

Variation 4 - Landlord Right to Retire RECs

“The Landlord shall have the exclusive right to retire renewable energy credits (RECs) generated by the on-site renewable energy system and to make any environmental or green energy claims associated with such retirement.”

(Source: [RE Tech Advisors](#))

Variation 5 - Landlord’s Use of REC Revenue

“Any revenue or financial benefit derived from the sale of renewable energy credits (RECs) generated by the on-site system shall belong exclusively to the Landlord. This revenue may be used by the Landlord for any purpose, including but not limited to, maintenance of the renewable energy system, capital improvements, or as a return on the Landlord’s investment.”

(Source: [RE Tech Advisors](#))

► Tenant Language

Variation 1 - Separate REC Purchases

“Nothing in this lease shall prevent the Tenant from separately purchasing and retiring renewable energy credits (RECs) from the open market to offset their own electricity consumption. In such a case, the Tenant shall be solely responsible for the costs associated with such purchases and retirement and shall not use the Landlord’s renewable energy system or its RECs as a basis for any such claim.

The Tenant acknowledges that the Landlord’s use and retirement of RECs and the Tenant’s separate REC purchases (if any) are distinct and separate activities. The Tenant may, at its sole discretion, procure and retire RECs to offset the electricity consumption within its leased premises. The Tenant shall retain all environmental attributes and associated rights of any RECs it purchases or retires, including the right to claim reductions in greenhouse gas emissions or renewable energy use for sustainability reporting purposes.”

(Source: [RE Tech Advisors](#))

► Green Lease Language in Action

Below is an excerpt from a lease of Principal Asset Management, a global asset manager. This language clearly outlines ownership of any credits related to offsets or efficiency projects received for a property.

OWNERSHIP OF SUSTAINABILITY-RELATED CREDITS OR ENTITLEMENTS

“Any carbon offset credits, renewable energy credits, tradeable credits, energy saving certifications, rebates, incentives, offsets, allowances, or other similar entitlements, now or hereafter existing “Renewable Credits” received by the Premises or by landlord and applicable to the Premises shall belong to the Landlord except to the extent, if any, to which Tenant may be entitled to them under applicable law, in which event Tenant shall be entitled to the Renewable Credits to the extent required by law.”

- Principal Asset Management

WATER PERFORMANCE REQUIREMENTS

WATER EFFICIENCY

Water efficiency supports reduced operating costs, resource conservation, and improved building performance. Including water performance and reporting provisions in a lease helps landlords and tenants track usage, identify efficiency opportunities, and support ongoing water and energy savings.

May be applicable for Green Lease Leaders credit: Landlord Credit 5, Landlord Credit 10, Tenant Prerequisite 2

► Landlord and Tenant Language

Variation 1 - Annual Energy and Water Performance Review

“Landlord and Tenant shall meet annually and review energy and water use data, recommissioning outputs and recommendations and the effectiveness of efficiency programs and mutually establish an energy optimization plan, including energy management and cost effective savings opportunities for the building and the leased premises. Annual reports shall be produced summarizing both tenant and landlord efficiency efforts. Tenant and Landlord shall work together to attain third party green building certifications.”

(Source: [GSA](#))

Variation 2 - Data Sharing

“Tenant shall be required to submit on a(n) [monthly, quarterly, annual] basis to Landlord energy and water consumption data, including total usage and total charges as they appear on Tenant’s electric, gas, water, and other utility bills, in a format deemed reasonably acceptable by Landlord. Landlord agrees to provide, at Tenant’s request, building level energy and water consumption, as well as (if applicable) the ENERGY STAR® score of the building.”

(Source: [IMT](#))

Variation 3 - Annual Sustainability Reporting

“Landlord shall: Publish an annual report on Green Lease and sustainability measures. This shall include monthly measurements of building energy and water use, and shall include annual targets for those measures.

Tenant shall: Give Landlord access to data on unit energy and water use for annual reports.”

