



**Better
Buildings®**
U.S. DEPARTMENT OF ENERGY

How Can Brands Partner with Owners on Efficiency?

Better Buildings Summit

Monday May 9

3:45-5

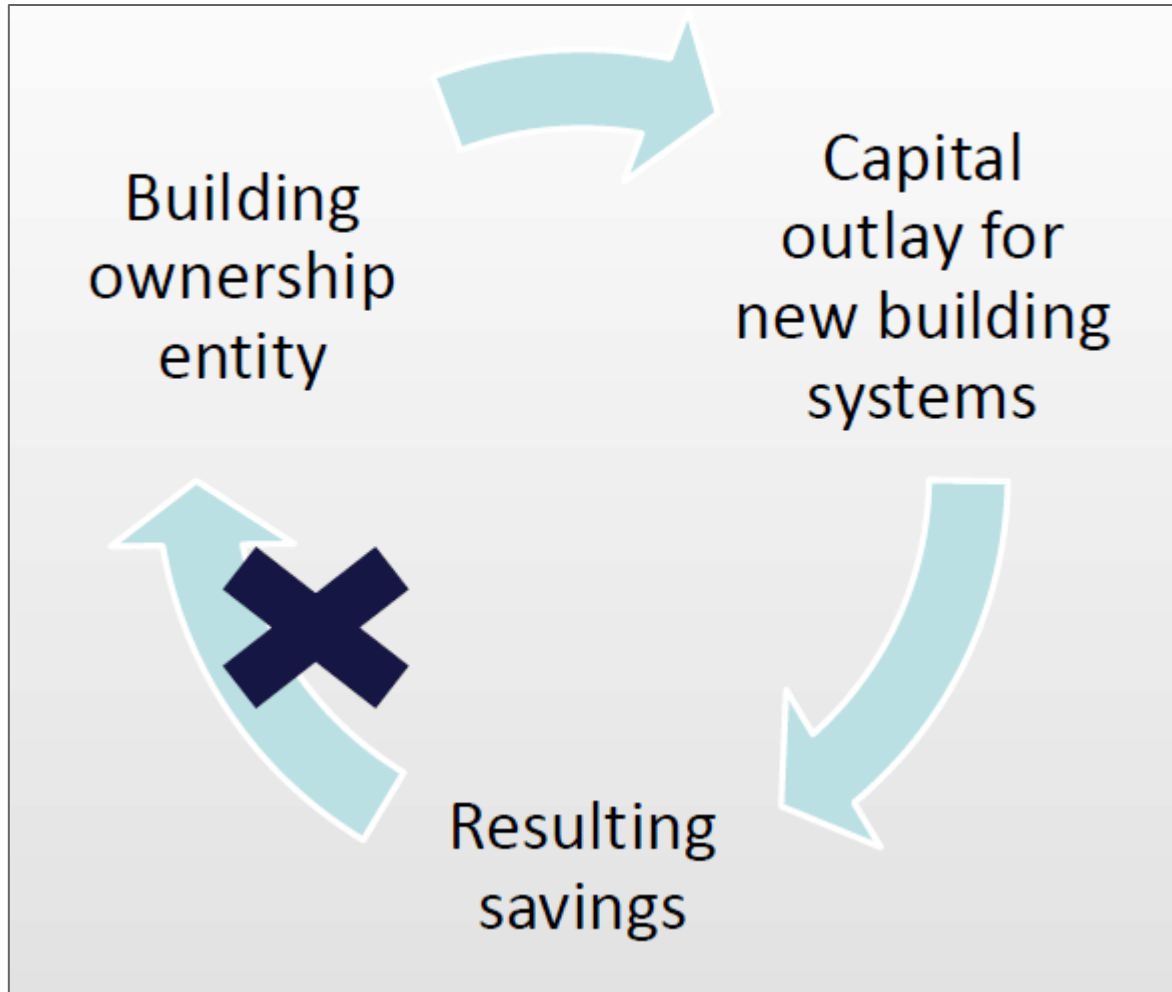
Today's Presenters

- Scott Moline, Manager, Project Engineering at Wendy's
- Laura Troise, Operations Program Manager at HEI Hotels and Resorts
- Andrew Mitchell, US Department of Energy Better Buildings Initiative

