

Eco-Friendly Practices

Powering Change Through A Strategic Approach To Hotel Energy Efficiency

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Mr. Byers

Energy use reduction is a key factor in sustainability initiatives for hotels.

According to [an Energy Star report](#), hotels in the United States spend an average of more than \$2,000 on energy per room annually, representing nearly six percent of all operating costs. Reducing energy consumption by just 10 percent would have the same financial effect as increasing the average daily room rate by as much as \$1.35 in full-service hotels.

The move towards more environmentally-friendly practices in the hospitality industry continues to prove its benefits on conscience, morale, and costs. Below, we've outlined the steps that hotel owners and managers can take to ensure a healthier environment and bottom line.

Step One: A Comprehensive Benchmarking Audit

By taking a strategic approach to driving change in their properties, forward-looking hotel executives can identify critical potential areas to reduce energy consumption and stay on the pulse of energy-saving trends and technologies.

Hotel facilities vary widely in terms of size, number of staff, and resources, among other factors. In order to determine how to reduce negative environmental impact, save operations costs, and leverage improvements to attract guests and investors, hotel executives must seek out a detailed plan and process that will drive them toward their goals.

A comprehensive benchmarking and energy use audit will deliver a strategic plan through detailed research and assessments. These plans continuously prove to be well worth the time, money and effort.

The audit involves an exhaustive survey of the property, typically conducted by a specialized consulting firm with deep knowledge of energy efficiency and eco-friendly regulations, standards, and practices. This survey will determine current usage by evaluating all areas of a hotel's facilities and grounds that utilize water and energy.

For example, one major component of this procedure is assessing the operational practices of HVAC systems throughout a hotel property. In addition to looking at whether the systems are operating correctly and identifying potential problems or a need for maintenance or replacement, the audit can also reveal instances where heating and cooling counteract each other. By recognizing these details, hotel managers can correct this and reduce the energy used for both processes.

Executives who partner with a team of engineers and other professionals experienced in hospitality facilities can be confident that these experts will be able to identify and anticipate any issues or weak spots. Further, by retaining a third-party expert to perform assessments rather than vendors, hotel managers can be sure that they are getting results and guidance that is optimized for their property or portfolio.

Through comprehensive reporting that compares a hotel's energy consumption to that of similar properties, benchmarking can foster a deeper understanding of energy efficiency, environmental impacts, and capital expenditure.

The reports produced following these audits provide hospitality managers with insights into how major overhauls and minor changes in day-to-day practices can have an impact on sustainability and the bottom line, acting as an incredibly valuable capital planning tool.

Whether a hotel owner is looking to make a huge leap towards sustainability through major renovations or evaluate current processes and identify opportunities for improvement, these reports can act as a well-informed

guide.

The proposed solutions can range from those that are no-cost but create an impact that can be observed within just a few months, to higher-cost changes that will offer long-term returns over the life of a property.

Due to ever-evolving technological advances and changes in environmental policy, an in-depth assessment and benchmark comparison every three to five years is recommended. To track progress and stay on track, evaluations to measure success should occur more frequently.

Step Two: Annual Evaluations Are Key

After being presented with recommendations following a benchmarking audit, a hotel owner or manager is equipped with a breakdown of costs and impacts of specific actions that can enhance sustainable operations through reduced energy use, increase cost savings, and boost efficiency.

Because hotels vary greatly in size, vintage, resources, and condition, the next step after initial benchmarking must be decided on an individual basis.

Some hotel owners or managers may choose to tackle only the lower-hanging fruit initially, but even these relatively minor upgrades can have a substantial impact over the long term.

The question remains: How often should hotel facilities be assessed to evaluate the effectiveness of the upgrades and changes that are made following an audit?

As a general guide, setting annual goals will help hotels stay on track as they navigate the ongoing sustainability process. Consequently, this means assessing progress once a year.

These assessments are especially important when a hotel is taking a gradual approach, such as addressing lower-cost and easier-to-implement items first. In these cases, it is important to perform a full annual evaluation to see what is working, and what might not be, on a property-wide scale.

