

2023 Impact Report

The Journey Ahead



IMT
INSTITUTE
FOR MARKET
TRANSFORMATION

About IMT

The Institute for Market Transformation (IMT) is a national nonprofit organization focused on increasing energy efficiency in buildings to save money, drive economic growth and job creation, reduce harmful pollution, and tackle climate change. IMT ignites greater investment in energy-efficient buildings through hands-on expert guidance, technical and market research, policy and program development and deployment, and promotion of best practices and knowledge exchange. For more information, visit imt.org





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Letter from the Executive Director

Dear champions of climate action,

As we reflect on 2023, I am both proud of and humbled by the strides the Institute for Market Transformation (IMT) has made in the relentless pursuit of a sustainable future. This year was marked by unprecedented climate events that underscored the vital importance of protecting people with healthy and resilient buildings. The stories in this impact report are a testament to the tireless dedication of our team, the unwavering support of our donors and partners, and the profound urgency of the climate crisis.

The leadership of businesses, governments, and communities is needed now more than ever, and collaboration across sectors is key to action. IMT is in this middle space, supporting your leadership and inclusive processes for collaboration. Together, we can create healthy, resilient, low-carbon buildings that support a thriving economy for all.

In this historic moment, we are leveraging federal funding opportunities to scale the transformative initiatives you have supported over the years. We invite you to explore the pages that follow to learn more about IMT's holistic accomplishments that are moving us forward.

Thank you for your unwavering support,

A handwritten signature in black ink that reads "Lotte Schlegel". The signature is fluid and cursive, written in a professional style.

Lotte Schlegel
Executive Director
Institute for Market Transformation

Acknowledgements

We are grateful to our generous sponsors and donors, including:



Our Impact in 2023



U.S. Department of Energy selected IMT and its collaborators for [a \\$5 million grant to decarbonize buildings and fight climate change](#) in partnership with community-based organizations and local governments.



Our [Building Innovation Hub](#) provided critical guidance to owners and operators of 650 buildings to understand the new building performance standard. This effort, combined with other Hub activities, helped the District of Columbia reach a 90% compliance rate with the first compliance period for the new law.



Our [Green Lease Leaders](#) program increased 31% since 2022. The program now has the potential to affect 6.1 billion square feet of real estate owned or managed by our awardees in the U.S. and internationally.



Our [five webinars on building performance standards](#) garnered more than 900 unique registrants.



Precious Rideout, IMT's Director of Community Engagement, earns a place on the [Grist Top 50 Fixers](#) list.



Engaging Business Leaders

IMT's long history of collaboration with the commercial real estate sector has given us a unique understanding of the challenges companies face in improving the performance of their buildings. We advocate for policy that is effective and can be implemented by the industry. We provide policymakers with clear guidance for metrics based on site energy use intensity, and reasonable timelines and pathways for compliance. Our programs offer critical services to the full spectrum of commercial real estate stakeholders—from building tenants, owners, and managers, to design and construction professionals.

Real estate insight on policy design & implementation

Spotlight: Energy Policy Database

There is tremendous change right now in the real estate sector as more jurisdictions realize the critical role buildings play in climate action. The [Corporate Engagement Opportunities \(CEO\) program](#) was developed to help companies prepare proactively for a low-carbon future. Additionally, to help business leaders navigate new policies, we launched an Energy Policy Database that combines all BPS, benchmarking, and audit/tune-up requirements in a single, API-accessible database. Moody's Analytics is now incorporating our data into their climate risk calculator. This Fall, we opened up the program to members of our CEO program.

“With the roll out of building performance standards and disclosure policies, CRE professionals are increasingly eager for tools that help them track the regulatory developments that will have the most tangible impacts on their CRE portfolios. IMT's new Energy Policy Database will help us enable our clients to cut through the complexity of this rapidly developing and regionally fragmented policy landscape.”



Natalie Ambrosio Preudhomme
Associate Director, Moody's Analytics CRE

Mutually beneficial leases for tenants and owners

IMT helps make better buildings possible through mutually beneficial agreements between landlords and tenants. Our [Green Lease Leaders program](#), managed in collaboration with the U.S. Department of Energy, sets the standard for green and high-performing leases. In 2023, [it achieved its highest growth yet](#), with a 31% increase in national and international awardees since 2022. The program now has the potential to affect 6.1 billion square feet of real estate owned or managed by our honorees in the U.S. and internationally. We presented at BOMA's Annual Conference Legislative Committee, and at Greenbuild and VERGE conferences on the power of green leasing in a changing market.

“HXE Partners is proud to leverage the Green Lease Leaders program as the Silver, Gold, and Platinum levels of recognition provide a great structure for progression and improvement for our clients. Programs like Green Lease Leaders are essential in empowering companies to execute on their broader sustainability and ESG goals.”



