

Customer Spotlight:

Washington Real Estate Investment Trust Establishes Best-In-Class Energy Program with Enel X

Washington Real Estate Investment Trust (Washington REIT) is the oldest publicly traded real estate investment trust (REIT) in the United States. The Washington REIT portfolio consists of more than 50 assets, including office, retail, and multifamily properties totaling more than 7 million square feet.

The Challenge

Like most leading commercial real estate firms, Washington REIT seeks every opportunity to improve the financial performance of its properties. By partnering with Enel X, Washington REIT has developed a comprehensive energy program that transforms energy from a cost center into a strategic tool to streamline and enhance its buildings' financials and sustainability.

The Solution

Managing Energy Prices and Risk through Strategic Energy Supply Management

Washington REIT first partnered with Enel X in 2008 to support its energy supply management efforts. Working closely with Washington REIT's Real Estate Services division, Enel X energy advisors developed and executed a strategy to minimize costs by purchasing energy through strategically timed block purchases (supplemented with spot market purchases).

Over time the Enel X team has modified Washington REIT's energy supply management strategy to match evolving organizational preferences. The result has been a systematic approach to energy supply management

that ensures budgets stayed on track while also dynamically adapting to the company's tolerance for market risk and price variability. Additionally, the Enel X team delivered accurate energy budgets on a building-by-building basis to Washington REIT property managers, who now incorporate these budgets into financial planning and track against them using quarterly variance reports.

Generating Revenue through Demand Response

Starting in 2009, Washington REIT's Real Estate Services team has also enrolled properties in demand response, and today the company has 21 participating buildings. By selectively curtailing building electric demand for a few hours each summer, the company generates revenue and contributes to grid reliability. The company continues to pursue additional revenue opportunities by increasing curtailment nominations and enrolling additional properties.

Extending Washington REIT's Energy Program to Demand-Side Management

In 2011, Washington REIT began deploying Enel X's energy intelligence software (EIS) to gain visibility into buildings' real-time energy use. Through a combination of interval energy



INDUSTRY

Commercial Real Estate



LOCATION

Properties in MD, VA, DC

consumption data and professional services from a dedicated energy advisor, Enel X's EIS helped Washington REIT better understand energy use patterns and spot anomalies. This visibility allowed Washington REIT to quickly identify opportunities to reduce energy waste and minimize energy costs associated with consumption or demand.

Empowering Individual Property Teams

Washington REIT began to increase individual property team responsibility for energy management in 2015. To ease this transition, Enel X's EIS and advisory services helped ensure that engineers and property managers had the proper tools to effectively manage energy consumption and spend. The software enables reporting on building-specific metrics and goals and provides the ability to quickly identify, measure, and verify opportunities to reduce energy usage and costs. An Enel X energy advisor also works with the property teams to conduct deep-dive analyses into their buildings' energy data.

Establishing Best-in-Class Energy Management Policies

More recently, Enel X advised Washington REIT on selecting energy metrics that will best measure the results of building teams' energy management efforts, while controlling for changes in weather or building occupancy. Using these metrics, Enel X also provided recommendations on building-specific annual goals for each property.

Working with Washington REIT, the Enel X Energy Advisor developed customized monthly property-specific reports to deliver regular updates to Washington REIT property teams on progress towards achievement of energy goals.

The Results

- > Increased visibility into building energy performance, improved budget accuracy and variance tracking, and increased net operating income (NOI)
- > The properties with established energy reduction goals achieved cumulative total of \$390,000 in electricity costs avoided in 2015
- > 94% of properties achieved energy efficiency progress
- > 56% of properties surpassed energy reduction goal
- > \$62,000 in demand response revenue generated
- > 60,000 MWh electricity supply contract executed near 10-year low in rates