Agenda

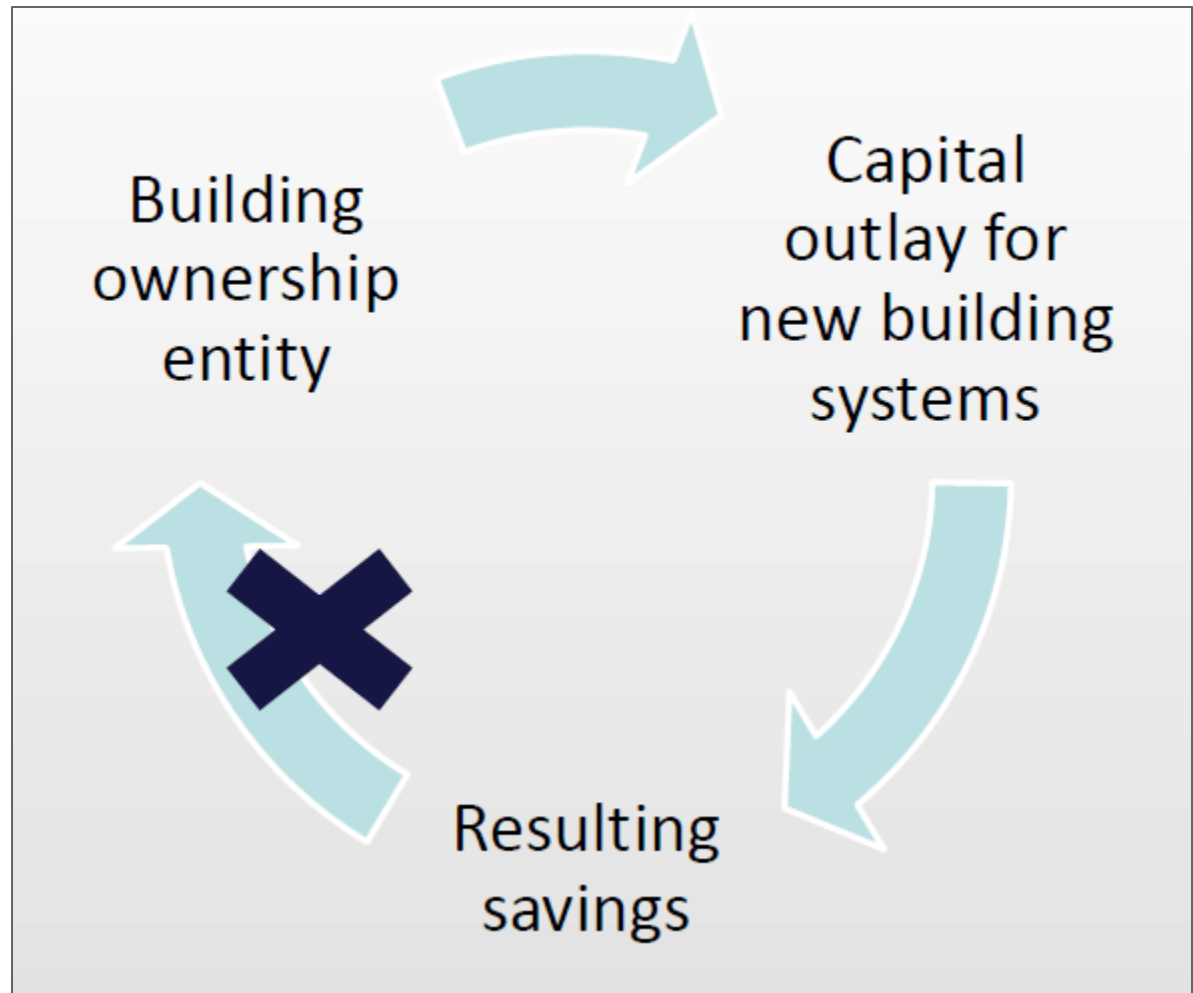
- The challenge of split incentives extends beyond landlord and tenant; it also includes brands and business owners (franchisees)
- The Brand perspective: Wendy's
- The Franchisee perspective: HEI Hotels
- Discussion

Franchisees and the dreaded split incentive



Franchisees and the dreaded split incentive

- What about brand requirements?
- What about tenant sustainability goals?
- What about short term leases?
- What about new ventures?



Better Buildings Resources

Check out the Better Buildings [Solution Center](#):

- Implementation Model from the Tower Company
- Property Assessed Clean Energy (PACE) Program Implementation Model in Milwaukee, WI
- Partner Profile: California Housing Partnership Corporation
- Case Study: Brandywine Realty Trust Overcomes the Split Incentive Barrier and Obtains Tenant Utility Data

Affiliate Resources

Institute for Market Transformation

GREEN LEASE LIBRARY

Welcome to the Green Lease Library, a centralized site for commercial green leasing resources

Guidance

How to develop, negotiate, and implement green leases

[Click Here](#)

Lease Forms & Case Studies

Templates and successful examples of applying green leasing best practices

[Click Here](#)

Government Leasing

Public sector green leasing resources

[Click Here](#)

International

Examples of green leasing outside of the United States

[Click Here](#)





Wendy's

THE WENDY'S COMPANY

How Can Brands Partner with Owners for Energy Efficiency

Scott Moline

May 2016

About Wendy's



Wendy's Corporate Social Responsibility Journey

“I believe everyone has an obligation to put back into life more than what they take out.”

- Dave Thomas



The Franchisee Energy Journey

- **Where to start? Is it real?**
- **What are the opportunities?**
- **What's the business case?**
- **What's the ROI?**



Unlocking Energy Savings

Measurement and Communications can open many doors

If you can't measure something, you can't understand it.

If you can't understand it, you can't control it.

If you can't control it, you can't improve it.



