Example Lease Clauses & Provisions

The Department of Energy, Institute of Market Transformation, and Berkley National Lab developed the Green Lease Leaders Reference Guide for Tenants that includes example clauses and provisions listed below that tenants can work with landlords 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:

Require Minimum Energy Efficiency Fit-Out

Example Lease Provision

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.

Request Whole Building ENERGY STAR Score from Landlord Annually

Example Lease Clause

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.
Purchase On-Site Renewables If Offered by Landlord and Competitively Priced

Example Lease Clause
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, Customer 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.

Accept Cost Recovery Clause for Energy Efficiency Upgrades Benefitting Tenant

Example Lease Clause
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.