

## Energy, Waste, and Water

### Summary

Across the globe, businesses have begun to address the issues related to establishing and monitoring standards for enhanced reporting of environmental costs and liabilities. The benefits of reducing a business's negative impact on the environment is not simply doing right by society. This benefit can also provide a business with a competitive edge in a growing market for sustainable goods, protects the brand, mitigates risks, and improves employee retention (Chladek, 2019) while also reducing costs. As with other industries, the lodging industry is increasingly required by various stakeholders, including meeting planners, corporate and leisure customers, investors, and municipalities, to quantify the environmental impact of a guest's stay and the overall environmental impact of the hotel.

The AHLA had the foresight to establish the Sustainability Committee of the AHLA several years ago. In updating the USALI to its 12th edition, the Global Finance Committee and Hospitality Financial and Technology Professionals (HFTP) reached out to partner with the AHLA Sustainability Committee to enhance the Utilities-Schedule 9 in the USALI 11th edition to become the new Energy, Water, and Waste (EWW) of the USALI 12th edition, with a new EWW-Schedule 9 and new EWW metrics section to align with existing industry metrics. The new EWW metrics provide improved monitoring and benchmarking of EWW cost and usage. Significant changes from the 11th edition of USALI are reclassifying waste expenses from the Property Operations and Maintenance Schedule to the Energy, Water, and Waste (EWW) Schedule while also expanding Energy and Water with more detailed accounts, descriptions and metrics.

In addition, this revised 12th edition focuses on the guidance to support both large and small lodging properties to evaluate efficiency performance and prepare for information requests by stakeholders. These uses may prioritize integrating metrics into financial systems. Therefore, guidance on new metrics has been provided to assist in calculating a hotel's environmental impact to address the increasing need at the property level where meeting planners, cities, and or other third parties that request these statistics. Managing EWW cost, utiliza-

tion, and environmental impact may improve a hotel's profitability, enhance compliance with environmental regulations, and reduce its environmental footprint.

While this USALI edition does not attempt to provide detailed calculations to determine the carbon footprint or greenhouse gas emissions generated by the hotel, it does provide a general framework to measure a hotel's energy usage, water usage, and waste production consistently to evaluate performance trends over time. Several metrics and ratios are identified in this Energy, Water, and Waste (EWW) Metrics section. For hotels that are part of a brand, these companies will typically support the calculation within their global brand databases and are being contacted by clients for information on hotels within their respective brand. It is recommended to leverage these databases to avoid duplicate work and ensure the hotel's information is consistently included.

As hotel ownership and operations come in different sizes, and resources to monitor and understand all regulations vary from property to property, it is therefore recommended, as a starting point, for all hotels to monitor and track the components necessary to understand a hotel's environmental impact. Metrics such as energy consumption per occupied room ("POR"), water consumption POR, and waste production POR are important components of understanding and reducing a hotel's utilities cost and environmental impact.

Unlike most financial and operating metrics, which are generally easy to obtain regularly (i.e., daily, weekly or monthly), EWW information is often less readily available. Since hotels rely on utility bills to generate EWW metrics, this process will frequently be completed outside of the monthly and/or quarterly financial data reporting process. Notwithstanding these challenges, calculating and benchmarking EWW usage will provide insight to hotel operators and owners on the financial and environmental impact of a hotel and identify opportunities to reduce EWW cost and usage. ●