IMT was vital in the research and development of financial management tools and guides that give our community of retail energy professionals the information they need to strategically acquire and deploy capital for energy and sustainability efforts. Getting these projects off the ground helps them generate savings and improve the bottom line.

ERIN HIATT, DIRECTOR OF ENERGY, SUSTAINABILITY, AND RESEARCH, RETAIL INDUSTRY LEADERS ASSOCIATION

MAKING ECONOMIC SENSE OF EFFICIENCY

In 2012, The Rockefeller Foundation and Deutsche Bank Climate Change Advisors identified a $279 billion investment opportunity in energy efficiency retrofits. This investment could reduce greenhouse gas emissions by 175 million metric tons per year—equivalent to taking 46 coal-fired power plants offline for a year. However, for building energy efficiency financing comprises only a fraction of the commercial real estate loan pool, and companies seeking to become more efficient continue to face difficulties acquiring capital to finance improvements.

OVERCOMING BARRIERS TO FINANCING EFFICIENCY

IMT works with companies across the U.S. to help them make the business case for energy projects in an environment where the competition for funds and resources is substantial. In 2016, in collaboration with the Retail Industry Leaders Association, IMT produced several guides that walk energy managers through financing options ranging from green bonds and energy service agreements to carbon pricing and revolving loan funds. These guides help put retailers on a strategic path to deploying capital for energy efficiency projects.

In 2016, IMT also surveyed 30 national, regional, and local commercial lenders to illustrate barriers that are slowing the market for energy efficiency in commercial buildings, as well as identify opportunities for improvement. Our results showed that many commercial lenders know little about energy efficiency, give very little thought to efficiency, perceive little demand for energy efficiency financing, and do not encourage or incentivize better building performance. Nevertheless, IMT also uncovered promising lending practices that address energy efficiency, leverage the capital available in commercial banking and encourage more widespread industry change.

A BLUEPRINT FOR LASTING CHANGE

IMT lays the groundwork for others to build upon to drive outcomes for years to come. For example, IMT’s 2013 report “Home Energy Efficiency and Mortgage Risks,” continues to drive market transformation. “The research that IMT did on default rates of mortgages for energy efficient homes has been critical in us making the case to our members and other stakeholders as we begin to craft a European energy efficient mortgage scheme,” said Luca Bertalot, Secretary General of the European Mortgage Federation in 2016.

Elsewhere, the growing traction of Fannie Mae and Freddie Mac’s green financing options in the multifamily sector—both of which accounted for billions of dollars in green mortgages in 2016—also indicate market transformation underway. Looking ahead, IMT remains committed to bolstering the case for valuing and investing in efficiency. Learn more at imt.org.