Net Zero Exchange Series: Energy Efficiency

KARA KOKERNAK, ULI & BECCA TIMMS, JAMESTOWN LP

FEBRUARY 23, 2023
Agenda

- Introduction to ULI Greenprint and Net Zero Exchange Series – 5 min
- Guest Speaker Presentation: Becca Timms, Jamestown LP – 30 min
- Q&A for Becca – 10 min
- Breakout Groups – 20 min
- Open Discussion – 20 min
- Next Net Zero Exchange Date & Topic - 5 min
ULI Net Zero Mission Priority

Decarbonizing the real estate sector and accelerating our progress to net zero
ULI Decarbonization Program
Reduce Carbon, Build Value

Research & Thought Leadership

Greenprint Community of Practice

Local Technical Assistance

Content on climate mitigation, making the business case for green buildings and the journey to net zero for the global real estate industry.

Collaborative of 74+ real estate owners committed to improving the environmental performance of buildings and achieving net zero by 2050.

Convene public and private sector at the local level to overcome barriers to decarbonization and accelerate real estate’s journey to net zero.
ULI Net Zero Energy Exchange

Programming for all Members to engage on Net Zero in a meaningful way

- Regularly scheduled series of meetings to facilitate conversations between ULI members, District Council staff, other global experts, and HQ staff
- Intended to help promote the most innovative and/or effective best practices for Net Zero
- Serve as an opportunity to share and exchange ideas with a presentation on a Net Zero topic, project/program updates from District Councils leadership, and a conversation between attendees
- Aims to foster increased ULI member collaboration, program and research ideas, and help facilitate the right types of Net Zero investment

Register for the series: https://americas.uli.org/events/detail/76583669-8C9D-4087-BC9B-88447199A573/
Defining Net Zero

A net zero building portfolio is highly efficient and fully powered by on-site and off-site renewable energy sources and offsets.

1. ENERGY EFFICIENCY
2. ONSITE RENEWABLES
3. GRID INTERACTIVITY & ELECTRIFICATION
4. OFFSITE RENEWABLES, RECS, OFFSETS

TENANT ALIGNMENT
EMBODIED CARBON
# 2023 Schedule – ULI Net Zero Exchange

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Becca Timms is the Director of ESG at Jamestown. She leads environmental, social and governance (ESG) initiatives through the Jamestown Green program and the Jamestown Charitable Foundation. Prior to joining Jamestown in 2012, Ms. Timms worked as a local government consultant for Clark Patterson Lee, where she served as Community Development Coordinator and Sustainability Commission Staff Liaison for the City of Dunwoody. She is a Certified Energy Manager (CEM) and holds a LEED AP O+M credential. Ms. Timms is an active volunteer with the ULI, the US Green Building Council, and Community Farmers Markets. She holds a Bachelor of Arts in Spanish and Environmental Policy from Sewanee: the University of the South and a Master of Science in Sustainable Development: Environmental Policy and Management from Utrecht University.
40-year track record

$13.2 billion of assets under management¹

Transforming spaces into innovation hubs and community centers

Value creation driven by consistent focus on NOI growth

Design-focused real estate firm
Value Creation

Jamestown possesses internal expertise beyond a traditional operator, applying its diversity of views to maximize value

Engaging Spaces
Site activation, tenant curation, and thoughtful public spaces are a hallmark of Jamestown

Inclusive Environments
Accessible and welcoming environments are designed to engage the people who use our properties

Food & Beverage
We work with local purveyors to create interesting food and beverage concepts and diverse offerings

Distinctive Assets
Our properties are designed for the communities in which they are built and feature digital engagement through property apps and social media

The value of physical space is created by the experiences people have in it. Spaces can elevate, transport, and inspire. Our goal is to create places that add value to people’s lives on a daily basis and are relevant in a rapidly changing professional environment.
PORTFOLIO SUMMARY

U.S. NORTHEAST / SOUTHEAST
- Boston (3)
- New York (8)
- Washington, D.C. (1)
- Raleigh (1)
- Charlotte (1)
- Charleston (1)
- Atlanta (9)
- South Florida and Miami (6)

U.S. WEST
- Seattle (1)
- San Francisco Bay Area (10)
- San Luis Obispo (1)
- Los Angeles (2)

EUROPE
- The Netherlands (4)
- Germany (1)
- United Kingdom (2)
- Italy (3)
- Spain (3)
- Portugal (4)

1. Asset count excludes Latin America, land, and timber, and includes separate account managed on behalf of a German pension fund.
Sustainability Highlights
1. Rating received on 9/1/2022 for the period of 1/1/2021 to 12/31/2021 by GRESB. Jamestown pays an annual fee to be a GRESB Member and participates in GRESBs’ Annual Real Estate Assessment for certain Jamestown fund vehicles.

