

A YEAR OF

TRANSFORMATION

INSTITUTE FOR MARKET TRANSFORMATION ANNUAL REPORT 2013



LETTER FROM THE DIRECTOR



Since 1996, IMT has pursued its mission of market transformation — the process of strategic intervention in the market to bring about widespread, permanent change. For IMT, this means creating the conditions for greater investment in energy-efficient buildings. That’s a lofty goal for a small organization. We use multiple strategies to shift the market, always with an eye on what’s practical, what’s replicable, and what complements the work of our partners.

This annual report summarizes IMT’s most significant accomplishments in 2013 in each of our three main program areas:

Building Energy Performance Policy. One of our core beliefs is that better information on building energy use prompts action to reduce it.

Energy Efficiency Finance and Commercial Real Estate Engagement. IMT pushes to remove barriers to efficiency via common-sense measures such as mortgage underwriting standards that reflect the cost savings from efficiency, appraisals that capture the full value of green building features, and leases that align the incentives of landlord and tenant.

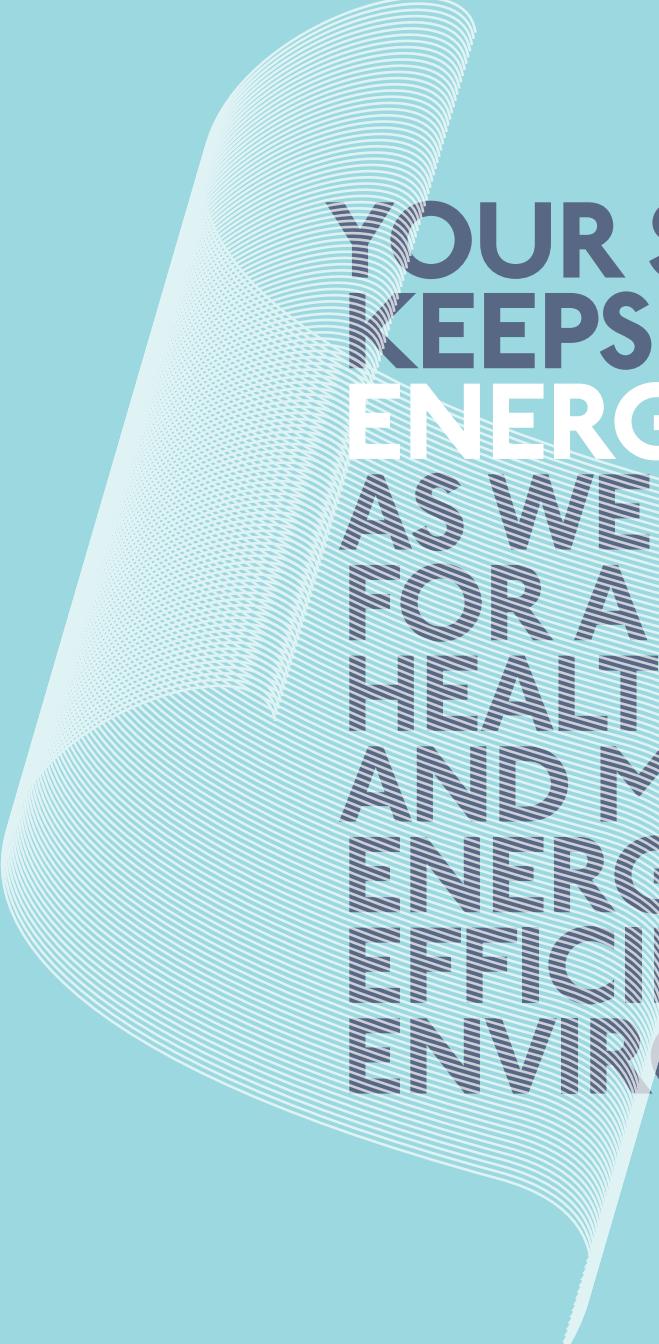
Building Energy Codes. IMT has long advocated for strong building codes to prevent energy waste. We are especially focused on improving compliance with codes.

In 2013, we made major strides on all of these fronts, but we know that we have much more to do. Buildings still account for about 40 percent of America’s energy use and carbon emissions. Increasing buildings’ efficiency is the best, most cost-effective way to cut energy waste, lower bills, and reduce air and climate pollution.

IMT would like to thank our funders and the many groups and individuals who helped make it a banner year for our organization. Your support keeps us energized as we work for a stronger, healthier, and more energy-efficient built environment.