(Source: [A Better City](#))

Variation 4 - WaterSense Requirement for New and Replacement Installations

“For new installations and whenever plumbing fixtures are being replaced, all [common space] [tenant space] fixtures must conform to EPA WaterSense or fixtures with equivalent flush volumes must be utilized.”

(Source: [GSA](#))

Table 1: WaterSense flow rates

Fixture	Maximum flow rate per WaterSense
Showerhead	2.0 gallons per minute
Toilets	1.28 gallons per flush
Bathroom sink faucets	1.5 gallons per minute
Urinals	0.5 gallons per flush

► Landlord Language

Variation 1 - Water Data Reporting and ENERGY STAR® Portfolio Manager® Access

“Landlord shall provide regular [annual] [quarterly] reports for the amount of water consumed at the building and cost per month for the duration of this lease. If such data is not available or is confidential, estimated water use per tenant may be provided along with the basis for the estimate. Where applicable (i.e., ENERGY STAR® certified buildings), Landlord shall enter water use and cost data into ENERGY STAR (Portfolio Manager) and provide read-only access to tenant of the building’s Portfolio Manager account. Where applicable, the Tenant shall provide read-only access to Landlord of the building’s Portfolio Manager account.”

(Source: [GSA](#))

Variation 2 - Chilled Water Temperature Setpoints

“Chilled water provided to Tenant should not be colder than [X].

[*Drafting Note:* Recommendation is 50° F in the winter; 44° F in the summer. Specifications of tenant or landlord equipment may require adjustment of the recommended temperatures. The tenant and landlord should consider whether an upper bound is necessary.]”

(Source: [NRDC](#))

Variation 3 - Condenser Water Temperature Setpoints

“Condenser water provided to the Tenant should be permitted to drop as low as [x degrees] in the winter and to rise as high as high as [X degrees] in the summer.”

[*Drafting Note:* Recommendation is 65° F in the winter; and 85° F in the summer. Modulating condenser water temperature can offer substantial energy savings. When outdoor air conditions permit, many—but not all—systems can handle a lower condenser water temperature and operate much more efficiently. Investigation of building systems should ascertain whether the recommended temperatures can be effectively applied in a given building. Update language accordingly,]

(Source: [NRDC](#))

WATER MANAGEMENT BEST PRACTICES

Outdoor common areas should not be overlooked when factoring in water savings. Landscaping, and irrigation systems can impact the bottom line, too.

May be applicable for Green Lease Leaders credit: Landlord Credit 16, Tenant Credit 12

► Landlord and Tenant Language

Variation 1 - Non-Potable Irrigation

“If any irrigation is necessary on site, the source shall be non-potable water.”

(Source: [GSA](#))

► Landlord Language

Variation 1 - Rainwater and Greywater Irrigation

“Irrigation systems shall be fed only with captured rainwater, grey water, 314 or on-site treated water. Irrigation systems shall be controlled by rain gauges or soil moisture sensors to eliminate unnecessary irrigation during or after rain events.”

(Source: [BOMA Green Lease Guide](#))

Variation 2 - Native and Adaptive Landscaping

“Landlord shall landscape the site with plants that are either native or well-adapted to local growing conditions, as selected or approved by a landscape design professional.”

(Source: [GSA](#))

Variation 3 - Smart Irrigation Controls

“Landlord shall utilize irrigation technologies at the lowest rate required to keep plants healthy. Irrigation systems will be controlled by rain gauges or soil moisture sensors to eliminate unnecessary irrigation during or after rain events.”

(Source: [GSA](#))

MATERIALS, WASTE, AND OPERATIONAL PRACTICES

FIT-OUT AND BUILDING REQUIREMENTS

Construction, retrofitting, remodelling, and tenant turnover are all opportunities to designate fit-out and maintenance requirements. Sustainable purchasing lease clauses help set standards for choosing environmentally conscious resources.