Harry Etra
Managing Director, HXE Partners

Real estate insight on policy design & implementation

As [Building Performance Standards \(BPS\)](#) and similar policies continue to expand, IMT is working to make compliance easier and help companies lower risk. Our [Building Innovation Hub](#) team completed in-depth interviews with building owners and managers as part of a needs assessment for the City and their [Success with BEPS program](#) reached 650 buildings that don't currently meet requirements. The team's outreach helped facilitate a 90% compliance rate with the first step of the District of Columbia's Building Energy Performance Standards law.

IMT's Building Innovation Hub stands as an exemplary blueprint for the kind of impact that local high-performing building hubs can have on their market—which is why IMT is looking to scale similar programs nationally. Since 2021, IMT has supported the launches of three similar organizations in St. Louis and Kansas City, MO; and Chicago, IL. These hubs are tailored to serve their respective regions with customized resources that cater to the needs of their communities while benefiting from the resources, expertise, and lessons learned of the larger network. To bring these hubs to other cities, we have partnered with the Building Energy Exchange in New York City to create the [Building Performance Partnership](#). Through this program, we are actively supporting several other locations considering hubs, and seeking philanthropic support for the program's expansion.

“I really didn't have any guidance [on BEPS] except for an old reference from 2019 that wasn't very accurate. I was able to do some research on my own and came across Building Innovation Hub, which definitely relieved a lot of unwanted stress on myself and co-worker.”

Tony Bates
General Manager at Riverside
Condominiums



Innovation in HVAC

Heating, ventilation and air conditioning are by far the largest contributors to building energy use, so we are focused on finding innovative ways to improve their efficiency and functionality. Our [Very High Efficiency HVAC \(VHE HVAC\) program](#) is a systems-based approach that has delivered an average of 70% documented HVAC savings in 15 demonstration buildings. At multiple sites, fossil fuel use was eliminated with no increase in electricity use or demand. For the last few years, IMT has provided technical assistance to owners and engineers interested in doing demonstration projects in New York (in partnership with the New York State Energy Research and Development Authority) and in Chicago (in partnership with ComEd, the local utility).

This year, we significantly expanded installations by working with Budderfly, an energy services company. One of their projects, a Dunkin' Donuts franchise that installed a VHE HVAC system in San Antonio, Texas was written up in the July edition of Restaurant Business Online. The article noted that energy use decreased by 60% and utility bills went down by approximately \$1,000 a month. Even better, the owner says the donuts taste better and last longer thanks to more constant humidity, and the store is also more comfortable for customers. IMT is expecting to publish results for at least ten more buildings in 2024. Additionally, in November, we will begin a contract to complete two demonstration projects for the Department of Defense.



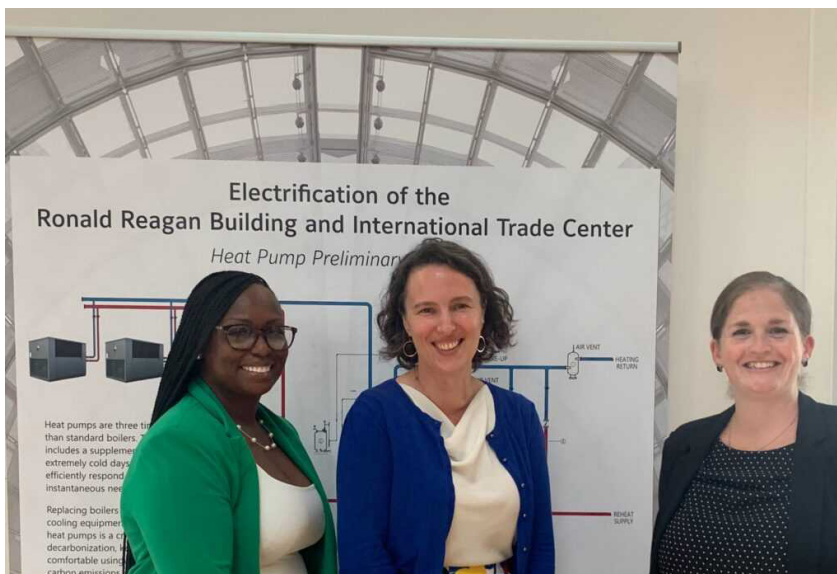
Engaging Policymakers

IMT's reputation for technical and strategic excellence has enabled us to work with federal and local governments on building performance policies ranging from benchmarking to audits and building performance standards. At all levels, we advocate for more inclusive policymaking that gives community-based organizations a decision-making role. In addition, we are taking every opportunity to assist our partners in leveraging new federal funds available through the Bipartisan Infrastructure Law and the Inflation Reduction Act.

Spotlight: White House and federal partnership

We have worked with the White House since the earliest days of the [National Building Performance Standards Coalition](#), and we have helped more than 40 jurisdictions commit to building performance policies. Jurisdictions that signed on in 2023 include Berkeley, Santa Monica, and West Hollywood (CA), Minneapolis, New Orleans, and Howard County (MD). Several states also joined, including Oregon, Massachusetts, and Maryland.

