

Va. Tech, Investor Aim To Cut Area Energy Use

100 Properties To Get Upgrades

By David A. Fahrenthold
Washington Post Staff Writer
Tuesday, October 16, 2007; A01

[Virginia Tech](#) officials announced plans yesterday to give some of the Washington area's buildings a sweeping green makeover, using \$500 million from an investor to pay for energy-saving upgrades at 100 or more properties throughout the region.

The plan, which calls for such additions as more efficient light bulbs and cooling systems, is intended to bring about significant reductions in electricity use in the area and in emissions from its power plants. It also allows for-profit investor Hannon Armstrong in [Annapolis](#) to take a slice of the money that building owners will save.

Virginia Tech will oversee, study and advise the efforts, officials said yesterday -- a big boost for the [Blacksburg](#), Va., university's attempts to raise its profile in the region.

If the proposal works, organizers said, it would make the Washington area project one of the most ambitious examples of a newly prominent approach to fighting climate change. Such efforts focus on reducing electricity use instead of making "green" power.

Unused energy, the reasoning goes, is the cleanest of all.

"The goal of this partnership is to turn the metropolitan D.C. area into one of the nation's leading green cities," Virginia Tech [President Charles W. Steger](#) said during a news conference at the [National Building Museum](#) in Washington.

The energy-saving effort, formally called the Energy Efficiency Partnership of Greater Washington, will provide \$100 million annually for five years, officials said. Organizers said the money might pay for upgrades at 100 government and privately owned properties, still a small fraction of the region's estimated tens of thousands of buildings.

Eventually, officials said, efforts to increase energy efficiency could reduce each building's electricity use by 20 to 50 percent.

"It's just small stuff," Jeffrey W. Eckel, chief executive at Hannon Armstrong, said of the changes its money will finance. "But that's where the big solution is."

Two similar proposals, relying on private financing to pay the upfront cost of green overhauls, were announced this year: one for [Cambridge, Mass.](#), and the other by the Clinton Climate Initiative, led by former president [Bill Clinton](#). The Clinton program calls for upgrades to buildings in more than a dozen cities around the world.

The programs, with the one in Washington, aim to remove a hurdle that has prevented many building owners from making energy-saving upgrades. The changes pay for themselves in the long run, environmentalists say, but the initial cost can be prohibitive. The outside investments are designed to take care of the upfront expenses.

The idea behind the programs is that saving energy is still far cheaper than making it from such renewable sources as wind and solar power.

"There's an enormous amount of energy inefficiency" in buildings, said Stephen Morgan of Clean Energy Solutions, which is working on the [Cambridge](#) plan. "It can be harvested at a fraction of what it costs to generate the alternative."

In Washington, officials said the building retrofits would begin with a visit from "energy auditors" from Pepco Energy Services, a division of [Pepco Holdings](#), who will look for places where energy is wasted.

After these audits, officials said, Pepco Energy Services would recommend a series of environmentally friendly upgrades. These might be as small as new power-saving compact fluorescent light bulbs or as big as a new cooling system or better-insulated windows.

These upgrades would then be paid for by Hannon Armstrong, which will raise the capital by selling its securities, Eckel said. Building owners would repay Hannon Armstrong out of the money they save, officials said. The agreements would be designed so that building owners would still make money off the savings or at least break even.

"They will spend the same amount of money, or more, if they do nothing," Eckel said.

The first two buildings to be overhauled will be the Reston International Center, a 15-story office building in [Fairfax County](#), and a complex of buildings at [L'Enfant Plaza](#) in Southwest Washington, officials said. They said that, in the future, building owners from across the region could request to be included in the program.

Virginia Tech leaders said they would advise the partnership and send researchers to study the sites and their upgrades. They would also help educate the public about saving energy and work to improve the energy efficiency of Blacksburg buildings.

The school's prominent role in the project, about 270 miles from its main campus, is "an opportunity for us to be recognized for having a major presence up here," said James Bohland, the executive director of the school's National Capital Region Operations.

Staff researcher Meg Smith contributed to this report.