

Sara Schoen, Lindsay Wilkinson, Patrick Smithbauer, John Herth

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Sara Schoen: Hi everyone. This is Sara Schoen, with the U.S. Department of Energy, and I'd like to welcome you to the March installment of the Better Buildings webinar series. In this series, we profile the best practices of Better Buildings Challenge partners and Better Buildings Alliance members, and other aligned organizations who are working to improve energy efficiency in buildings.

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Today we have a panel with three speakers from diverse sectors whose businesses include franchised locations. Our panelists will each share their strategies for reaching out to franchise owners, to encourage energy efficiency. And then we will take questions at the end.

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So, let me introduce our presenters:

Lindsay Wilkinson will be the first person we'll hear from, and she is with the InterContinental Hotels Group, otherwise known as IHG. Lindsay is IHG's manager of corporate responsibility, environmental sustainability, so she aids in the planning and execution of IHG's global sustaining strategies for the company's 4700-plus hotels around the world. The Americas and China are her main areas of focus. Lindsay will describe IHG's Green Engage program, which is an online sustainability platform that set the foundational standard for all IHG hotels globally. IHG now requires franchised locations to meet a basic certification level in Green Engage, which includes energy benchmarking, and several other energy activities. This required benchmarking alone gives IHG a unique view on its franchise locations' energy use, that most franchisers actually don't have, yet. So, good to hear from Lindsay about that.

And, next we'll hear from Patrick Smithbauer of Ford Motor Company, where he's the program manager for Ford's Go Green program, which encourages dealerships to identify and implement facility improvements that reduce energy costs and environmental impact. Patrick is a professional engineer and has worked at several major architectural engineering firms, and has over 45 years' experience designing and managing the construction of new buildings and renovations. You may not think of Ford as a

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franchised business, but, in fact, Ford's dealerships are franchised, which gives the company a unique perspective on expanding sustainability efforts to franchise-owned facilities.

And, lastly, we'll hear from John Herth, of Dunkin' Donuts, where he's the senior director of Global Design and Construction Services. John manages the team that supports the development of Dunkin' Donuts and Baskin-Robbins ice-cream stores, including design innovation, store planning, equipment services, sustainability, and image compliance for all new and remodeled locations. John is a registered architect and has 21 years' experience in food service, and has also worked in numerous architectural and engineering firms, in addition to other international restaurant brands, including Panera and Au Bon Pain. John, you have to make me speak French. John will share Dunkin's new DD Green program, a franchise sustainability program launched in late 2014, which incorporates energy efficiency requirements.

So, thank you, all, for being with us today.

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Before we get started with our presentations, I wanna remind our audience to please send us questions through the messaging interface on your webinar screens. And don't hesitate to send in a question anytime during the session, but we'll hold the questions until after all of our presenters have had a chance to speak. And the session will be recorded and posted to the Web, for your reference, and we'll let you know when that recording is available.

So with that, let me turn it over to Lindsay at IHG, to kick us off. Lindsay?

Lindsay Wilkinson: Great. Thank you so much, and happy to represent IHG as I cover corporate responsibility program on this call. Again, I'm Lindsay Wilkinson, and I'm on the corporate responsibility team at IHG, and I've spoken specifically on our environmental sustainability work.

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IHG is, as you know, one of the world's leading hotel companies – we have over 700,000 guest rooms in over 4800 hotels in nearly 100 countries. And this, we feel, really gives us the obligation, but also the opportunity to make a tremendous impact on the

environment in which we operate. We really like to talk about how responsible business – including environmental sustainability – is ingrained in our culture.

Since we have such a large global reach, we have a lot of challenges based on that. But we also have the vast majority of our hotels – around 85 percent – are franchise, and this is certainly one of the biggest challenges we face as we work towards our sustainability goals. This literally means that we have little absolute say in what our hotels do on the ground, and getting buy-ins from our owners and general managers in our hotels is absolutely key. One of the ways that we do this is by crafting our strategy with a focus on shared value, so our programs benefit not only the environment, but also the business. And it's this business case that has really been key to the success we have seen in the past.

In addition to the franchise challenge, we have nine hotel brands in different segments, in different climate zones, with different footprints, different needs. For example, we have a number of limited service brands that they don't have kitchens, they don't have expensive staff. But we also have many luxury hotels that have swimming pools, on-site laundries, and multiple restaurants. So, the one-size-fits-all approach with our franchisees doesn't really work for us.