To support implementation, we launched our [Better Buildings for Everyone webinar series](#) featuring Heather Clark, Director for Building Emissions for White House Office of Domestic Climate Policy. Our five events have garnered more than 900 unique registrants. We also continue to participate in discussions with the Department of Energy, the Environmental Protection Agency, and other departments on how to improve existing buildings in ways that lower energy and pollution, while also improving lives for frontline communities. This effort includes guidance on how federal programs can make federal funding more accessible and effective. Our collaboration also extends to personnel: Lindsey Falasca, former Director of the Building Innovation Hub, has been on detail to the White House Council on Environmental Quality as the Director of Net Zero Federal Buildings since Fall 2022.



Left to Right: Yolanda Bonner, Associate Director of Building Performance for the Building Innovation Hub, Lotte Schlegel, IMT's Executive Director, and Lindsey Falasca, Director for Net Zero Federal Buildings at the White House Council on Environmental Quality.

On-the-ground support

As momentum grows for building performance standards, IMT has supported and advised jurisdictions in both policy design and implementation phases. Our work has included:

- Providing place-based support in West Hollywood, Los Angeles, and Santa Monica (CA); Minneapolis, New Orleans, Denver, Aspen (CO), Chicago, Orlando (FL), Portland (OR), Seattle, Washington DC, and Vancouver (BC), as well as several communities in Ohio.
- Supporting both Maryland’s Building Energy Performance Standard regulations and staffing the state’s new Building Energy Transition Implementation Task Force, which was assembled to recommend programs, policies, and incentives aimed at reducing greenhouse gas emissions from the buildings sector.
- Creating and delivering trainings on how jurisdictions can leverage the funds available through the Energy Efficiency and Conservation Block Grant Program and the Inflation Reduction Act.

Building code adoption and advocacy

Establishing stronger building energy codes is an essential strategy for long-term building efficiency, affordability, and resilience to extreme temperatures. Our codes team brings together building sector advocates to encourage a) continuous improvement in the latest International Energy Conservation Code (IECC), b) adoption of the latest energy codes, and c) up-to-date reference standards for federal agencies.

This year we supported states in their adoption efforts including action in Illinois’ process to adopt the unamended 2021 IECC, minimizing code rollbacks in Idaho, and facilitating sign-on letters in states including Louisiana and Maryland. Cherylyn Kelley supported local action in her role as co-chair for the Midwest Building Decarbonization Coalition’s Local Building Codes and Standards group. At the same time, we advocated against ongoing challenges to the energy code, in the form of rollbacks for the 2024 IECC and efforts across states to limit the power of localities in determining what works best for them. Amy Boyce is a member of the [IECC 2024 Residential Consensus Committee](#).

We also continue to work on the Utah Arizona Residential Energy Code Field Study (AZUT) and the Commercial Energy Code Field Study: Targeting Large Complex Buildings (LCB). AZUT is a competitively awarded DOE grant project that supports states in successfully implementing their building energy codes. The project team identified code compliance gaps and developed educational resources to address them. LCB similarly focuses on compliance gaps and resources to address compliance needs, focusing on the subset of buildings with complex HVAC and controls systems. Both projects end in May 2023.



On May 4, 2023, Cliff Majersik, IMT’s Senior Advisor for Policy and Programs, spoke about building performance policies during the White House Convening on Advancing Clean Buildings.

Utah

- 14 in-person trainings held between 2022-2023
- 252 attendees

Arizona

- 6 in-person trainings provided in 2023
- 49 attendees

Large Complex Buildings

- 31 out of 50 buildings recruited
- 23 out of 50 buildings with completed data

Engaging Frontline Communities

We are committed to making the benefits of better buildings accessible to everyone. To do this, we work to ensure that residents from communities on the frontlines of climate change are involved in the policy process, and have the social and financial capital to lead decision-making. That means:

- providing funds and increasing capacity for community-based organizations to navigate policy development processes
- avoiding solutions that focus on carbon reduction without understanding the human impact
- respecting the knowledge and wisdom of frontline communities to lead on solving climate challenges.

Guiding Ourselves and Others toward Equitable Community Engagement

For the last several years, our Community Engagement team has worked closely with community-based organizations around the country. These rich discussions have contributed to the development of three new resources (Framework, Process Guide, and Conflict Resolution Guide), rooted in the principles of a Just Transition, that will guide our actions going forward. These publications are also available to any nonprofit or jurisdiction wanting to take meaningful action toward environmental justice.

Spotlight: Community Climate Shift and \$5 million DOE Award

To create building decarbonization policies that center the needs of frontline communities, we need to transform how communities and local governments work together. In support of this concept, the U.S. Department of Energy selected IMT and its partners for a \$5 million grant to decarbonize buildings, fight climate change, and support a [Just Transition](#). The funds from the [Resilient and Efficient Codes Implementation](#)—made possible through the Bipartisan Infrastructure Law—will support a cohort of jurisdictions to design and implement building performance standards and supporting policies through a community-led process. This effort complements the work done through Community Climate Shift, which is raising funds to enable residents and community-based organizations to fully participate in equitable decarbonization decisions.



We are seeking a \$5 million match for the RECI funds to resource frontline communities as building policies are made.

Contact [Ashawnda Fleming](#) to support this effort.



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