May be applicable for Green Lease Leaders credit: Landlord Credit 8, Tenant Credit 5

► Landlord and Tenant Language

Variation 1 - Environmentally Preferable Purchasing Standards

“Landlord and Tenant shall comply with the following Environmentally Preferable Purchasing Policy when procuring furniture, fixtures, carpeting, materials, supplies, appliances, and equipment to be brought into the Building and Premises, which requires that each use, when reasonably practical:

- ENERGY STAR®-qualified office equipment, electronics, appliances including refrigerators,
- Products containing pre-consumers and post-consumer materials,
- Products containing rapidly renewal material,
- Products containing Forest Stewardship Council-certified wood,
- Products harvested or processed, or extracted and processed within 500 miles of the Building,
- High-efficiency, low mercury content lamps that maintain an overall average of less than 90 picograms of mercury per lumen hour,
- Compact Fluorescent Lamps that comply with the National Electrical Manufacturers Association,
- Low- or no-volatile organic compound (VOC) furniture, furnishing or composite wood products that contain no urea-formaldehyde,
- Low- or no-VOC paints, adhesives, solvents or other such materials meeting Green Seal Standard GS-11 or equivalent. The use of sprayed paint is prohibited,
- Salvaged, refurbished or reused materials, furniture.”

(Source: [A Better City](#))

Variation 2 - ENERGY STAR® Equipment and Sustainable Materials

“[Landlord/Tenant] Shall:

- I. Purchase ENERGY STAR® or comparably efficient appliances for the building and/or unit.

Landlord shall:

- I. Protect indoor air quality by using low-volatile organic compound (VOC) paints and carpets and requiring office cleaners to use “green” and non-toxic cleaning products and providing appropriate plants in common areas.”

(Source: [A Better City](#))

Variation 3 - Landlord Sustainability Standards

[Tenant Perspective:] “Any and all Tenant Improvement Work and/or Alterations will be performed in accordance with Landlord sustainability practices that the Tenant has accepted as part of the lease agreement, including any agreed upon third-party rating system concerning the environmental compliance of the Building or the Premises, as the same may change from time to time.”

(Source: [A Better City](#))

Variation 4 - Low-Emitting Materials Requirements

“Use low-emitting building products, wet-applied products, and furniture that are third party certified. Building products, wet-applied products and furniture used in the build-out [of the leased premises] [of all tenant space in the building] shall meet or exceed the following emission standards and requirements. Product content information shall be submitted to the [Tenant] [Landlord].”

(Source: [GSA](#))

Variation 5 - Review of Alterations Affecting Environmental Performance

“Before making any alterations to the Premises or to the plant, equipment or services within and serving the Premises which alterations [may/will] adversely affect the Environmental Performance of and/or any energy performance certificate (EPC) rating of the Premises and/or the Building the Tenant shall:

- I. Provide sufficient information to the Landlord in writing and wait a reasonable period before commencing the works so as to enable the Landlord to assess the potential adverse effects of the proposed alterations.
- II. Consider [and, where reasonable, implement] any [reasonable] suggestions which the Landlord makes to [avoid/minimize] any such potential adverse effects of the proposed alterations.”

(Source: [A Better City](#))

Variation 6 - Mutual Alignment on Sustainable Operations

[Tenant perspective:] “The Tenant agrees to conduct its operations in the Building and within the Premises in accordance with the following provisions: The Tenant shall ensure that all work done within the Premises by the Tenant or its representatives shall be undertaken in accordance herewith and with the Landlord’s sustainability goals. The Landlord agrees to make reasonable effort to conduct building operations in accordance herewith and with the Tenant’s sustainability goals.