A handwritten signature in blue ink that reads "Cliff Majersik". The signature is fluid and cursive, with the first name "Cliff" being larger and more prominent than the last name "Majersik".

Cliff Majersik, Executive Director



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BOOSTING EFFICIENCY THROUGH BETTER INFORMATION

Since 2006, IMT has been instrumental in the crafting of new urban policies that provide better information on building energy use and improve efficiency. Ten cities around the country have adopted energy benchmarking and disclosure laws, requiring that owners of large buildings track and report their properties' energy consumption. 2013 was a banner year, with three major cities—Boston, Minneapolis, and Chicago—passing new ordinances.

2013 ACHIEVEMENTS:

- **Launched the City Energy Project**, a multi-year initiative with the Natural Resources Defense Council that will accelerate energy efficiency in the buildings of 10 major cities across the United States.
- **Provided ongoing guidance to strategic partners** including the Ceres Investor Network on Climate Risk, the National Electrical Manufacturers Association, and real estate companies Kimco Realty and Transwestern.
- **Collaborated with the U.S. Department of Energy** to shape and implement important federal initiatives, including the Better Buildings Energy Data Accelerator Program and the Standard Energy Efficiency Data (SEED) platform.

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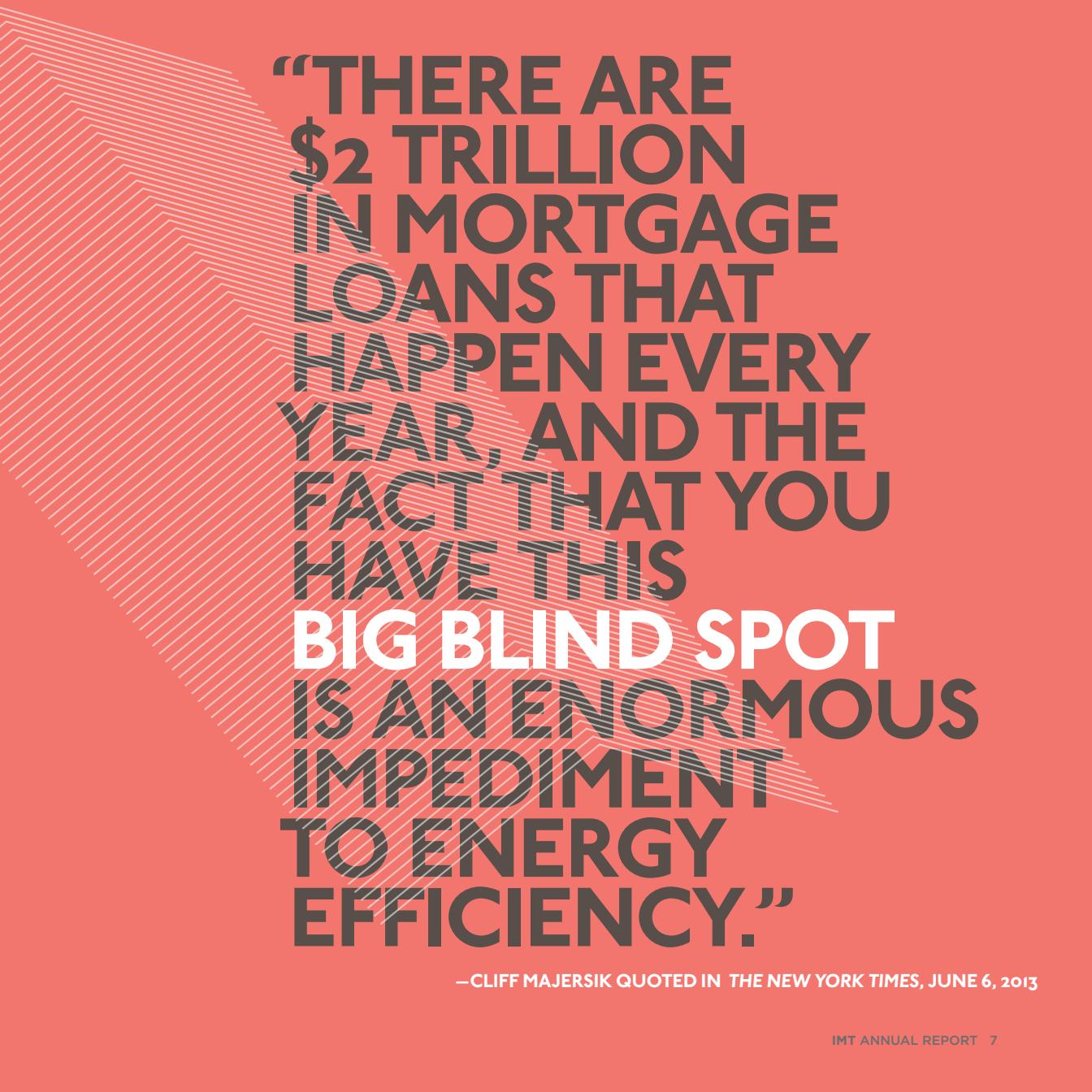
PROVING THE VALUE OF ENERGY EFFICIENCY