H. James Harrington, Ph.D.
Author and Management Mentor

Wendy's Energy Journey

Knowledge is Power

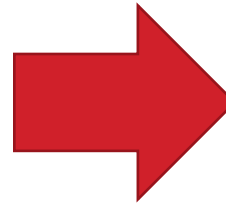
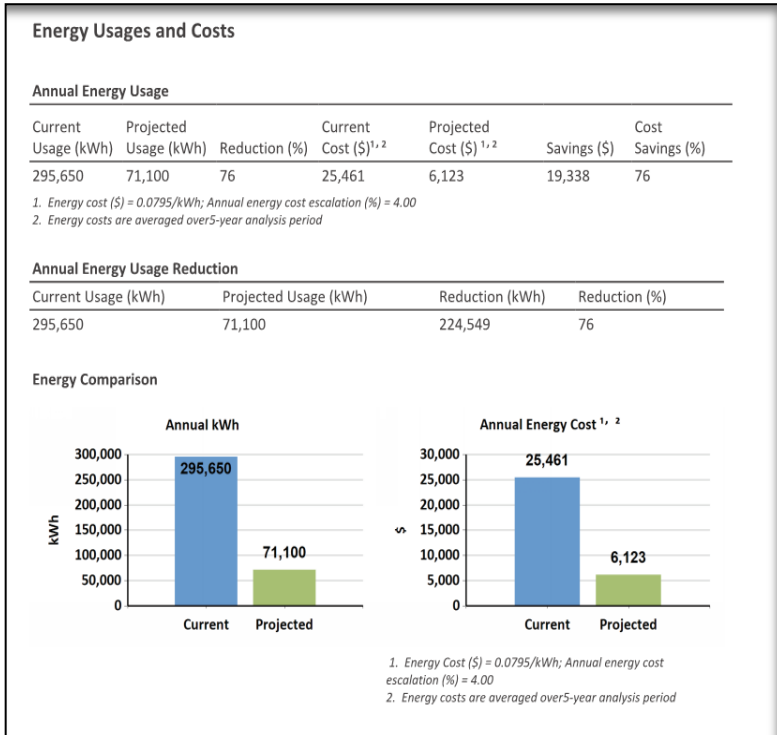
- **Annual Company Restaurant Energy Use: ~549,000 kWh**
- **Average Annual US Home: ~10,900 kWh**
- **Average Wendy's 2012 EUI ~687**
- **Average Wendy's 2015 EUI ~640**



Telling the Technical Story

Enlist Your Suppliers and Other Experts

Good



Better



Telling the Technical Story

Enlist Your Suppliers and Other Experts



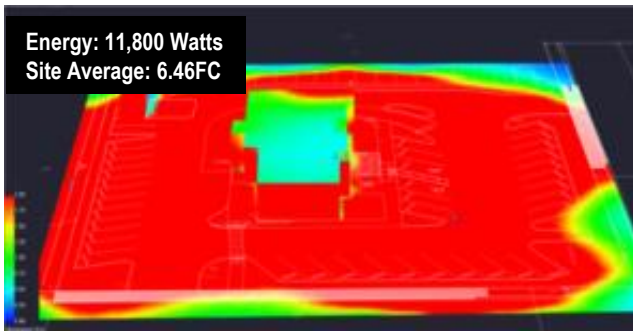
Best

LEADERS
in saving energy
Wendy's

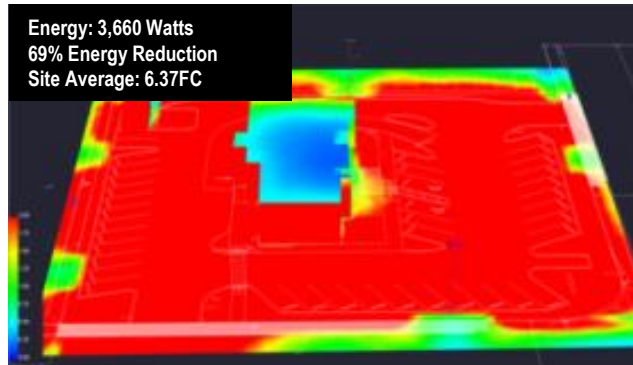
Telling the Technical Story

Enlist Your Suppliers and Other Experts

Existing Lighting (20 Fixtures)



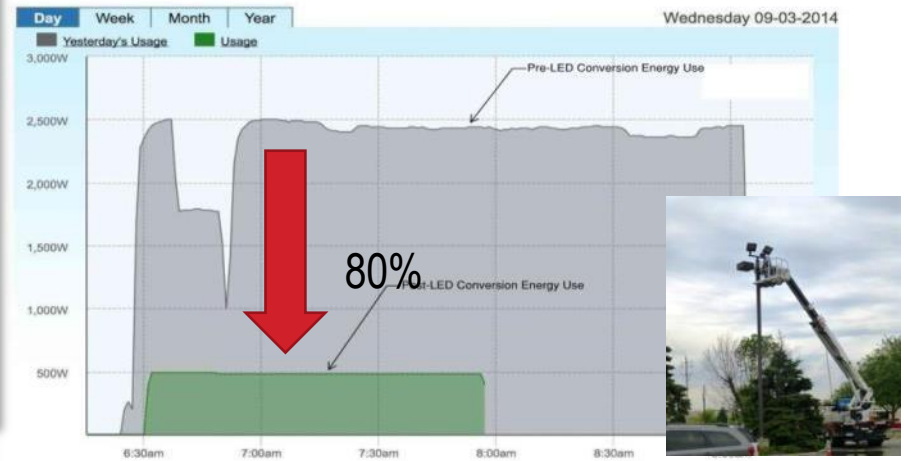
LED Retro-fit Design (10 Fixtures)



- Average 25K kWh per year in energy savings
- Equal to annual power for 2.3 average US homes