Landlord perspective: Before making any alterations to the Premises or to the plant, equipment or services within and serving the Premises which alterations (may/will) adversely affect the environmental performance of and/or any energy performance rating of the Premises and/or the Building the Tenant shall:

- I. Provide sufficient information to the Landlord in writing and wait a reasonable period before commencing the works so as to enable the Landlord to assess the potential adverse effects of the proposed alterations
- II. Consider (and, where reasonable, implement) any (reasonable) suggestions which the Landlord makes to [avoid/minimize] any such potential adverse effects of the proposed alterations.”

(Source: [IMT](#))

Variation 7 - ENERGY STAR® Equipment and Plug Load Controls

“All Tenant equipment and appliances shall be ENERGY STAR® certified and energy savings modes must be activated. Such equipment shall include, but is not limited to, computers, external displays, imaging equipment, phones, enterprise servers, network equipment, data center storage units, refrigerators, freezers, dishwashers, vending machines and coffee makers. All central heating, ventilation, and air conditioning (HVAC) units shall be ENERGY STAR certified and (where possible) utilize variable speed compressors, fans, and pumps that are appropriately sized for the heating and cooling loads.”

[Alternative:] “Reduce plug loads by specifying equipment and appliances (including, without limitation, computers, monitors, printers, refrigerators, dishwashers, water coolers, copiers, and A/V and IT equipment) that meet or exceed ENERGY STAR requirements.”

(Source: [GSA](#))

► General Lease Language

Variation 1 - Engineer Verification of Fit-Out Compliance

“The engineer on record must verify that the Tenant fit-out design meets the specified requirements.”

(Source: [IMT](#))

► Tenant Language

Variation 1 - Low Volatile Organic Compound (VOC) Material Requirements

“The Tenant agrees to conduct its operations in the Building and within the Premises in accordance with the following provisions:

- I. The Tenant shall ensure that all work done within the Premises by the Tenant or its representatives shall be undertaken in accordance herewith and with the Tenant Construction Manual. Notwithstanding the foregoing, the Tenant shall specify that all paints, sealants, and adhesives used or to be used within the Premises meet EcoLogo, Green Seal, South Coast Air Quality Management District regulations, MPI Green Performance Standards or equivalent so as to ensure no or low emissions of VOCs within the Building. Landlord may from time to time conduct tests to measure VOCs within the premises.”

(Source: [A Better City](#))

Variation 2 - High-Efficiency Interior Water Fixtures

“Tenant shall maintain maximum fixture water efficiency within the building to reduce the burden on potable water supply and wastewater systems. Faucets, shower heads, toilets, and urinals must be low-flow. The total water efficiency of all interior fixtures shall be at least 20 percent more efficient than the baseline set by the Energy Policy Act of 1992. When available, Tenant shall install products certified by the U.S. Environmental Protection Agency’s WaterSense program.”

(Source: [IMT](#))

LEED® AND GREEN GLOBES® CLAUSES

LEED® and Green Globes® are two of the leading energy efficiency building certification systems. Both landlords and tenants benefit from incorporating these certifications into a lease for all design, construction, and operations of a property.

► Landlord and Tenant Language

Variation 1 - Lighting Efficiency Threshold and Certified Professional Review

“Landlord’s approval of Tenant’s proposed Space Plan, Working Drawings, or Change Order shall not be unreasonably withheld, conditioned or Delayed; provided, however, that Landlord shall not be deemed to have unreasonably withheld its approval of any Space Plan, Working Drawings or Change Order that: Does not reflect a ten percent (10%) efficiency improvement in tenant buildout lighting efficiency over minimum code. Tenant further agrees to engage a qualified third party LEED® or Green Globes® Accredited Professional or similarly qualified professional during the design phase through implementation of any Tenant Improvement Work and/or Alterations to review all plans, material procurement, demolition, construction and waste management procedures to ensure they are in full conformance to Landlord’s sustainability practices, as aforementioned.”

(Source: [IMT](#))

Variation 2 - Third Party Certification-Aligned Tenant Improvements

“Any and all Tenant Improvement Work and/or Alterations will be performed in accordance with Landlord’s sustainability practices that Tenant has accepted as part of the lease agreement, including any agreed upon third-party rating system concerning the environmental compliance of the Building or the Premises, as the same may change from time to time.”