2. Rating received on 6/1/2021 for the period of 1/1/2020 to 12/31/2020 and 06/01/2020 for the period of 1/1/2019 to 12/31/2018 by PRI. Jamestown pays an annual fee to be a UNPRI signatory. There was not an assessment in 2022 (covering 2021) due to scoring modifications.

3. Given on 3/23/2022 for the period of 1/1/2021 to 12/31/2021 by the Pension Real Estate Association. Jamestown pays to be a member of PREA.

The above information is for the Jamestown Portfolio, which includes the Premier Property Fund.
Impact Areas and Targets
ESG GOALS & IMPACT AREAS

As an owner and operator of commercial real estate, Jamestown must help address environmental issues and improve sustainability in many interrelated areas. These efforts are a core part of our fiduciary responsibility, allowing Jamestown to minimize risk and capitalize on opportunities. Jamestown has memorialized short-, medium- and long-term targets, as well as more general objectives, to guide our strategy. Together, these targets support all 17 United Nations Sustainable Development Goals (SDGs).

Jamestown has organized Jamestown’s impact areas and the corresponding targets by the ESG pillar to strengthen the consistency and transparency of our ESG reporting to our investors and the public. We are excited to share our progress and achievements of our short-term targets and anticipate additional revisions to our medium- and long-term targets over time to sustain and lead the industry’s best practices.

ENVIROMENTAL

- Emissions
- Energy Efficiency
- Water Efficiency

SOCIAL

- Health and Wellbeing
- Social and Community Impact

GOVERNANCE

- Resilient Site Selection and Design
- Materials and Supply Chain
- Transparency and Disclosure
U.N. Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS

Stakeholders are increasingly demanding investments that drive financial returns through creating social and environmental value. To this end, the SDGs were established as a powerful framework to guide structured investments towards long-term financial value and social and environmental impact. The SDGs were established in 2015 under the United Nations adoption of the 2030 Agenda for Sustainable Development with the intention of ending all forms of poverty, inequalities, and negative climate impacts. While the SDGs are predominately focused on government entities, many commercial firms have also recognized their value and are promoting and aligning their operations with these goals.

In previous reports, Jamestown shared examples of how our business operations impact each SDG. In 2020, Jamestown formally adopted all 17 SDGs, and aligned our targets with the applicable UN SDG targets.

For a full list of how Jamestown’s targets are aligned with the SDGs, please refer to section IX of the reference document.
**ESG Impact Area: Energy Efficiency**

### Energy Efficiency

#### Short-Term Targets (Present-2024)

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<th>Status</th>
<th>Progress</th>
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<td>Drive energy efficiency improvements of approximately 3% per year</td>
<td></td>
<td>3.56% reduction in energy use intensity (kbtu/sf) from 2020-2021</td>
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<td>Pilot three energy-saving technologies for Jamestown’s innovation program</td>
<td></td>
<td>Piloted three energy-saving technologies for Jamestown’s innovation program, with plans for expansion in 2022</td>
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<td>Install building-level energy management software in 100% of eligible office properties</td>
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<td>Utilizing pilot results to identify opportunities to increase coverage across all office assets</td>
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<td>Complete a portfolio-wide solar assessment and increase renewable energy production by 2% annually</td>
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<td>Partnered with Wunder Capital on first, on-site solar project at Levi’s Plaza, followed by a portfolio wide assessment in 2022</td>
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<td>Conduct energy audits for 100% of properties and establish an emissions/energy reduction plan for 100% of properties</td>
<td></td>
<td>Strategically phased energy audits across the portfolio to ensure that 100% of properties will have an audit-informed emissions/energy reduction plan by 2024</td>
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#### Efficiency Investment to Align with Performance Standards