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So, our answer to some of these challenges – including the reach of our different brands and global scope, as well as the franchise business model – is our proprietary online tool, IHG Green Engage. This tool helps hotels identify the most appropriate solutions, including a number of energy ones, that they can implement on-property. There are over 200 of these solutions that hotels can pick and choose from. And it also helps hotels measure, manage and report on their energy, water, and waste data, to identify trends and track performance. And also compare themselves against benchmarks within the tool, so they can see how other hotels of a similar size, in a similar climate zone, for example, are performing.

To help guide hotels through picking what actions they should implement, we have divided these action items into four levels of certification. Level one is made up of action items that all pay back within a year, all hotels can implement. Moving up through level four action items, the highest level, that are all much more

capital-intensive, and these are like the solar panel type projects.

This tiering has certainly helped our franchisees, in the past, be able to pick and choose what makes sense for the hotel. Because you don't expect all hotels to implement all action items that we lay out in the tool, but really want them to pick and choose what makes sense for them to implement. And the way that we do this is to make sure to be transparent within the tool and let them filter these action items by return on investment, potential benefits, or just advantages, among other considerations. And we also provide guidance by brand, to help hotels to find solutions that align with their brand identity.

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This tool we've seen some really incredible success with. It was launched in 2009, and by 2014, the end of the year, we had over half of our hotels voluntarily using it. It used to be an opt-in program. Within our small, but mighty, company-managed estate, we had required the use of Green Engage and required them to complete level one certification. Since 2012, we have seen over \$185 million in avoided costs from just that estate using this tool. And so it was because of this success we were able to get IHG Green Engage and completion of level one as a standard for all IHG hotels, including our franchisees.

How we did this, we worked for over a year building off of this success and creating a really solid business case. Such as some of the points you see on the screen, like how many of our key accounts are asking our hotels about their carbon footprint and other sustainability questions. And then we took this information to our board, our executive committee, our owners association, and other key internal leaders, to get final approval for this to become a standard.

This is really a monumental change for us, because IHG is pretty light in our standards for hotels. This means that doing this and committing to this baseline sustainability is one of the few things that IHG mandates to our franchises, and something that we feel really strongly adds positive value to our owners and our potential franchisees. And that's something the company has identified as a true differentiator for doing business with IHG.

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Now we're gonna talk through some of the specifics of what this

standard is and what we're asking our franchisees to do.

The standard requires that all hotels must set up within the system, and this means entering key property details – like square footage and their energy utility data – into the system, so that we at a corporate level have more visibility into what our franchisees are doing and how we can better cater the tool. But it's also making sure that it can function properly and answer those sustainability questions that we're starting to get from some of our key accounts. And then the last step to complying with the standard is completing the level one "Getting Started" action item.

So, if you move on to the next slide, we'll talk a little bit more about what that means specifically.

As I mentioned before, level one action items are things that all of our hotels can easily implement. Most of them are operational and are just best practice solutions. They all pay back within a year and they're little to no cost solutions, but that you actually see a pretty significant impact from. Typically, hotels that go from not having done anything to completing all ten solutions see about a ten percent reduction in their energy consumption.

So, some of the specific examples. One of the first things that we ask hotels to do is set up an on-property Green Team, typically with members of our key departments – like, housekeeping and engineering, or front desk staff. And this we found really encourages them to continue to make progress, discuss results, and really create some sort of accountability for engagement with the tool. It also ensures that our hotels are taking all operational considerations into account, that touch on all of these different areas within our hotels. And that they're implementing the solutions that make the most sense for their property.

Some other action items within level one outline best practice for functions like housekeeping. For example, not leaving TVs on standby after they've cleaned the room and the guest isn't in the room, and making sure that lights aren't on in the parking lot or on outdoor hotel signage during the day. Because we found so many of them will just leave the lights on, and it can be a simple change like asking them to make sure those are off during the day, and that's as easy as flipping off a light switch, for them.

We also ask them to have energy-efficient lighting in guest rooms. While this does sometimes require a small amount of capital investment, it pays back so quickly because of the energy savings –

typically within about four months for our hotels – that the savings can be pretty incredible from doing that. Just by tracking their energy data – another one of the solutions – we find that hotels will manage what they measure. And I think that goes for most things.

So, again, we find that hotels implementing these action items typically achieve around a ten percent reduction. And so, even if our franchisee has no interest in improving their environmental impact, the impact on the bottom line is there also and it's reason enough for doing that.