Tracking and Validating Projects is critical

Leveraging technology and finding the Perfect Picture



- Finding the appropriate tools to tell the story
- Celebrate the successes
- Join other Challenges



Showing the Difference

Engage the Larger Team in the Discussion and Evaluation



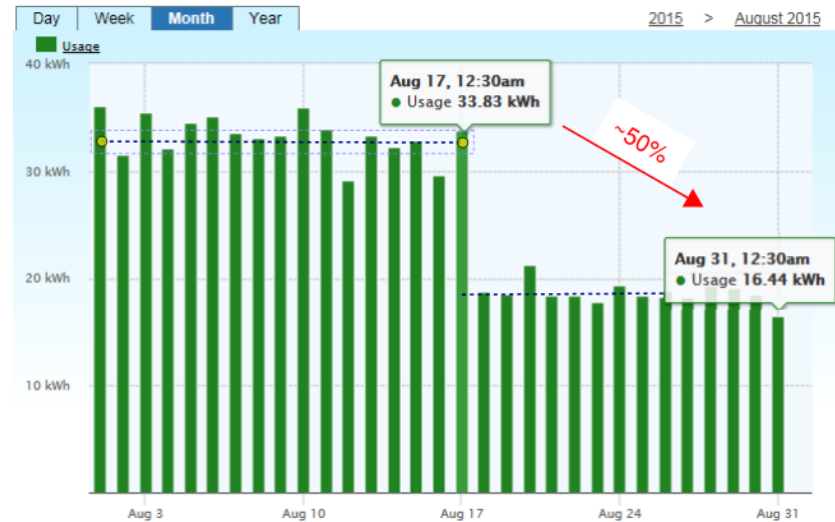
- **Before & After – LED Conversion**



- Exterior light levels increased by 117%
- Energy use for lighting decreased by nearly 80%

Creating the Elevator Speech

Taking the technical speak out of the project



17,000 LED Tubes installed in 2015

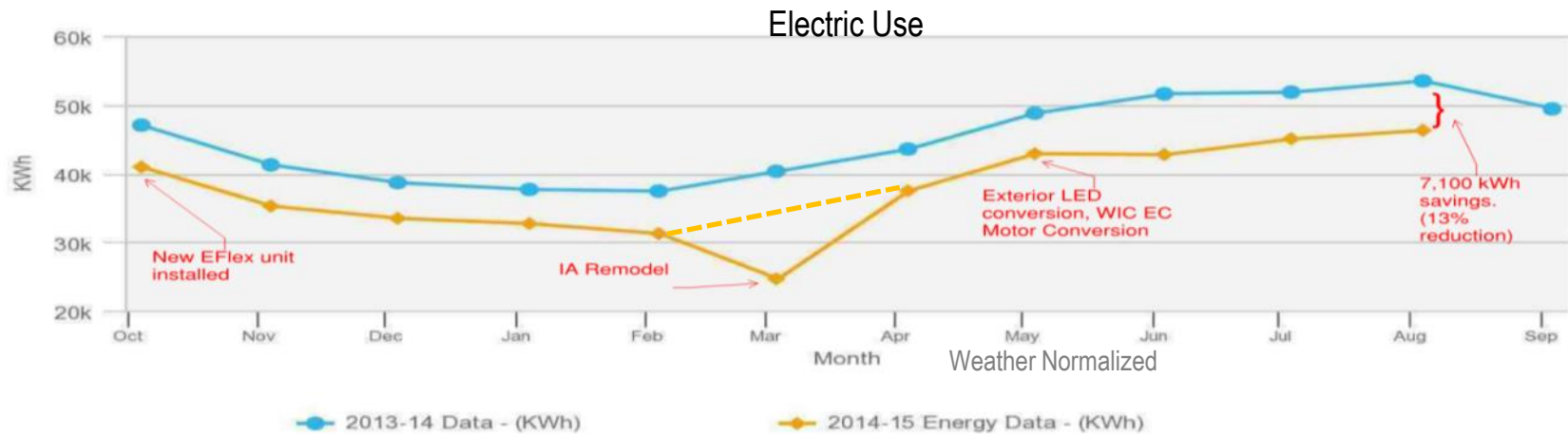
Each saved 40% over a T8 Tube



~1.25M kWh saved per year with the project!

Demonstrate Progress over Time

Translate progress into dollars and business terms



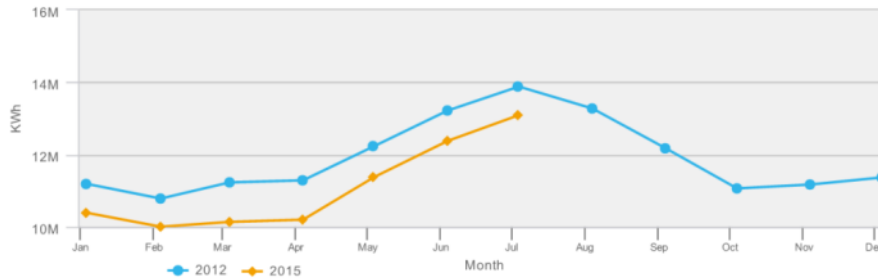
- High Efficiency HVAC - October 2014
- Remodeled – March 2015
- Exterior LED Upgrade – May 2015
- Walk In Cooler / Freezer EC Motors – May 2015