In 2021, Jamestown conducted an energy audit of America’s Square, its largest asset in Washington, D.C., to identify deep retrofit compliance pathways for the district’s Building Energy Performance Standards (BEPS) requirement. This project heavily relied on ENERGY STAR Portfolio Manager to analyze historical performance, set targets, and ultimately determine if implementing the audit recommendations would generate enough savings to meet the BEPS target. Over $2 million was invested to embark on a major VAV Box Replacement project to bring the property into BEPS compliance within the next 24 months. This was the largest projected energy savings measure and is estimated to save over 1 million kWh and $130,000 on an annual basis, in addition to supporting occupant comfort through better controllability of individual offices.
ESG Impact Area: Energy Efficiency

JAMESTOWN INVESTS IN ENERGY EFFICIENCY

A number of Jamestown properties have undertaken projects to improve energy efficiency and reduce operating costs and GHG emissions. The following examples highlight some of our recent energy projects.

NEW YORK ASSETS REALIZE EFFICIENCY IMPROVEMENTS

New York’s aggressive energy use and emissions reduction policies are a motivator for landlords to prioritize investments in energy efficiency. Between 2018 and 2019, the 5.4 million sf Industry City Campus realized a 20% reduction in energy intensity. This improvement was a result of strategic energy efficiency projects including boiler upgrades and MEP operational adjustments, as well as upgrades and repairs to energy infrastructure. Additionally, One Times Square realized an 1% energy improvement during the same period as a result of upgrading the iconic north-facing building signage to a unified LED sign.

AQUICORE TRACKS COVID ENERGY IMPACTS

Jamestown utilizes real time energy management to inform operations at a number of properties. As COVID-19 began to impact property operations, Jamestown worked with Aquicore to analyze the impact that changes in occupancy had on energy performance. An analysis was completed for all properties that utilize the software, and an aggregated report demonstrated over $235,000 in energy cost savings through the end of May.

88 LEONARD DEPLOYS ENERGY MANAGEMENT PLATFORM

In March of 2020, 88 Leonard, a multifamily property in Tribeca, deployed and onboarded an easy-to-use energy management software platform called SmartKit AI. The deployment was done 100% remotely with zero upfront costs during COVID-19, using breakthrough software built by Logical Buildings that is based on a secure cloud-to-cloud integration into the utility smart-meter network. The platform quickly identified strategies to reduce electricity costs at 88 Leonard by ~10% (with simple actions – such as more efficient scheduling of the rooftop pool electric heater). In addition, the software also includes an app that creates transparency in energy usage and building operations. It uses predictive analytics to guide and reward building operators as they manage their properties more efficiently.

SAN FRANCISCO PROPERTIES LEVERAGE FREE RETRO-COMMISSIONING

In early 2020, Levi’s Plaza, Waterfront Plaza, and 55 Francisco partnered with PG&E to take advantage of a free Retro-commissioning (Rx) program. The goal of the program is to provide property teams with a list of actionable energy efficiency measures that have quick returns. The studies consider both optimizing existing systems and identifying where equipment can be added to leverage more energy savings. In addition to the free energy efficiency study, the savings identified through the study can produce an incentive payment based on the achieved annual energy savings through the Commercial Custom Incentives Program, once implemented.

INNOVATION AND DESIGN BUILDING’S CLEAN ENERGY IMPACT

In 2019, over 631 MWh of electricity was produced from the solar array at the Innovation and Design Building. This is the equivalent of reducing the greenhouse gas emissions of 1,422,571 miles driven by an average passenger vehicle, over 45 trips around the world, or driving from Atlanta to San Francisco and back 230 times.
ESG Impact Area: Energy Efficiency

DATA + INSIGHTS
In 2021, Jamestown partnered with Prescriptive Data to implement their Quantum OS technology at Waterfront Plaza as a pilot. This technology uses data from IoT occupancy sensors to prescribe operational adjustments in real-time that improve building performance and tenant comfort. The pilot is modeled to payback in under 7 months with an ROI of 669% and an IRR of 167%. After the pilot, additional properties across the portfolio will be evaluated as part of Jamestown’s commitment to reach net zero carbon operations by 2050.