We've also found that hotels that complete these ten best practice action items get encouraged and engaged by the outcomes, and will continue further than just this "best practice" basic. And we're looking forward, throughout the year – as we're getting more and more hotels to work towards this standard – of seeing the additional engagement that will come from just getting them to dip their toe in the water.

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I wanna touch on a couple of examples of how we engage our franchisees on these efforts – two specific points that have been particularly helpful for us. When we announced the IHG Green Engage standard to all of our hotels, at the end of 2014, we sent this tool kit to all of our franchisees that outlined step-by-step details on how to implement all of the action items, exactly what they were looking for, as well as that really important business case where we went, "This is why this was approved, this is why we're asking you to do this, and this is why this is important to our guests and being an IHG hotel."

Another thing that has proven really useful for our franchisees is the benchmarking capability that I mentioned earlier. You can see a screenshot on the screen of what that kind of looks like – over on the right-hand side there's a little diamond across those performance bars that shows a hotel – based on their consumption and based on their climate zone, their number of rooms, their type of hotel – what a typical hotel, what other hotels within the system who are similar to them are performing. So they know if they are performing poorly or they're doing really well. If a hotel is performing poorly, they wanna know why and they wanna figure out how to fix that problem. So just providing that insight into how other franchisees are performing has been incredibly helpful.

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Again, we know that this creates some great cost savings for our hotels and has been part of the way that we've gotten buy-in from this sort of expensive group. But it's also great for IHG, as we work to establish ourselves in a leadership position, within our industry, for our sustainability efforts. It also helps to fuel our external reduction target, which we have a goal of reducing our carbon footprint by 12 percent – based on a 2012 baseline – by 2017. And the same thing for water use per occupied room, in water-stressed areas. So really focusing down there.

We also know that these type of efforts are becoming more and more important to our guests, which also helps our franchisees get on board. And we know that once they get engaged in the system and making some of these major changes, it encourages them to do additional green solutions and continue to innovate and move above and beyond that basics that we're asking them to do.

Ultimately, we need our franchisees to help reduce our environmental impact, and by engaging this group, we can have a much greater and a much faster impact on the environment in which we operate. Again, we have been successful in this engagement by really listening to their needs and creating guidelines for them, and not the sort of one-size-fits-all model. Because we've listened to their feedback and engaged them throughout the process of crafting this tool and coming up with this standard and seeking their guidance as we further develop our strategy.

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I think that is it for me. If anyone wants more information about our IHG Green Engage or our other sustainability efforts, or some of our community efforts, feel free to visit our online responsible business report, which you can see the link there on the screen. That was just launched last week, so it should be fresh and up-to-date for anyone who wants more information.

And with that, I will say thank you and turn it back over.

Sara Schoen:

Thank you, Lindsay. It's great to learn about Green Engage and IHG's shared value approach – good for business and good for the environment – and your commitment to sustainability. Resulting in Green Engage becoming the standard for all IHG hotels, as of, I think it was, January 1st of this year.

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Now let's turn our attention to Patrick from Ford Motor Company. Patrick, can you tell us about Ford's efforts to engage dealerships in energy efficiency?

Patrick Smithbauer: Absolutely. And thank you, Sara.

I'm Patrick Smithbauer. Thanks for the introduction. I'm the Go Green program manager, and I'll tell you about the Go Green Dealership Program.

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Let me start with the definition of Ford's sustainable vision, which is to provide sustainable transportation that is affordable in every sense of the word – environmentally, socially, economically. Of course, you'll recognize that as the triple bottom line, and, as Bill Ford says, "Improved sustainable performance is not just a requirement, but a tremendous business opportunity."

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So I'm gonna tell you about the Go Green program, and explain some of the facets of it.

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This program extends towards commitment to sustainability in energy efficiency to the dealerships. They're franchises, as was mentioned earlier. The program was developed and implemented using national expertise. Ford Land, of course, with all of our energy and engineering expertise, plus national energy consultants that we brought on board, partnerships with DOE, and a team of engineers, led by me, who are working on this project and keeping it going.

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It mirrors the corporate commitment of energy and efficiency and sustainability. Now, dealerships are owned and operated independently. The Go Green assessments are included as part of several programs that Ford Motor Company offers, so we do these assessments for the dealerships. The objective is to reduce dealership energy consumption and cost, and encourage dealership investment in energy efficiency.

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So how do we do it? The Go Green assessment program starts with a review of the energy and the utility usage data at each facility. We're talking about lighting, HVAC, water, building envelope, and we look at the potential of renewable energy.

