

FREE COMMERCIAL BUILDING UPGRADE MANUAL

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The U.S. Environmental Protection Agency put together a guide for renovation of a commercial building to make it more energy efficient: Energy Star Building Upgrade Manual. The Manual is free and can be downloaded from their website at: http://www.energystar.gov/index.cfm?c=business.bus_upgrade_manual Like most government publications, this is not a paint by number kit that covers everything you need to know.

It is an overview or summary of key issues that will be of most value to a person looking at this subject for the first time. I was particularly pleased with Chapter 3 on Investment Analysis. This part of the manual looks at how spending the money on a renovation may pay for itself in energy savings. *“All types of organizations, for-profit and not-for-profit alike, should analyze prospective investments based on their expected cash flows. If a business is contemplating an investment to support a higher level of sales, it should weigh the cost of the investment and any related operating expenses against the additional cash benefits to the business from the projected incremental sales. Only if the expected cash inflow is more valuable than the expected outflow should the investment move forward.”*

The Manual presents and compares Payback Period, Net Present Value and Internal Rate of Return as concepts in making a decision to spend scarce cash. Although this Manual is for commercial buildings, this chapter also applies to residential buildings. The rest of the Manual covers benchmarking, financing, different types of renovation and different types of commercial buildings.