Modulate Your Message

Be prepared to tell the Macro and the Micro story

2014 Energy Activated Restaurants

2015 vs. 2012

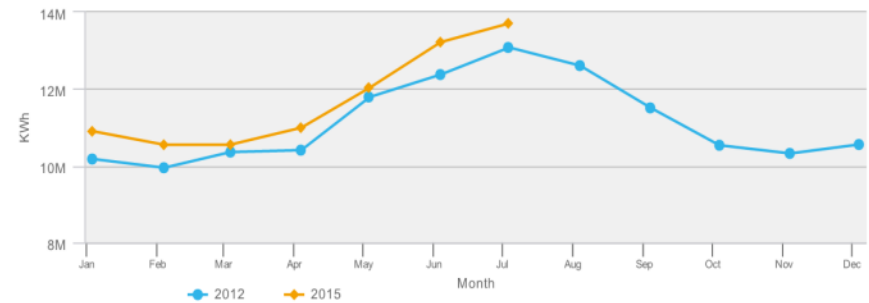


2014 Energy Activated Restaurant results

- 7.4% decrease in electric use
- 5.6% decrease in electric cost despite 2% rate increase

2014 Non-Energy Activated Restaurants

2015 vs. 2012

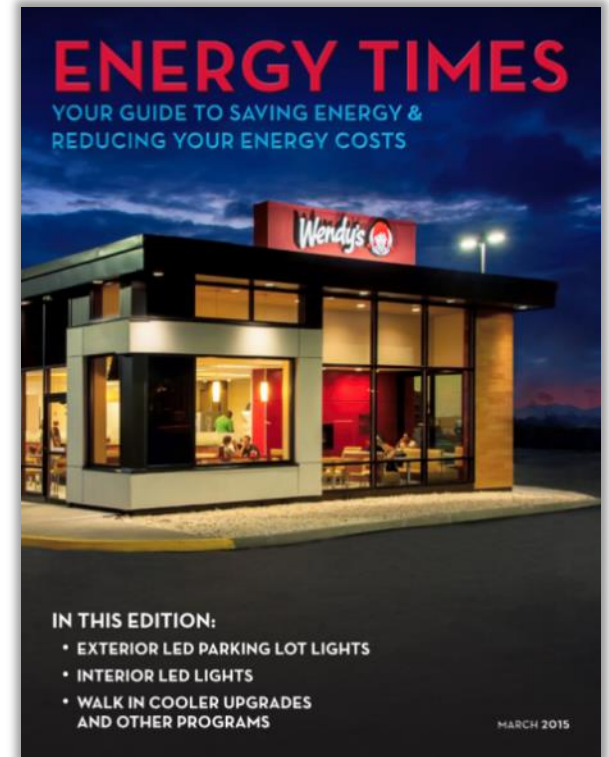


2014 Non-Energy Activated Restaurant results

- 6.4% increase in electric use
- 9.8% increase in electric cost with 3.1% rate increase

Marketing Your Program

- **Help franchisees understand that energy reduction is critical to their business.**
- **Engage leadership to help tell the story and celebrate successes**



Celebrate Energy Successes

Going Beyond the Intranet

Wendy's
QUALITY IS OUR RECIPE

Energy Demand Reduction
UNREAD CONVERSATIONS ALL CONVERSATIONS FILES NOTES

Update Poll Praise Announcement

Share something with this group...


Scott Moline – Friday at 2:50pm
27% Energy Reduction at #2142 Westerville

The total energy use at #2142 Westerville - Maxtown is down 27.5% in 2015 vs. our 2012 baseline year. The energy per transaction is down a similar 27%.

Amazing results from all of the 2014 upgrades including:

- Image Activation Remodel
- New Walk in cooler / freezer
- Exterior LED upgrade
- Interior LED tubes in the kitchen

This restaurant has exceeded Wendy's Better Building Challenge 2025 goal of a 20% reduction with 9 years to go!



- Yammer! being used by Wendy's
- Energy Demand Reduction group created
- Regular posting of success and updates
- Keeping energy reduction top of mind

Celebrating 27% reduction in energy use per transaction in 2015 vs. 2012 for this particular restaurant!

Building Stronger Relationships

Helping to engage Franchisees to save energy



- Find new ways to encourage and drive franchisees participation in energy programs – awards, competition
- Develop benchmarking & competition.
- Share new energy saving opportunities quickly with minimal “technospeak”.
- Engage influential leaders in the program.
- Drive home message that excess energy use is waste.

Thank you for your ongoing support!



