Example Lease Clauses & Provisions

The Department of Energy, Institute of Market Transformation, and Berkley National Lab developed the Green Lease Leaders Reference Guide for Landlords that includes example clauses and provisions listed below that landlords can work with tenants to integrate into their leases to establish a collaborative and mutually beneficial landlord-tenant relationship that leads to energy savings.

Provide Sustainability Contact

Example Lease Clause

Landlord and tenant shall provide a point of contact for 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:

Implement Cost Recovery Clause for Energy Efficiency Upgrades that Benefit Tenant

Example Lease Provision

Landlord may include the costs of certain capital improvements [intended to] [that] improve energy efficiency in operating expenses of tenant space. 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.

Disclose Whole Building ENERGY STAR Score to Tenant Annually

Example Lease Provision

Landlord shall provide tenant with the building’s ENERGY STAR score annually. 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.
Require Minimum Energy Efficiency Fit Out for Tenants

**Example Lease Clause**

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, namely the leased space fit-out must meet Environmental Protection Agency’s ENERGY STAR Tenant Space criteria.

Require Tenants to Purchase On-Site Renewables if Offered by Landlord and Competitively Priced

**Example Lease Provision**

Tenants shall purchase energy from on-site renewables as provided by the landlord via a Power Purchase Agreement (PPA). Landlord shall install, own, and maintain the on-site generation and sell power directly to the Tenants at a fixed rate that is at or below electricity rate offered by local utilities. Customer agrees that Provider shall be entitled at any time or from time to time to acquire all of part of the electrical power for the Licensed Area from sources with low and/or zero greenhouse emissions. Additionally, to the extent that Customer pays or reimburses Provider for utility costs in addition to the payment of Base License Fees, Provider acknowledges and agrees that, for the purpose of determining the utility costs payable by Customer, Provider’s actual costs of renewable energy certificates, carbon offsets of other environmental sustainability credits shall be included to the same extent that the utility provider’s costs are included in such determination.

Meter Tenant Spaces Greater than 5,000 Square Feet

**Example Lease Clause**

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 with are separately invoiced and paid by Tenant.

For data center: Customer’s actual power consumption for a Licensed Area as reasonably determined by Provider pursuant to such measurement method or methods as Provider shall employ from time to time (including, without limitation, the use of sub-meters or pulse meters, electrical surveys, engineer’s estimates or a branch circuit monitoring), shall not at any time, exceed the applicable Electricity Capacity Threshold. The power drawn by all of Customer’s Equipment in a Licensed Area shall be included in the determination of Customer’s actual power consumption for such Licensed Area.

Request Annual Tenant Energy Disclosure

**Example Lease Provision**

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.

To the extent that Provider is not in possession of the applicable data, as reasonably determined by Provider, Customer agrees to submit to Provider, upon request from time to time but not more frequently than monthly, energy and water consumption data for the Licensed Area. Without limiting the foregoing, such data shall include total usage, as metered by the metering equipment serving the Licensed Area, and total charges as they appear on the electric, gas, water and other utility bills for the Licensed Area, in a format deemed reasonably acceptable by Provider.