



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

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MEMORANDUM FOR AGENCY CHIEF SUSTAINABILITY OFFICERS

FROM: ANDREW MAYOCK 
FEDERAL CHIEF SUSTAINABILITY OFFICER

TO: Agency Chief Sustainability Officers

SUBJECT: Implementation of Green and Net-Zero Emissions Leases

I. Purpose

This memorandum provides instructions for agencies on implementing section I.F.2 of the Office of Management and Budget (OMB) [Memorandum M-22-06](#) (December 8, 2021) (M-22-06) and section 4.4.13 of the Council on Environmental Quality's (CEQ) [Implementing Instructions for Executive Order 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability](#) (August 2022) (the Implementing Instructions), regarding green leases and net-zero emissions leases.

II. Green Leases

Section I.F.2 of M-22-06 and section 4.4.13 of the Implementing Instructions require that every new Federal lease (including a new, replacing,¹ succeeding, or superseding lease) must be a "green lease" if (1) the lease covers at least 25,000 rentable square feet, (2) the lease is in a privately owned commercial building of which the Federal Government leases at least 75 percent of the total building square footage, and (3) the Federal Government makes the initial solicitation for the lease after September 30, 2023.²

Consistent with the Implementing Instructions, the General Services Administration (GSA) issued [Green Lease Standards and Guidelines for Federal Leases](#), effective October 1, 2023.³ A lease must meet these standards to qualify as a green lease. GSA may update the guidelines periodically, based on market research. Agencies must comply with future updates to the guidelines beginning no later than the first day of the second fiscal year following the date of publication.

III. Net-Zero Emissions Leases

Section I.F.2 of M-22-06 and Section 4.4.13 of the Implementing Instructions require that every new Federal lease (including a new, replacing, succeeding, or superseding lease) must be in a net-zero emissions building (a "net-zero emissions lease") if (1) the lease

¹ Described in M-22-06 and the Implementing Instructions as a "new-replacing" lease.

² This memorandum clarifies Section I.F.2 of M-22-06, which provides that the green lease requirement applies to leases "entered into after September 30, 2023."

³ See <https://www.gsa.gov/real-estate/real-estate-services/leasing/sustainability-policies>.

covers at least 25,000 rentable square feet and (2) the Federal Government enters the lease after September 30, 2030.

This memorandum clarifies that, like the requirement to enter a green lease, the requirement to enter a net-zero emissions lease applies only if the lease is in a privately owned commercial building of which the Federal Government leases at least 75 percent of the total building square footage.⁴

A building is a net-zero emissions building if it meets the U.S. Department of Energy's National Definition of a Zero Emissions Building (the National Definition).

IV. Agency Implementation

Federal agencies that lease privately owned commercial space, including agencies with independent leasing authority, must:

- Follow the Green Lease Standards and Guidelines for Federal Leases for any lease that meets the criteria in Section II;
- Enter leases only in buildings that meet the National Definition for any lease that meets the criteria in Section III;
- Incorporate the Green Lease Standards and Guidelines for Federal Leases and the National Definition into the terms of covered leases to which they apply; and
- Incorporate these guidelines into their internal leasing policies and procedures.

V. Exemptions

An agency may exempt an individual lease from the requirements of Section I.F.2 of M-22-06 and Section 4.4.13 of the Implementing Instructions if the head of the agency (or designee) makes one of the following determinations, in which case the agency must document the basis for the determination in writing:

1. The lease qualifies for one of the exemptions described in Section 602(a) or (c) of [Executive Order 14057](#), *Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability*;⁵
2. The lease is subject to circumstances that permit the agency to make an acquisition without full and open competition pursuant to [Section 6.302 of the Federal Acquisition Regulation \(FAR\)](#);⁶ or

⁴ To clarify Section I.F.2 of M-22-06, a net-zero emissions lease is not separately required to qualify as a green lease.

⁵ An agency that uses this exemption must comply with the procedural requirements of Section 602.

⁶ For example, there is only one responsible source that will satisfy agency requirements; an unusual and compelling urgency, such as emergency response, precludes full and open competition; or the lease will support the establishment or maintenance of an essential capability for scientific, engineering, or

3. Complying with the requirement to enter a green lease or a net-zero emissions lease would prevent the agency from meeting a mission-critical requirement.

VI. Tracking and Reporting

In order to comply with the reporting requirements of M-22-06 and the Implementing Instructions, agencies must maintain records about their green leases and net-zero emissions leases, including, for each such lease, the location and square footage of the leased property, the date on which the agency executed the lease, the start and end dates of the lease, and the cost per rentable square foot, as well as corresponding information for leases that the agency has entered pursuant to one of the exemptions described above, including documentation of the basis for the agency's use of the exemption.

developmental work. An agency that uses this exemption must provide any justification it prepares pursuant to FAR § 6.303 to CEQ upon request.