Scott R. Moline, LEED AP

Manager, Project Engineering

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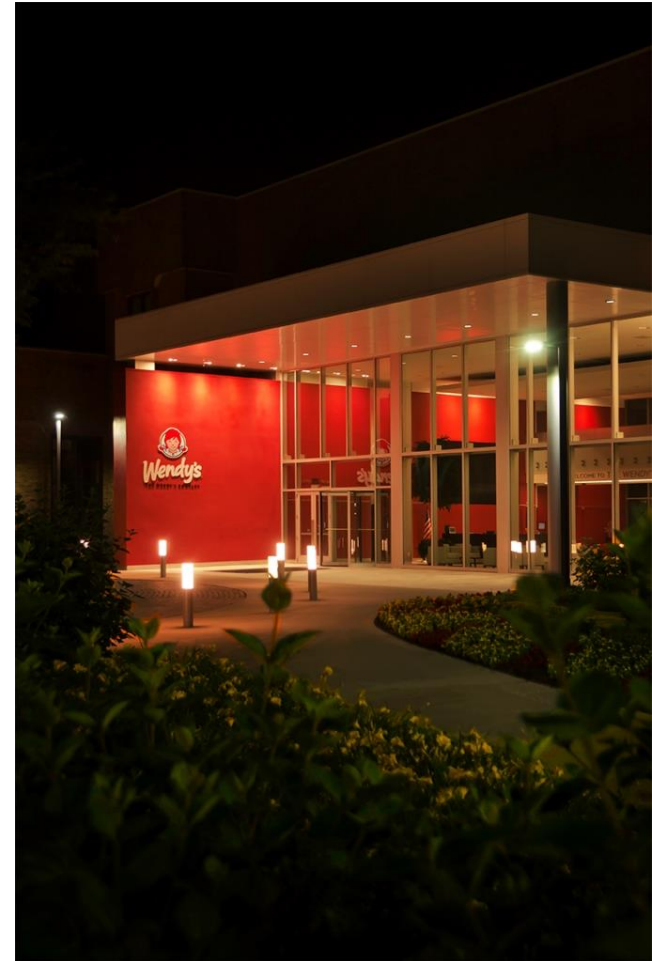
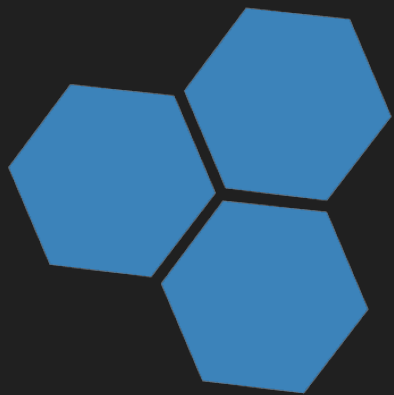