[Optional:] “Tenant further agrees to engage a qualified third party LEED® or Green Globes® Accredited Professional or similarly qualified professional during the design phase through implementation of any Tenant Improvement Work and/or Alterations to review all plans, material procurement, demolition, construction and waste management procedures to ensure they are in full conformance to Landlord’s sustainability practices, as aforementioned.”

(Source: [IMT](#))

WASTE MANAGEMENT AND RECYCLING BEST PRACTICES

Waste management and recycling lease clauses can decrease the amount of waste sent to the landfill, increase salvaged material, and ensure non-traditional waste types, such as compost, electronics, and metals, are disposed of efficiently.

May be applicable for Green Lease Leaders credit: Landlord Credit 10, Tenant Prerequisite 2

► Landlord and Tenant Language

Variation 1 - Waste Reduction and Segregation Requirements

“The Landlord in respect to Waste it produces and the Tenant in respect to Waste it produces must [use [all] reasonable endeavours to]:

- I. Minimize the amount of Waste which is sent to landfill;
- II. Salvage as much Waste as reasonably practicable; and
- III. Provide or procure an appropriate Waste segregation system, and ensure that Waste is segregated in accordance with the Waste segregation system. In the case of the Tenant, properly use any Waste segregation system provided by the Landlord.”

(Source: [Better Buildings Partnership Green Lease Toolkit](#))

Variation 2 - Building-wide Recycling Infrastructure

“Landlord shall set up a building-wide infrastructure for materials recycling and supply a “Single Stream” bin to Tenant for paper, metals, and plastics. Landlord shall also provide electronics disposal bins for computers, etc. Tenant shall use best efforts to recycle by separating waste stream into Single Stream (paper, plastic, metals) and dispose of all electronic items (cell phones, computers, etc.) in designated bins.”

(Source: [A Better City](#))

► Tenant Language

Variation 1 - Tenant Participation in Recycling Program

- I. “The Tenant shall place all refuse and recyclables in the receptacles provided by the Tenant in the Premises or in the receptacles (if any) provided by the Landlord for the Building, and shall otherwise keep the Lands and the Building and the sidewalks and driveways outside the Building free of all refuse.
- II. The Landlord shall be entitled to refuse to collect refuse and recyclables if not properly sorted into the appropriate recyclable container, and the Landlord shall be entitled to charge the Tenant for any costs it incurs as a result of the Tenant’s failure to comply with the building recycling program.”

(Source: [IMT](#))

BUILDING CLEANING AND MAINTENANCE

Building cleaning and maintenance tools, materials, equipment, and products can impact energy efficiency, air quality, and tenant health in a building. Landlords should not overlook this category.

May be applicable for Green Lease Leaders credit: Landlord Credit 14, Tenant Credit 10

► Landlord and Tenant Language

Variation 1 - Green Cleaning Policy and Products

“Should Tenant be permitted to undertake its own cleaning of the Premises, Tenant shall adopt a low environmental impact cleaning policy and shall use only cleaning equipment that reduces impacts on indoor air quality.

Without limiting the foregoing, Tenant shall use sustainable cleaning chemicals that meet the Green Seal GS-37 or the U.S. Environmental Protection Agency’s Design for the Environment standards. For cleaning purposes, Tenant shall use micro-fiber wipes, dust cloths and dust mops in place of paper wipes (and where paper products are used, Tenant shall use products that contain at least 30 percent recycled content and which are recyclable). When chemicals for which the GS-37 or a U.S. Environmental Protection Agency’s Design for the Environment rating are not applicable, the chemicals shall be durable, slip resistant and free of zinc (metal-free) and compliant with the Green Seal GS-40 Standard and/or CCD-147. Carpet care products shall meet the requirements of the Green Seal GS-37 Standard and/or CCD-148. Use of hand soaps that do not contain antimicrobial agents, except where required by health codes, and that meet Green Seal GS-41 Standard, is required. Proper training of maintenance personnel in the hazards, use, maintenance and disposal of cleaning chemicals, dispensing equipment and packaging is required.