TECHNOLOGY NETWORK
In 2021, Jamestown launched a new innovation partnership with Cambre Creek, a leading venture capital firm focused on real estate technology. Jamestown’s in-house Tech & Innovation team will work closely with the Cambre team to evaluate new ideas and tackle key priorities in Jamestown’s innovation pipeline, with a focus on ESG projects.

PILOTS + DEPLOYMENT
Jamestown is partnering with Carbon Lighthouse to pilot a program at LEED Gold certified One Metro Center in Washington, D.C. to reduce emissions by a projected 437 tons each year and save $132,000 annually. Carbon Lighthouse’s CLUES AI platform will assist Jamestown with profitable, data-backed carbon reductions.
Property-level Leadership
Net Zero Carbon

Levi’s Plaza is committed to becoming a net zero operational carbon campus by 2025, a first in the Jamestown portfolio:

- Serving as a model for other existing buildings to reach Jamestown’s portfolio-wide target of net zero operational carbon by 2050
- Meeting or exceeding the ESG requirements of large tenants in California
- Driving innovation through sourcing of materials and energy, waste, and water management
- Effectively eliminating the use of fossil fuels and utilizing on-site renewables and 100% clean power to meet remaining energy needs
- Executing green leases for shared alignment between Jamestown and tenants in achieving sustainability goals
- Pursuing LEED O+M Certifications and annual ENERGY STAR ratings
Strategic Decarbonization

As a Department of Energy Low Carbon Pilot participant, Jamestown’s decarbonization plans follow the net zero carbon priority waterfall:

- **Energy Efficiency** – utilizing Aquicore as a real-time Energy Management Information System (EMIS) and partnered with PG&E to take advantage of a free Retro-commissioning (Rx) program

- **Electrification** – converting central plant equipment from natural gas to all-electric

- **On-site Renewables** – installing photovoltaic (PV) system on the 1160 Battery rooftop

- **Grid Interactivity** – participated in the CleanPowerSF’s 2021 Peak Day Pricing Pilot, helping to curb carbon emissions and keep the lights on for all Californians

- **Off-Site Renewables** – purchasing 100% carbon free electricity from the grid via the CleanPowerSF SuperGreen program

- **Renewable Energy Credits (RECs) & Offsets** – considering RECs and offsets for any remaining energy consumption once renovations are completed
Scaling Efficiency
Advice for Portfolio Strategy

- Start early
  - ESG integration into due diligence

- Find your people and deepen your bench
  - Internal and external collaboration

- Use your data
  - You can’t manage what you don’t measure

- Find alignment
  - Energy/carbon performance standards, tenant/investor demands

- Connect the dots on cost
  - ESG reporting and financial reporting can be disconnected

- Embrace technology
  - Alternative financing models

- Get creative
  - Alternative financing models

- Positive peer pressure
  - Tap into our competitive nature

- Celebrate all wins and share widely
  - Who doesn’t love positive recognition?

- Start with a home run
  - Begin where you have some momentum

- Stay resilient
  - If it were easy, everyone would be doing it 😊
Breakout Room Questions

- **Discussion #1**
  - Introduce yourself and your experience with Net Zero in terms of current projects or programs
    - How are you tracking your energy use data?
    - What are your successful methods of increasing energy efficiency?
    - Are you familiar with your local net zero energy or carbon building code or reporting requirements?
From Energy Benchmarking to Carbon Caps & Beyond
Local climate policies are accelerating building decarbonization

|-------------------------|--------------------------------------|-----------------------------|--------------------------------------|-------------------------------------|--------------------------|
ULI Global Green Building Policy Dashboard

Serves as a quick reference allowing real estate practitioners to filter by location and see a summary of key requirements related to building certifications, greenhouse gas emissions, embodied carbon, energy, electric vehicles, renewable energy, and resilience

Discussion #2

- Are you facing any technical obstacles to achieving a net zero building or project?
- What support do you need from the industry to achieve net zero on your projects?
Research, Tools and Training, Convenings and Cultivating Leaders

https://knowledge.uli.org/
Open Discussion
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