

Leverage Decarbonization for Better Buildings and Better Business



With increasing risks from climate change, investors, regulators, and other stakeholders are requiring that companies decrease their greenhouse gas emissions. As commercial and industrial organizations prioritize building decarbonization, they find that energy efficiency and building electrification investments not only help to reduce energy consumption but offer a wide range of additional benefits to their business.

Reduce Your Carbon Footprint, Increase Business Value

Simple return on investment calculations for building efficiency and electrification initiatives rarely capture the full breadth of benefits realized by such activities. New equipment not only tends to work better than aging building systems, but can also help to improve the indoor environment for occupants and yield numerous financial benefits for building owners and operators.

Indoor environment improvements from energy efficiency upgrades can enhance occupant comfort and improve building function.

- **Improved ambiance:** New HVAC and refrigeration systems offer better noise control than older ones and high-efficiency LED lighting can help reduce glare, improve lighting uniformity, and increase visibility.
- **Reduced footprint:** As technologies improve, they typically get smaller. For instance, modern industrial heat exchangers and chillers are not only more energy efficient than older technologies, but require less space in a building, freeing up valuable real estate for other business activities.
- **Improved indoor air quality:** The replacement of fuel-burning building equipment, such as natural gas boilers, with electric alternatives, such as heat pumps, can not only decrease reliance on polluting fossil fuels and help to improve efficiency, but can also improve air exchange, filtration, and comfort.

The financial benefits of energy efficiency improvements can enhance the bottom line or be redeployed to support growth or mission-critical organizational needs.

- **Operational savings:** Energy efficiency upgrades deliver real operational and energy cost savings.
- **Reduced maintenance and repairs:** Upgraded building systems are more reliable than outdated ones, minimizing downtime and disruptions to business operations and allowing maintenance staff to spend their time proactively and strategically improving a facility.
- **Improved asset value:** Decarbonization upgrades can increase the value of a building. Estimates of the premiums associated with very highly energy efficient office buildings range from 8.5% to 26% for building sales and from 2.1% to 17% for building rentals.
- **Incentives, grants, and rebates:** As depreciating assets, new building equipment can also yield tax benefits for a company. Grants and rebates from utilities or government agencies often provide further financial incentives.
- **Optimized operations:** The addition of automation and control systems during building retrofits can not only meaningfully help to reduce energy consumption, but also increase throughput, optimize labor, reduce downtime, and improve employee comfort.

With so many variables to consider, very few organizations are able to develop building decarbonization plans that maximize all of the potential benefits on their own. By working with building energy efficiency experts to understand the financial tradeoffs between repairing existing building systems and upgrading with new equipment, an organization can establish a decarbonization plan that both meets its greenhouse gas emission reduction targets and adds significant value across the business.



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