We do an assessment report, which starts with a detailed assessment where we visit the site, look at all the equipment on-site. From that we prepare a comprehensive report, and conduct a review of that with the dealer.

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We identify monthly and annual energy uses by source. So, how much electrical power are they using, how much natural gas, as well as others, like fuel oil or propane. We determine existing unit costs of energy used, predominantly electrical and natural gas, and we determine existing annual energy use by system. So we are able to break that down so we can tell how much are you spending on interior lighting? How much of our dealerships are spending on interior? How about HVAC systems, for instance? From that, we can identify where are they spending most of the money, and of course that leads to where is the best bang for their buck.

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From this data, we can analyze the existing situation and make recommendations. We make recommendations for upgrades. Typically, we're looking at: interior lighting systems; fixtures; controls; exterior lighting systems – again, the fixtures and the controls; HVAC upgrades; building and process modifications; water system changes. And we take a look at and make some recommendations on renewable energy implementation.

We do a financial analysis of this. We look at the annual energy that actually can be saved at a particular dealership. We look at the cost of implementing that. We look at incentives that will help offset the implementation cost. And we do a payback calculation, so the dealerships can see what their return on investment will be.

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This report provides a line-by-line indication of the recommendations. For instance, dealership might see what it costs to upgrade the interior lighting of a shop area, or what it costs to increase the efficiency of his exterior lighting. I can look at the

HVAC – every line item is identified by area, so a dealership can make item-by-item decisions.

Implementation is not mandatory. The dealership makes the decision because it makes sense to them, usually, because it has a great return on investment. Now, Ford continues to provide follow-up and dealer support. We recommend green facility standards. We evaluate and develop systems and light fixture recommendations – which, as you all know, are changing on a monthly basis. Lighting, especially, has had vast improvements over the last few years.

We also offer dealerships the opportunity to use the advantage of Ford's buying power. Because we negotiate pricing with national suppliers, our Ford buying power gives us a lot of leverage, there. And this allows dealerships to use the Ford preferential pricing and save money in the process, thereby, reducing their payback to a shorter number of years.

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So some of the achievements of this program: Right now we're dealing with more than 1700 dealerships across the United States, and we've identified significant potential savings with excellent paybacks. Dealership participation, as I indicated, is voluntary, so they do it because it makes sense. And the first group of Go Green assessments that have come in and been tabulated – 270 dealerships – shows an average annual savings, per dealership, of \$33,000.00. This also represents a 27 percent reduction in the average dealership annual energy use, resulting in a payback of three-and-a-half years. So this is a nice result.

Now, we wanna encourage the implementation of this with our dealerships.

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So our ongoing activities, as we continue our Go Green assessments: We recognize dealerships for energy upgrades. This is an encouragement. We provide ongoing technical support for energy reduction. We provide energy guidelines for facility upgrades. And we extend the purchasing power of Ford Motor Company to our dealerships – another definite encouragement. And the whole idea is to bring value to the dealership.

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So when we got this program going, we had a few challenges that we discovered along the way. One is: We have to make it easy for the dealerships to do this. We have to maintain a communication with them. We can't depend strictly on e-mails – it requires personal communication.

Utility information, for instance, is one of the items we found was a bit difficult to get. Understand, dealerships are in the business of selling cars, they're not in the business of gathering utility information. So we have to get the right person, tell them what we need, work with them, try and make it as easy as we can to get that data. 'Cause we're working with an annualized basis, and we're looking at how much they're gonna save by making improvements.

Dealerships' assessments and reviews, and our follow-up conference calls, just getting those scheduled, is a challenge. We've got dealerships, we have our assessors, we have our consultants, and we have ourselves that are involved in those conference calls. And if you're dealing with nearly 1800 enrolled dealerships, that can be a lot of calls. So we really decided we needed pretty much a dedicated person to help gather this utility and schedule these calls.

The other thing that became apparent is the amount of data that we started to generate. We probably have 150-200,000 fields of information involved in this. And we had to set up our own database system, in order to be able to manage it, that allows us now to manage, track and report on the program, and get results.

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Now this program has been set up as Ford's implementation model project. This is for the U.S. Department of Energy Better Plans Challenge Program, and we've added a link there, so you can go to that link and see what the program is about and see a sample of one of the reports that we might've put together.

Yeah, go ahead – next.

This is part of a recognition that we're doing with our dealerships: we're recognizing dealerships that have achieved significant energy reduction – in this case, at least 25 percent reduction in annual energy use – and we're encouraging dealerships to make these upgrades. By the way, this is a joint award – it's not just Ford Motor Company, but this is a Ford/DOE award, well-received by

our dealerships.