Common low-cost improvements include retrofitting faucet aerators and replacing shower heads and lightbulbs (to LED and compact florescent options) to reduce the use of water and energy, while still delivering the same amenities and quality to guests.

Some larger-scale action items to ensure long-term sustainability include upgrading to new, more efficient HVAC systems, or even a complete overhaul of how a hotel is powered, such as the installation of solar PV panels. Replacing outdated washers and dryers can also lead to significant reductions in water and energy usage when applicable.

A hotel or hospitality chain may choose to partner with an energy service company (ESCO) to implement larger changes, more complex renewable energy technologies, and a wider range of energy-efficient renovations to a property. Under this contract, the ESCO will own all new equipment that is installed in the facility initially, and absorb any savings for the first 10 to 20 years, depending on the contract period, so the hotel will not see any direct profit from these savings until then. At the end of the term, however, ownership of improvements is transferred to the hotel, and the property will begin to see the profits.

While ESCO partnerships can mean a significantly longer payback period, they offer the benefit of leaving the responsibilities of the project - including risks and maintenance - to an expert third-party, which can help hotel chains or smaller independent operators navigate changes. These are often the only feasible way to implement some of the more advanced technologies.

Step Three: Monthly Monitoring & Maintenance to Stay on Track

Setting annual targets is the best way to measure the true impact of energy-reduction initiatives, however frequent monitoring of water and energy usage figures is a critical step to stay on track throughout the year.

While these numbers can and should be checked every few days to identify red flags that might arise, hotel owners and managers should choose a dedicated time at the beginning of each month to address any significant changes over the previous one.

By assessing usage monthly, hotel managers and owners will be able to catch any deficiencies and determine any additional impacts on energy uses - positive and negative - between audits.

To coincide with monthly monitoring, hotel managers should consider implementing ongoing staff training and

refresher courses on environmentally-friendly practices and sustainability objectives. By ensuring that all staff members understand both the end goals and how their roles contribute to upholding eco-friendly practices, hotels can bolster more seamless green operations.

Fostering staff unity when it comes to sustainable goals can also strengthen how these initiatives are communicated to customers, further driving guest satisfaction and commitment to green initiatives.

Step Four: Day-to-Day Practices Make a Lasting Impact

Following an energy use audit or evaluation, some of the practices that are adopted impact a hotel's daily operations on an ongoing basis.

This can directly affect guest relations, as many of these changes occur on a room level. For some properties, this can mean implementing policies such as not changing linens or washing towels everyday unless asked, and friendly reminders to turn off lights when not in use - of which guests tend to be supportive. In some cases, customers might be more likely to return or recommend a location to others out of appreciation and respect for these environmentally-minded practices.

One surprising day-to-day component of hotel operations that can have a major impact on energy reduction - and therefore both environmental footprint and cost savings - is an effective software system that manages and tracks room-level and building-level services such as maintenance.

For example, we recently worked with a hotel in New Jersey evaluating the effectiveness of a software application that assists hotels in optimizing their operations by cataloguing all guest requests and responses.

Not only did the software improve guest experience by facilitating a more streamlined process of taking and responding to maintenance requests, but it also had an impact on the hotel's bottom line.

A comprehensive software system can drive efficiency through improved tracking of maintenance requests and completions. It is also a quicker way to ensure that energy-consuming appliances that are not operating at efficient levels are quickly fixed, and that all equipment and facilities in a hotel are working up-to-speed and up-to-code - which in turn, provides management and staff with more time to focus on sustainability initiatives.

A Continuing Quest

Determining how to lessen energy usage and the environmental footprint of a hotel is the first step on a road that is ever-changing and evolving. This is a result of deeper understanding of how current practices affect the environment and the bottom line, as well as new technologies that make sustainability possible at lower costs, while maintaining the quality guests have come to expect.

While most hotels are not starting from scratch when it comes to energy reduction, benchmarking and tracking utility usage is a useful tool that can reveal opportunities for improvement, even for properties that operate relatively efficiently.

Continuously implementing eco-friendly practices is often a win-win-win for the hospitality industry, reaping environmental, financial and social benefits that drive success.

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