Tenant shall provide documentation that this policy has been followed, showing specifications for chemicals used, dates and activities associated with cleaning maintenance, and dates and outline of cleaning worker training. Tenant shall ensure that any cleaning contracts entered into by it require the cleaning contractor to comply with elements of any environmental management plan adopted by Landlord.

Tenant shall ensure the cleaning contractor properly understands and is trained in the maintenance of specialized green facilities. Landlord reserves the right to approve, acting reasonably, any Tenant cleaning contractor or cleaning contract, but without liability on the part of Landlord.”

(Source: [BOMA Green Lease Guide](#))

Variation 2 - Cleaning Product Disclosure and Training

“Landlord and Tenant shall submit product content information to the other party:

- I. Product data sheets for all cleaning products to be used within the leased premises before each such product is used, including reference to Standard Requirements in [Q4B].
- II. Material Safety Data Sheet (MSDS) or other equivalent documents upon request for cleaning products listed in this lease.
- III. Annual certification that all staff have received green cleaning program training.”

(Source: [GSA](#))

Variation 3 - Approved Green Cleaning Products and Training

“[Landlord] [Tenant] [Landlord and Tenant] [Landlord and all tenants of the building] shall use only cleaning products (including general purpose cleaners, floor cleaners, hand soap, etc.) that meet, are equivalent to, or exceed the following emission standards and requirements. Product content information shall be submitted to the [Tenant] [Landlord].

Table 1. Cleaning Products

Standard Requirements	Applicable Certifications/Labels
Green Seal® Standard GS-42	Green Seal® Certification UL ECOLOGO US EPA Design for the Environment (DfE)

The plan shall require the entity executing the cleaning/environmental services contract(s) and program to provide green cleaning program training to all cleaning/environmental services staff and/or contracted cleaning/environmental services company personnel (i.e., provide training to all new staff upon hire, updated training for new cleaning/environmental services contract providers and/or processes, and annual refresher course for all staff; contract or direct hire).”

(Source: [GSA](#))

SOCIAL IMPACT AND STAKEHOLDER ENGAGEMENT

SOCIAL IMPACT

The lease is also an opportunity to collaborate and create a healthy and safe environment for building occupants and for the immediate community.

May be applicable for Green Lease Leaders credit: Landlord Credit 14, Tenant Credit 10

► Landlord and Tenant Language

Variation 1 - Ethical Labor and Social Impact Cooperation

“The Landlord and the Tenant will cooperate with each other in responding to occasional surveys related to social impact.

In performing their obligations under this Lease, the Landlord and the Tenant must comply with all applicable anti-slavery and human trafficking laws, Acts, regulations, rules and codes from time to time in force including the Modern Slavery Act 2015 and must so far as is reasonably practicable procure that any contracts entered into with contractors and other third parties employed to deliver goods and/or services to or at the Premises [and the Building] contains similar obligations.”

(Source: [Better Buildings Partnership Green Lease Toolkit](#))

Variation 2 - Social Impact Surveys and Community Practices

“The Landlord and the Tenant will cooperate with each other in responding to occasional surveys related to Social Impact.

In performing their obligations under this Lease, the Landlord and the Tenant must comply with all applicable anti-slavery and human trafficking laws, acts, regulations, rules and codes from time to time in force including the Modern Slavery Act 2015 and must so far as is reasonably practicable procure that any contracts entered into with contractors and other third parties employed to deliver goods and/or services to or at the Premises [and the Building] contain similar obligations.