Next.

So what's next? Next is to reach out to dealerships with more opportunities and provide support, recognizing energy-efficient dealerships on an annual basis, continuing relationships with DOE, engaging in an Energy Star Program for our dealerships, and developing standards and implementation of new technologies which are happening all the time.

And the bottom of that is: encourage renewable energy, as well. We look at the potential of the solar, in particular, as one of the opportunities for dealerships under lease, or other locations.

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So this concludes my presentation. You see there a look at one of our new facilities, one of our electric cars. Sustainability extended to the dealership body – that's what this program is all about.

Thank you very much. I appreciate the opportunity to make the presentation.

Sara Schoen:

We appreciate you being here. And it's great to learn about the assessment process that you use to engage dealerships in the Go Green program, and your efforts to make it easy on the dealerships. And especially that finding regarding the staff time required just to collect and manage the energy data. I think that's probably true for many, and maybe even comforting to hear that it just takes time.

Also, just a quick reminder to participants, to send in any questions you may have through the webinar chat box on your webinar screen. We're collecting those questions for our Q&A period at the end of the session, after John goes.

So, John Herth from Dunkin' Donuts – we're ready to have you tell us all about DD Green and your work with Dunkin' franchises.

John Herth:

Thanks, Sara. I wanna start by saying great programs that, Lindsay, you and Patrick have put together – both of them look like wonderful programs and certainly moving your sustainability needle.

So, I'm happy to share with you some of the things that we're working at Dunkin' Brands. Many of you on the call may be aware

that we have two global brands, both Baskin-Robbins ice-cream and Dunkin' Donuts. Both of these brands have been around about 65 years. We have a large franchise organization – we have almost 2000 franchisees who are owners and operators worldwide. We have more than 18,000 restaurants in nearly 60 countries, and an asset like a business model, because we are almost 100 percent franchise-owned.

Unlike Lindsay and Patrick's businesses, our footprint is much smaller, but because of the equipment that we have in our restaurants, we utilize a lot of energy in a very small footprint.

Today I wanna talk specifically about our program around our developing franchisees that are opening new restaurants in our domestic markets, and how we're helping them build in a more sustainable way.

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First, because our business relies solely on franchisees, it's critical for us to educate those partners on why sustainability is important. And not only why is it good for the planet, but why is it good for them as owners and operators. Franchisees are in the business with us for a host of different reasons – the love for the brand, and also they're in business to make money.

These business owners, while they have a lot of things to think about when they're developing a new location, creating sustainability within the building isn't always at the top of their priority list. And while we've always had ongoing educational initiatives with our franchisees on why it's important to use less energy, less water, and building a building that is better for you, many will be on board if they see the business case.

Our franchisees are required, with both of our brands, to follow a very strict prototype design specifications, that achieves the right image and the right operational efficiencies. But there's always a little bit of wiggle room in our specifications – those things that don't compromise the image and operations – where a franchisee has the opportunity of substituting an efficient piece of equipment with a less efficient one. For these reasons, this presented us with a challenge and a problem that we needed to solve, that would help us build more sustainability today.

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So, last December, we released our new DD Green achievement program. And as you can see on the screen, what it is it's a certification specifically designed for new Dunkin' Donuts, to further encourage, assist, and promote measureable levels of sustainability and energy efficiency. This is an optional program for our franchisees and is not mandated by the brand.

There's really a couple of reasons why we created our own certification:

Number one, we couldn't quite get traction around using other certifications, like the LEED certification with USGBC, because of the cost and some of the complexities that presented to our franchisees. As an example, with all the domestic locations that we had, we only had three LEED-certified buildings. And while we encourage franchisees, if they would like, to seek that certification, we certainly would support them in doing that.

Number two, we really wanted to create a certification specifically designed for Dunkin' Donuts stores, that focused on the elements that would have an impact on energy, water reduction, healthier environment, and reduction in the waste streams specific to our stores. And we wanted to create something that the franchisees could get excited about and be recognized by their guests.

And lastly, we needed an affordable program that was able to be administered by our own staff, without utilizing a third party consultant.

And I'll just say to that last point: we had some concerns, when we developed the program, that it would be perceived that we created our own program and we also govern ourselves. So, we went to a third party consultant to help us with that – we went to Underwriters Laboratories environmental, which did an extensive review of our program. And they were able to do this review and give us an unbiased validation of the program, that if it was followed, it would achieve the objectives that we set out to do.

