WORKSHEET 4.12

# Ratings, Lenders and the Cost of Capital

*Subchapter 4.12 · case in the book: Frankfurt*

Ask your finance director for the loan documents on your building and read the definitions. If there is a performance obligation in them (an intensity that must fall, a figure that must be reported by a date, a margin that moves against a target) then your management system has acquired a requirement that the energy standard expects you to determine, among the other requirements related to energy use and consumption, and that will reach the system only if that process looks inside the finance files; the person responsible for meeting it has probably never been shown the sentence.

This worksheet turns the tools of the subchapter into a form you can fill in. The texts come from the book; the empty columns are for your own property. Adapt it before use: an unadapted checklist is exactly what the book warns against.

## Practical application: what to do in your property

| Step (from the book) | Done? | What we found / owner |
|---|---|---|
| Hold the series by asset as well as by certified organisation. | | |
| Report absolutes per energy type alongside the intensity you manage by. | | |
| Reconcile the operational and title boundaries in writing, with the difference quantified. | | |
| Write the normalisation method for a stranger, with a worked year. | | |
| Keep the instrument and calibration evidence in a form addressed outward. | | |
| Show the whole series, including the year that went the wrong way, with its explanation. | | |
| Sub-meter tenant areas, and put the clause in at the next lease renewal. | | |
| Decide the trajectory at management review before anybody outside proposes one. | | |
| Negotiate boundary, adjustment method and reporting date into the definitions schedule. | | |
| Put any contractual performance obligation into the objectives and the internal audit programme. | | |

These steps are the book's method, not requirements of ISO 50001. Evidence can take whatever form suits the property; a separate document is needed only where an applicable requirement, or the property's own system, makes it necessary.

## Verification Pact: what is believed, tested against the standard

| What is commonly believed | What actually holds | Our position |
|---|---|---|
| «The certificate will improve our financing.» | It evidences process and reduces data risk, which gets you taken seriously. What is priced is the performance, on the asset, held over time. | |
| «We reported a nine per cent improvement.» | For which entity, on which boundary, over what period, adjusted by what method, and is it still there this year? | |
| «Our figure is the group figure.» | The loan is secured on one building. A weighted portfolio average says nothing about the collateral and will be read as an absence. | |
| «The method is available on request.» | Then nobody has relied on it. What can be relied on is what somebody outside has reproduced, which is two pages you have not written. | |
| «The covenant simply says intensity falls three per cent a year.» | Then a cold winter is a breach. The adjustment mechanism belongs in the definitions schedule, agreed before signature. | |
| «The energy team does not need the loan documents.» | The facility agreement now holds a performance obligation your system must meet, and the process that determines other requirements will surface it only if it reaches the finance department. | |
| «The boundary is the boundary.» | Yours follows operational control; theirs follows the title. The let restaurant is inside one and outside the other, and both are correct. | |
| «We will take the target the bank proposed.» | It came from a market average. A target you cannot hold is a repricing you have agreed to in advance. | |

## Common mistakes: a self-check

| Mistake (from the book) | Present here? | Action / owner |
|---|---|---|
| Expecting the certificate to answer questions about performance. | | |
| Offering a portfolio average to a lender secured on one building. | | |
| Holding a normalisation method that nobody outside has ever reproduced. | | |
| Presenting the best single year where persistence is being priced. | | |

| Mistake (from the book) | Present here? | Action / owner |
|---|---|---|
| Ignoring the difference between the operational and the title boundary. | | |
| Reporting only ratios, and being unable to produce absolutes. | | |
| Accepting a forward target proposed by the institution asking for it. | | |
| Signing a performance covenant with no adjustment mechanism defined. | | |
| Agreeing a measure that includes floors the operator cannot enter. | | |
| Leaving the facility agreement outside the management system entirely. | | |

## Operative synthesis

- **A certificate travels further than the building and does less on arrival than properties expect. To a credit or rating reader it evidences that a defined boundary, a baseline, indicators, a data collection plan and an audited process exist, which lowers the risk that the numbers are wrong. It is not a performance statement and it verifies no figure. It gets the property into the room.**
- **What is priced has a shape, and the shape is consistent because it follows from what the reader is deciding: the figure for this asset, in absolutes and as an intensity, over several years, adjusted by a method that can be reproduced, with the tenant and landlord split stated, and (above all) held. Persistence is the quality outside readers care about and the one management systems are worst at presenting, because internally the achievement is the news and the holding is silence.**
- **Three of the things asked for do not exist inside a certified system at all. An asset-level series, where the system reports on its certified organisation. A figure on the title boundary, where the system follows operational control. And a forward trajectory, which no management system standard has ever required anybody to state. The third is the dangerous one: a property without a target will be offered one, derived from a market average, and a target accepted is a repricing agreed in advance.**
- **Then the subject returns to the auditor, which is why it sits in this volume. A performance obligation written into a facility agreement is a requirement the organisation must meet, with a financial consequence for failure, sitting in a document the energy team has not read. This standard reaches it as one of the other requirements the organisation must determine, but the process that determines them seldom looks at a loan, so the covenant comes in only if somebody points it there. It enters the objectives, the management review and the internal audit programme because somebody carries it there by hand, or it does not enter at all.**
- **In Frankfurt the certificate opened the door and answered none of the three questions behind it. Six weeks of assembly produced a file that has since served a lender, a valuer, two corporate clients and an insurer, and three drafting points in a definitions schedule removed a covenant that the weather could have breached. The next subchapter takes the certificate in the other direction, not out of the building, but across several of them at once: a group certified as one organisation, with properties in four climates, where the sampling that works for a quality system stops working because energy performance is not comparable between sites and the site nobody visited is the site nobody verified.**

## Action plan for our property

| Action | Owner | Due | How we will know it worked |
|---|---|---|---|
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Source: Francesco Dore, The Helm and the Lens, Volume 4b «The Lens», subchapter 4.12. Edizioni Effedore, 2026. Clause references are paraphrased; this sheet does not reproduce the text of ISO 50001, ISO 50003 or ISO/IEC 17021-1. It is not legal advice: energy law is that of the place where the property operates.