The Tenant will have regard to and where practicable comply with:

- I.** The workplace coordination policies to maximize employment and skills opportunities within [the Building] [and any other premises forming part of the Landlord’s portfolio within the vicinity of the Premises] and any other reasonable local employment and skills initiatives implemented by the Landlord and advised to the Tenant from time to time;
- II.** The diversity and inclusion policies designed to improve accessibility to Lettable Units [in the Building] [and any other premises forming part of the Landlord’s portfolio within the vicinity of the Premises] implemented by the Landlord and advised to the Tenant from time to time;
- III.** The delivery consolidation policies operated by the Landlord to reduce congestion in the vicinity of the Premises and advised to the Tenant from time to time in relation to the delivery of stock and other items to the Premises; and
- IV.** The policies designed to minimize food waste and encourage sustainable business [in the Building] [and any other premises forming part of the Landlord’s portfolio within the vicinity of the Premises] implemented by the Landlord and advised to the Tenant from time to time.”

(Source: [Better Buildings Partnership Green Lease Toolkit](#))

STAKEHOLDER ENGAGEMENT

Engagement is key for a successful landlord-tenant partnership. The lease can be used to establish a cadence and means of communication.

May be applicable for Green Lease Leaders credit: Landlord Credit 11, Landlord Credit 13, Tenant Credit 9

► Landlord and Tenant Language

Variation 1 - Annual Sustainability Engagement Meetings

“The Landlord and the Tenant agree in good faith to engage as often as is reasonably required (and in any event at least once a year) to ensure that there is effective communication between them in relation to:

- Considering the adequacy and improvement of data sharing on the environmental performance of the Premises [and the Building];
- Reviewing and agreeing on targets and strategies to improve the environmental performance of the Premises [and the Building];
- Agreeing on targets and strategies for a travel plan; and
- [Discussing and agreeing on strategies to improve the social impact of the Premises [and the Building]].

Communication may include establishing a forum or equivalent mechanism (with other interested parties, if applicable) that provides an appropriate means of dialogue and exchange of views, whether by meeting in person or not, to which all parties with an interest in or involvement with the Building can be invited.

Where any of the issues to be considered or reviewed or agreed in the forum relate exclusively to the Premises, either the Landlord or the Tenant may request that these are discussed between them and their authorized agents only and not with other permitted participants in the forum.”

(Source: [Better Buildings Partnership Green Lease Toolkit](#))

► Landlord Language

Variation 1 - Regular Sustainability Forum Participation

“The Landlord may establish a forum for all parties with an interest in or involvement with the Building (the “Forum”) that will meet on a regular basis to:

- Consider the adequacy and improvement of data sharing on the environmental performance of the lettable units including the Premises [and the Building];
- Review and agree on targets and strategies to improve the environmental performance of the lettable units including the Premises [and the Building];
- Agree on targets and strategies for a travel plan; and
- Discuss and agree on strategies to improve the social impact of the lettable units including the Premises [and the Building].

The forum may take any form that affords an appropriate means of communication and exchange of views, whether by meeting in person or otherwise.

The Landlord and the Tenant will each nominate a suitable person to participate on its behalf in the forum. They will use reasonable endeavours to ensure that their nominee attends and participates in any Forum meetings or discussions of which appropriate advance notice has been given.

[The Landlord and the Tenant may agree to allow third parties to participate in the Forum for a specified period or for a specified purpose.]

[The Landlord will use reasonable endeavours to ensure that a representative of any managing agents appointed by the Landlord attends and participates in any Forum meetings or discussions of which appropriate advance notice has been given.]

Where any of the issues to be considered or reviewed or agreed in the forum relate exclusively to the Premises, either the Landlord or the Tenant may request that these are discussed between them and their authorized agents only (and not with any other permitted participants in the forum)

If no forum is established, the Landlord and the Tenant will promote equivalent mechanisms that provide an appropriate means of dialogue and exchange of views on the environmental performance [and social impact] of the Premises [and the Building], whether by meeting in person or not, to which all parties with an interest in or involvement with the Building can be invited.”