Our goal at this point in time is to have 100 certified stores by the end of 2016.

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So the program is based on a set of requirements that each store has to do, and then a list of optional strategies that franchisees have an opportunity to pick from. What they have to do is meet these

requirements on both the DD Green, and then we also have the DD Green Elite program, which they have to achieve more strategy points to be able to do that.

All of the requirements and strategies, they really come from five different categories, which follow the restaurant development. There's a host of requirements and strategies in site development, store efficiency, healthy indoors, sustainable operations, and then innovation and community.

I mentioned, before, the resource allocation for the program. One of the beauties of our program is it utilizes resources that are already working on the project. So you have the franchisee, you have the architect, and you have a Dunkin' Brands construction manager – we have about 40 of them around the country. Within those three roles, they plan the program, they implement it, and then it also certifies the program. And at the end of it, as the construction manager is doing a walk-through of the punch list with the franchisee, they will also fill out a checklist to make sure that they have met the requirements and that all the strategy points, that we get them to the certification.

At the end of all of that, as you can see on the screen, our franchisee is presented with a plaque that they will display on a prominent wall in their seating area, so their guests can see it. There's some in-store messaging that tells customers more about the program and what it means for that store to be DD Green-achieved. We also have little informational cards that are located throughout the store on specific items that, again, tell guests – whether it's an energy reduction item or it's a reduction in water or a healthier material – that just continues to give them cues about why this store is better and why it has been certified DD Green.

The other beauty of the program – by the commitment of the franchisee – is that after one year of operating as a DD Green store, they're required to give us utility information, so that we can gauge their success against our other asset base. And it helps us to continue to further, to gain knowledge about what these stores do versus others, and how we can continue to improve them.

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The benefits of the DD Green are really twofold and they really go together. For the environment, it's a reduction in energy and water usage. We have more energy-efficient equipment in the building, the materials provide for a healthier quality. And then, inevitably,

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we have a reduced carbon footprint. And for the franchisee, while those are benefits to him as well, the utility cost savings, as a business person, makes sense for them. They have potential increase in profit, and it shows a great commitment to sustainability to the customer.

It's just a good consumer message, as we are finding that a lot of our customers – and many customers that shop elsewhere – that that sustainability and social responsibility message and commitment by companies, most are basing their buying decisions based on that.

I would end by saying that while we're all striving for the energy and water reduction and building with healthier materials – and somewhat in the same ways, in utilizing the same ways to do that – our challenge, really, going forward is to get creative and develop new opportunities that we can present to our franchisees to further help them be more profitable, to build in a more energy-efficient and sustainable way. I would say webinars like this and venues like this, where we can share ideas in an open format, are great – I commend the DOE and the Better Buildings Alliance on the work they've done to bring us together to share these ideas.

This concludes my presentation. I hope in sharing my Dunkin' story, it will help, in some way help you in your mission to become a more sustainable company, as well.

Thank you.

Sara Schoen:

Thank you, John. That was great to learn about DD Green and the achievement certification that you're using to encourage Dunkin' Donuts franchisees to achieve a measurable level of energy efficiency in new restaurants.

We can go ahead, now, and take some questions from the audience. Because Lindsay went first, I think we'll start with her.

So our first question here is: When did IHG first implement the system, and when do hotels need to comply?

Lindsay Wilkinson:

We established IHG Green Engage, we built it in 2009, and have seen increasing momentum within the tool. It sort of hit that 50 percent on board at some point last year, which then got us to approve this as a standard for hotels. So hotels in our system currently have until December 31st of this year, 2015, to comply with the standard.

Sara Schoen: Okay, thank you. I will grab one for Patrick now: Does Ford offer any kind of financing to dealerships for upgrades?

Patrick Smithbauer: Ford offers some support on financing when a dealership is renovating their facility to the new look. If you'd seen this new silver-look building, they, in some cases, will do that – they had a program. They do not specifically offer financing or support relative to upgrading energy uses within an existing facility. Those things typically stand on their own, but if they are a part of a renovation that is an upgrade of the overall facility to the new look, then they do fall into the realm of receiving some support.

Sara Schoen: Okay, thank you. And, actually, we have a question for potentially all three of you: The question is probably from an energy service provider, a vendor, asking if there are things that energy efficiency consultants can do to help franchisees, that maybe aren't things that you see regularly offered at this point.

Patrick Smithbauer: This is Patrick. If you can, I can field the – at least what I see from some of our side.