Photo courtesy of Loeb Electric



Wendy's®

Laura Troise
Operations Program Manager
HEI Hotels



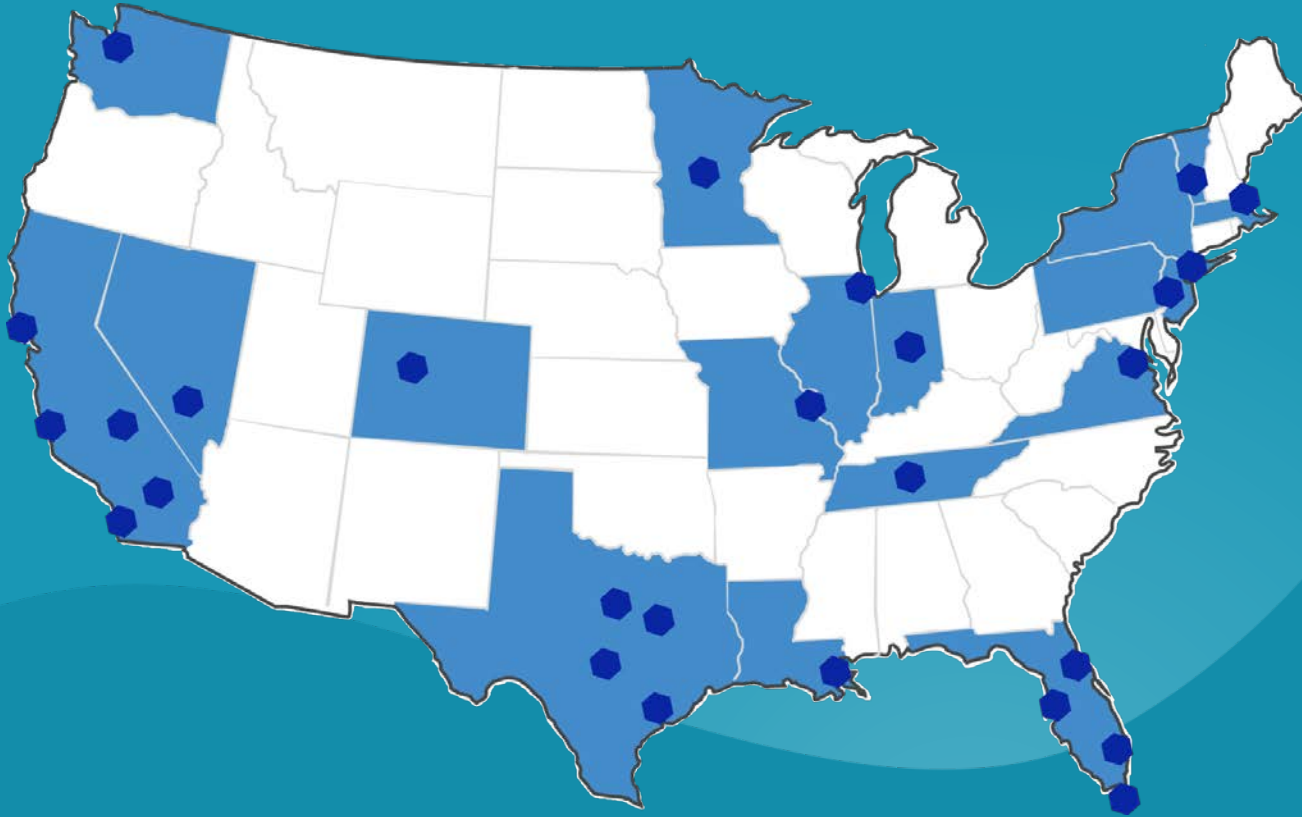
HEI

HOTELS & RESORTS

Finding Energy Savings in a Franchise & Third-Party Environment

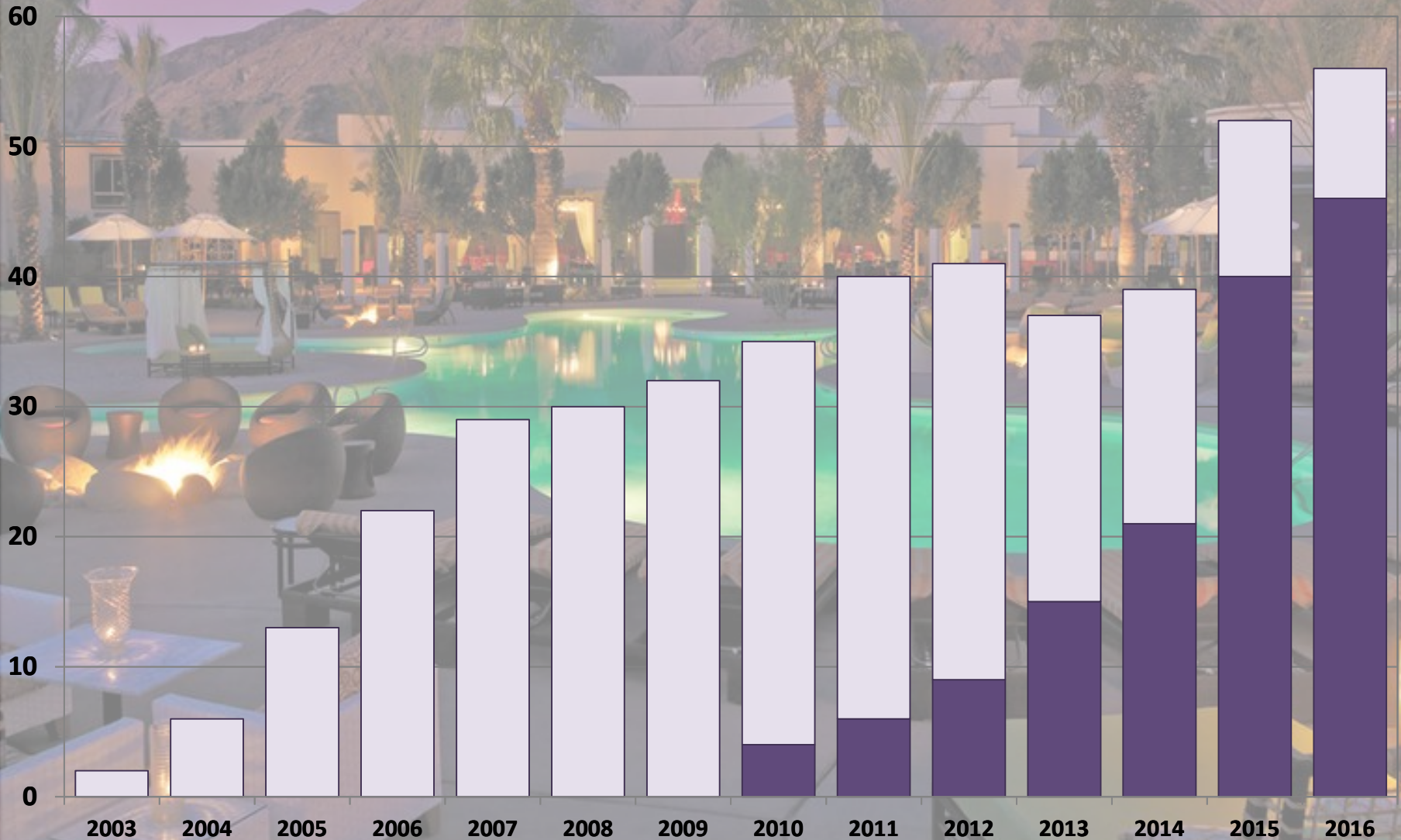


About HEI Hotels & Resorts



- Almost 60 upper-upscale, premium select serve, name brand hotels from multiple franchises
- Over 7,000 employees across 18 states
- Total energy spend exceeds \$30M annually

Portfolio Growth





Role of a Franchisee

- Brand Standards
- Guest Expectations
- Level of Quality



Problem:

- How to achieve energy savings with (or in spite of):
 - Different brand requirements
 - Decreased ability to approve capital projects