(Source: [Better Buildings Partnership Green Lease Toolkit](#))

Variation 2 - Environmental and Social Impact Forum

“The Landlord must establish a forum for all parties with an interest in or involvement with the Building (the “forum”) to:

- I.** Consider the adequacy and improvement of data sharing on the environmental performance of the lettable units including the Premises [and the Building];
- II.** Review and agree on targets and strategies to improve the environmental performance of the lettable units including the Premises [and the Building] with a view to achieving at least a [X] % reduction of greenhouse gas emissions year on year from the Premises [and the Building];
- III.** Agree on targets and strategies for a travel plan; and
- IV.** Discuss and agree on strategies to improve the social impact of the lettable units including the Premises [and the Building].

The forum may take any form that affords an appropriate means of communication and exchange of views, whether by meeting in person or otherwise.

The forum will meet at least once a quarter and appropriate advance notice of each meeting must be provided by the Landlord, and the Landlord and the Tenant must each nominate a suitable person to participate on its behalf at the forum and must ensure that its nominee attends or participates in any forum meetings or discussions.

[The Landlord and the Tenant may agree to allow third parties to participate in the forum for a specified period or for a specified purpose.]

[The Landlord will use reasonable endeavours to ensure that a representative of any managing agents appointed by the Landlord attends and participates in any forum meetings or discussions of which appropriate advance notice has been given.]

Where any of the issues to be considered or reviewed or agreed in the forum relate exclusively to the Premises, either the Landlord or the Tenant may request that these are discussed between them and their authorised agents only (and not with any other permitted participants in the forum).

The Landlord and the Tenant will encourage other appropriate means of dialogue and exchange of views on the environmental performance and social impact of the Premises [and the Building], whether by meeting in person or not, to which all parties with an interest in or involvement with the Premises [and the Building] can be invited.”

(Source: [*Better Buildings Partnership Green Lease Toolkit*](#))

APPENDIX

ADDITIONAL RESOURCES

About Green Lease Leaders

Launched in 2014 by the Institute for Market Transformation, Green Lease Leaders sets the standard for green leasing best practices. The program provides guidance in leasing practices to advance mutually beneficial landlord-tenant relationships that lead to higher-performing buildings and healthier, more sustainable communities. Green Lease Leaders also provides recognition for companies who utilize green leasing best practices. As of 2025, Green Lease Leaders winners own or manage over 9 billion square feet of space around the world. To learn more, please visit www.greenleaseleaders.com.

About RE Tech Advisors

RE Tech Advisors, a Legence company, offers an integrated suite of solutions designed to monitor and improve building performance, decrease costs, reduce risk, and create lasting value. RE Tech's services are powered by actionable data insights and tailored strategies, backed by experts in reporting frameworks, building policy, carbon accounting, climate risk, and other core sustainability domains. RE Tech collaborates with leading partners—including the U.S. Department of Energy, IMT, BOMA International, and Green Lease Leaders—to strengthen industry standards and accelerate meaningful progress across the built environment. To learn more, please visit www.retechadvisors.com.

About the Institute for Market Transformation

The Institute for Market Transformation (IMT) is a national 501(c)(3) nonprofit organization that envisions a world where buildings dramatically lower greenhouse gas emissions and support our physical, social, and economic well-being. For 30 years, we have advanced this vision through policies, programs, and business practices that scale better buildings in the United States. To learn more, visit imt.org.

Helpful Links

- ▶ [Green Lease Leaders Resource Library](#)
- ▶ [Green Leading Outlook Report](#)
- ▶ [IMT Performance-Based Leasing](#)
- ▶ [Better Buildings Partnership Green Lease Toolkit](#)
- ▶ [BOMA Green Lease Guide](#)
- ▶ [The Chancery Lane Project](#)
- ▶ [Building Energy Exchange Decarbonizing New York City Offices](#)