Sara Schoen: That would be great.

Patrick Smithbauer: We put together an assessment report, which lists many things that a dealership can do to become more energy-efficient. Now, with a consultant coming into that, they can take that and start to bring that to life. In effect, they can look at the recommendations and begin to see what does it take to exchange the exterior lights and fixtures of dealership, for instance? And what's the best way to do that?

We have a recommendation – they can implement that, but how do they do it best, how do they run power to it, how are they running the controls? So they can put the details into it and make it work.

Sara Schoen: Does anyone else wanna jump in?

John Herth: Yes. I would say, Sara, that – I mentioned this briefly, but – I think that some of the learnings that we can get from experts, like an energy consultant – So the thing that probably keeps me up at night is, while we can all say that changing our lights to LED fixtures and utilizing energy-efficient – more efficient mechanical units, and lighting controls, and exhaust controls, and those sort of things – there will be a day where we are all doing that. And that really becomes the green fee for any building that gets built, either

by just the products itself coming down in price that will inevitably get rid of the less-efficient either fixtures or mechanical units, and is or are already dictated by the municipalities. We're certainly seeing that in California by the Title 24.

The question would be, then, what are we doing next? And I think that is really where our challenge is. I think these are all great programs that we've developed right now for the tools and the materials and the equipment that we presently have. Because there is a lot of still inefficient elements that can go into a building at this point in time, but those will inevitably be phased out over the years. And so what I find exciting is working with people in the know that can look at, "What does ten years look like from now, and what are we doing then?"

I don't know if we've completely cracked the code on that one, yet, but I think that's the one where, I think, partnering with energy consultants and other expertise in the market – And I certainly take every opportunity I can to visit with as many people as I possibly can.

Sara Schoen: Thank you.

Lindsay Wilkinson: *[Crosstalk]* I would mirror a bit of what both Patrick and John said, as far as innovation goes. I think she's always looking for that forward thinking, "What else can we do/have we not thought of?" And we certainly do rely a bit on some of those external consultants, external groups, on helping us make sure that we are aware of and thinking about the newest things out there.

I think as far as sustainability consultants go, we've seen a number of our hotels will work with someone or a firm specifically to help implement some of the solutions. Because we have so many hotels and we don't have vision into the specific needs – in that how the building's wired for all of our hotels – many find it valuable to work directly with our hotels to help implement some of the guidance that we've laid out.

Sara Schoen: Thank you.

Patrick Smithbauer: And if I could – this is Patrick again, coming back – because it's not only the consultants. We find great value in teaming with various suppliers, people who manufacture components – for instance, lighting fixtures – have them come in and tell us what's coming up, what are they doing. We don't necessarily deal with just one lighting supplier, but many, and we can see what's coming

out on the horizon very early on and begin to reshape our thinking as to which direction we're going.

Sara Schoen: We actually have a follow-up question, asking whether consultants should connect with franchisees directly, reach out to them, or reach out to folks like you who are on the webinar. Do you have a preference?

Lindsay Wilkinson: From IHG, if it's for a smaller end market group, certainly reach out to our franchisees directly – say, they cover California, something like that. I think it depends, for us, on the type of consultancy they're coming from. But for the most part, working directly with our franchisees has been most valuable for us and for our hotels, in the past.

John Herth: I would say for us that certainly reaching out to franchisees is one way, but within an organization that is as large as ourselves, and where we, as the brand, hold specifications for our build-outs for everybody, is that the best way to do it is really to start here. So let us gut those out, and then if we deem them worthy, then they get into our prototypical specification. Then everybody participates in that, as opposed to one franchisee in one market in one state. We would get more traction that way.

Patrick Smithbauer: To kinda mirror what Lindsay and John are talking about there, too, I think it takes a coordinated effort. We can have our consultants working with some of our franchisees, our dealerships, but we really want them to do it in conjunction with us, so that we are sending a unified message out.

Sara Schoen: Thank you. And we're getting a lot of questions about sub metering, actually, for all three of you. We heard that Green Engage can track energy and water, and there's a question about: Can you identify energy use related to water heating, specifically? And then, for Ford: How are you determining subsystem energy use? Anything about sub metering that you can share with us would be great.

Patrick Smithbauer: From Ford's standpoint, our dealerships typically do not submeter. They might if they have multiple buildings – they might have a meter on different buildings. When we determine the amount of usage for a particular system, it's based on the size of the system, the hours of operation, and we back into it rather than meter it separately.

