

Bright Idea For Saving On Electricity Bill

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August 22 2006

Even though the owners of State House Square in Hartford replaced a dozen floodlights in the lobby with high-efficiency bulbs and fixtures, it seems as bright as ever when you walk into the building at night.

But Harbor Group International, the building's owner since 2003, is seeing quite a difference.

Without sacrificing light, Harbor Group estimates it is saving \$3,400 a year in electricity costs just by making that one small change in the lobby. And Harbor Group hasn't stopped there: It has replaced thousands of light fixtures and bulbs throughout the million-square-foot office and retail complex.

Despite soaring rates, Harbor Group has cut its annual electricity bill by an average of \$230,000 by updating its lighting as well as installing more-efficient air circulation systems and taking measures as simple as turning off escalators after 7 p.m.

Electricity accounts for about 70 percent of a building's energy costs. As a result, rising electricity bills are fast becoming a major concern for commercial property owners. In the Hartford area, building owners - and their tenants - are grappling with rate increases of more than 22 percent since the beginning of this year.

Most leases in the Hartford area allow landlords to pass increases in electric and other energy costs on to their tenants. But building owners want to keep those costs as low as possible because it helps them to hold on to tenants and to woo new ones.

Landlords can see their profits erode, however, when they renew a lease or sign a new one. When rents aren't rising, increases in energy costs as well as taxes and other costs involved in running a building take a bigger and bigger bite out of the rent per square foot.

That's especially true in the Hartford area, where office leasing has yet to gather significant momentum, said Jonathan K. Putnam, a broker at Cushman & Wakefield of Connecticut.

"Rents have been flat across the board," Putnam said. "They aren't rising to keep pace with inflation."

Average asking rents per square foot in downtown Hartford for prime space, for example, were \$24.25 as of June 30, compared with \$24.19 a year earlier, according to commercial broker Colliers, Dow & Condon.

That has led some building owners to look for ways to cut electricity costs. The move has been supported - and encouraged - by the operator of the region's power grid, ISO New England, which is advocating conservation to lessen demand on the region's overburdened power supply.

And utilities, such as Connecticut Light & Power Co., are offering incentives and rebates for landlords and businesses that pursue improvements.

One CL&P program, for example, will pay for up to 50 percent of the cost of installing certain replacement equipment, including lighting. The same program picks up any additional cost for choosing more energy-efficient equipment rather than cheaper "standard" equipment.

A catch: The landlord or business must involve CL&P before any work is done, except in some cases where the work has to be done in an emergency.

At State House Square, Harbor Group has invested about \$250,000 over the past three years ago, reducing the amount of electricity it uses by 14 percent. About 40 percent of what has been spent - \$100,000 - has been reimbursed through incentives.

A major focus was on lighting because "that is one of the fastest ways to become more energy efficient," said David M. Jakubowski, general manager at State House Square.

The lighting "retrofit" at State House Square was on a broad scale:

16,000 light fixtures had more energy-efficient mechanisms installed that turn on the light and regulate electrical use.

1,000 incandescent light bulbs were switched to more energy-saving compact fluorescent bulbs.

More than 900 lighting sensors were installed throughout the complex that turn lights on and off depending on foot traffic in individual areas.

More than 450 exit signs had their 20-watt bulbs switched to two-watt LED bulbs that consume far less power.

And in the food court, lights are dimmed after the peak, 11 a.m.-2 p.m. lunch hour to conserve electricity.

In addition, State House Square now has more efficient motors running heating, cooling and exhaust systems.

Jakubowski said that although other building owners in the Hartford area are taking steps to conserve electricity, more can be done. It not only benefits the bottom line, he says, but is easier on the environment and relieves demand.

"It infuriates me to drive through [downtown Hartford] at 2 a.m. and see half of an office building lit up," Jakubowski said. "You know no one is there."