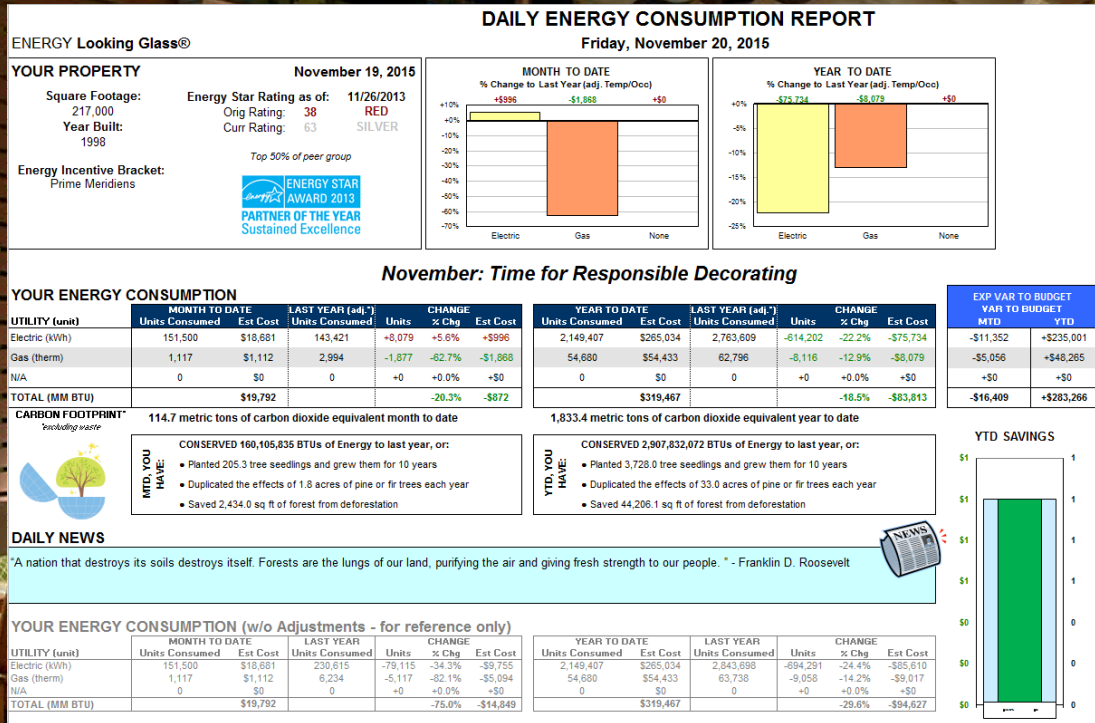
Solution

- Focus on the energy saving behaviors of the associates
 - Things which cost little to no money
 - Things which work with or in addition to brand requirements

Examples

- **Energy Looking Glass®:** Monitor daily energy usage
- **Energy Set Points:** Temperatures which save energy without sacrificing guest satisfaction
- **New: Employee Engagement:** Fab Four/Energy Buddy Incentive Program



Energy Looking Glass®




- HEI followed several key steps to plan and implement its innovative solution, including:
 - data collection
 - regression analysis
 - staff training
 - tool revision process

Energy Set Points

Dishwasher Energy Set-Points

 120°	160°	 180°
Pre-Wash	Wash	Final Rinse

By maintaining the correct temperature, your equipment will run efficiently without sacrificing guest satisfaction.



- Program success factors included:
 - Educating the Chief Engineers about set-points
 - Addressing the hotels' ability to read and adjust the targeted set-points
 - Giving the Chief Engineers better understanding of their systems' ability to recover from these adjustments
 - Making adjustments gradual and ensuring they did not lead to guest complaints

Fab Four/Energy Buddies

The 4 most energy intensive areas of any hotel:

1. Engineering
2. Housekeeping
3. Kitchen
4. Banquets

“Fab Four” = The Department Heads
 “Energy Buddy” = Hourly associates



WHAT'S THE BUZZ?
OCTOBER 2015





Weekly Energy Checklist: Fab Four

Hotel: _____ Time of Walk: _____
 Date: _____

LEAD:
 Top 200s
 MBR 0.8%

Meets /est So Chic
 4.2% LBO 10.2%




Daily Energy Checklist: Energy Buddy

Hotel: _____ Time of Walk: _____
 Date: _____

Tasks	AM	PM	Comments
Kitchen			
Equipment turned off when not in use	<input type="checkbox"/>	<input type="checkbox"/>	
Report Water leaks	<input type="checkbox"/>	<input type="checkbox"/>	
Cooler ESP	<input type="checkbox"/>	<input type="checkbox"/>	
Freezer ESP	<input type="checkbox"/>	<input type="checkbox"/>	
Dishwasher ESP	<input type="checkbox"/>	<input type="checkbox"/>	
Lighting turned off at closing	<input type="checkbox"/>	<input type="checkbox"/>	
Turn off continuous flow wash, drs in sinks and ice cream scooper wells	<input type="checkbox"/>	<input type="checkbox"/>	
Dishwasher is inspected and monitored	<input type="checkbox"/>	<input type="checkbox"/>	
Ice bin door is kept closed	<input type="checkbox"/>	<input type="checkbox"/>	
All doors leading to kitchen are closed tight	<input type="checkbox"/>	<input type="checkbox"/>	
All faucets and drains are inspected for leaks	<input type="checkbox"/>	<input type="checkbox"/>	
Outlets			
Thermostat ESP	<input type="checkbox"/>	<input type="checkbox"/>	
Outlets lighting turned off at closing	<input type="checkbox"/>	<input type="checkbox"/>	

la to

Why



Summary



- Associates are your strongest asset
- Small changes make big differences
- Behavioral changes = little to no cost
- Can always do better

Discussion

Thank You

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