- Lindsay Wilkinson:* From IHG's perspective, sub metering is one of our solutions within IHG Green Engage. So hotels that have implemented that solution, we can see data across all of the different submeter systems – it just depends what the hotel has in place on-property. So it's kind of a mixed bag for us as to which hotels would do it, which don't. We certainly encourage them, if possible, to do so.
- John Herth:* And sub metering, Sara, is something that we don't do.
- Sara Schoen:* Okay, good to know. And then in terms of the requirements – I think I heard correctly – I know that IHG is now, you're requiring at least a certain level of participation. And I think heard Patrick say that Ford is, as well. And folks just are wondering how franchised businesses are responding to the requirements like that and how that's gone over, and have they found it helpful and seen value? So if you could speak to that.
- Patrick Smithbauer:* From Ford's standpoint, there's various programs that we have. For instance, if a dealership wants to sell electric vehicles, they need to have an assessment done. After that, they don't have to do the implementation – we base it on the fact that the numbers should stand for themselves. Typically, they're very good, so the dealerships do want to do. They might not do everything we recommend, but they'll pick the ones that are best for them. But the assessment is mandatory as part of some programs.
- Sara Schoen:* Makes sense. Thank you.
- Lindsay Wilkinson:* From IHG, as far as how our franchisees are receiving this new standard that we're imposing on our entire estate, we have gotten almost no negative feedback. I think we spent a lot of time, in the lead-up to this, making sure to get buy-in from our owners association, from other leaders within our company. So everyone was aligned and we were getting that input from our owners, putting that business case in front of them and saying, "This absolutely makes sense. It's not going to hurt your business, it's not going to negatively impact the guest experience." And just making sure that they were really comfortable ahead of time, that we had done this sort of due diligence. So, so far, so good, which we're really, really excited about.
- Sara Schoen:* Well, that is great to hear. And, John, for Dunkin', are you looking at engaging existing restaurants, as well, or just new construction?
- John Herth:* The DD Green program was designed specifically, out of the gate, for new Dunkin' Donuts restaurants. Our next module that we will

Sara Schoen, Lindsay Wilkinson, Patrick Smithbauer, John Herth

be releasing here in the next couple of months is on a remodel program, where, as you can see, we have a large asset base, and they get remodeled on a contractual date. For us to be able to offer the certification for those stores that go through an event like that, that's kind of our next program.

Sara Schoen:

Great, thank you. We are actually coming to the end of our time this afternoon. We didn't get to everyone's questions, but can at least try to get those addressed offline. And thanks for sending in so many great questions.

Before we finish up, I wanna make you aware of our April webinar, which is gonna be on net zero energy buildings. It'll take place on Tuesday, April 7th, from 3:00-4:00 PM Eastern Time, and it'll feature Better Buildings Challenge partner Walgreens. They've recently completed a net zero energy store in Evanston, IL. You'll hear about their motivations for building a net zero store and their experience designing, building, and now operating the store – and lessons you can employ if you're considering net zero or net zero ready construction in your portfolio.

We'll also be joined by Rocky Mountain Institute, and we'll talk about their collaboration with Better Buildings Alliance member McDonalds, and other partners, to determine the feasibility of net zero quick-serve restaurants. That sounds like quite an exciting challenge.

And we, as the Department of Energy, will also present the outcome of our recent efforts to convene stakeholders to develop an industry-wide definition of net zero energy buildings.

You can register right now, any time you like – for this webinar coming up in April – on the Better Buildings Challenge home page.

And we can go to the next slide.

So the April session will actually be our last Better Buildings webinar for the 2014-2015 season, because we're preparing to host the annual Better Buildings Summit in May, here in Washington DC. The summit is a chance to shut down your computer and come interact in person with leaders in building energy efficiency. We'll have dozens of interactive sessions featuring Better Buildings partners, building tours and peer networking opportunities. You can register to attend the Better Buildings Summit, also, on our website.

With that, I'd like to thank our panelists, Lindsay, Patrick, and John. Thanks very much for taking the time to talk with us today. And for the audience, feel free to contact our presenters directly with any additional questions that we weren't able to get to, or anything you think of after the webinar.

And if you'd like to learn more about the Better Buildings Challenge or Better Buildings Alliance, please check out our website, or feel to contact me or Holly Carr directly, at the e-mail shown on the slide that you're viewing right now.

We encourage you to follow the Better Buildings Initiative on Twitter, for all the latest news.

And you will receive an e-mail notice when the recording of this session is available online.

Thanks everyone for joining us. Goodbye.

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