In March 2013, IMT and the University of North Carolina at Chapel Hill made national headlines with the finding that energy-efficient homes are 32 percent less likely to go into default than comparable, less efficient homes. It's good news for green homebuyers and lenders, and a clear signpost to better policies in the future.

In 2013, IMT began advising Fortune 500 companies on how to adopt green leasing. A green lease helps align the incentives of landlords and tenants so both parties save energy and money. It's a powerful new tool for advancing energy efficiency.

2013 ACHIEVEMENTS:

- **With UNC Chapel Hill,** published *Home Energy Efficiency and Mortgage Risks*, which analyzed data from 71,000 home loans to find that efficient homes carry a much lower risk of default.
- **Helped pave the way for the introduction of the SAVE Act** in the U.S. Senate by Senator Michael Bennet and Senator Johnny Isakson.
- **Made Green Lease Library the number-one online resource for green leasing,** and co-issued the Retail Green Lease Primer, a first-of-its-kind resource that helps retailers and retail owners improve the efficiency of their facilities.



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—CLIFF MAJERSIK QUOTED IN *THE NEW YORK TIMES*, JUNE 6, 2013



SETTING—AND ENFORCING—HIGH STANDARDS

Codes are the legal standards that guide the design and construction of buildings. They have a tremendous impact on how buildings use energy, and on the safety, health, and resilience of the built environment. As IMT works to push energy code requirements higher, we also strive to improve compliance with the codes that are currently in place, which all too often aren't met.

2013 ACHIEVEMENTS:

- **Rallied a broad coalition** to successfully pass RE 188-13, which establishes a new voluntary performance compliance path for the 2015 IECC, at the International Code Council Public Comment Hearing.
- **Published reports** including *Building Energy Codes: Creating Safe, Resilient, and Energy-Efficient Homes*, which explains the non-energy benefits of homes built to meet the energy code.
- **Recognized building departments and code officials** around the U.S. with the Standard Bearers Award for excellence in energy code compliance.

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ANNOUNCING THE CITY ENERGY PROJECT

The City Energy Project is a national initiative to create healthier and more prosperous American cities by improving the energy efficiency of their buildings. A joint initiative of IMT and the Natural Resources Defense Council, the Project works with 10 major cities around the country: Atlanta, Boston, Chicago, Denver, Houston, Kansas City, Los Angeles, Philadelphia, Orlando, and Salt Lake City.

In our work with the City Energy Project, we draw on all three areas of IMT's expertise—building energy policy, energy efficiency finance, and energy codes—to help cities shape unique, successful energy efficiency plans. The participating cities will be models for communities nationwide and around the world.

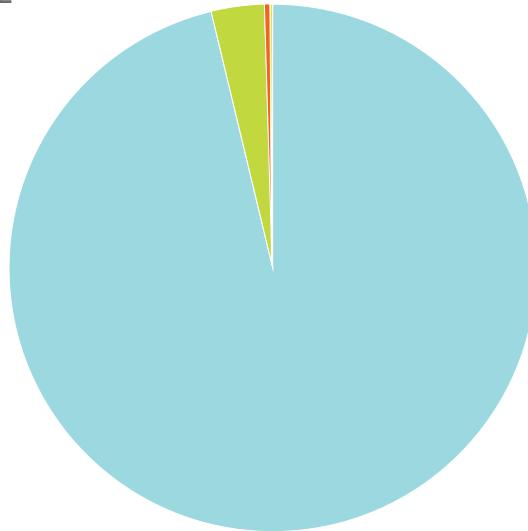


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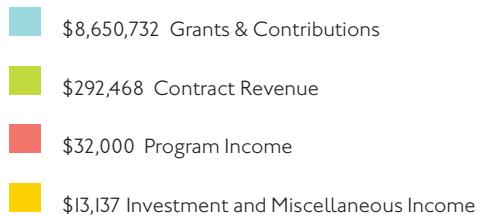
—KANSAS CITY MAYOR SLY JAMES

2013 FINANCIALS

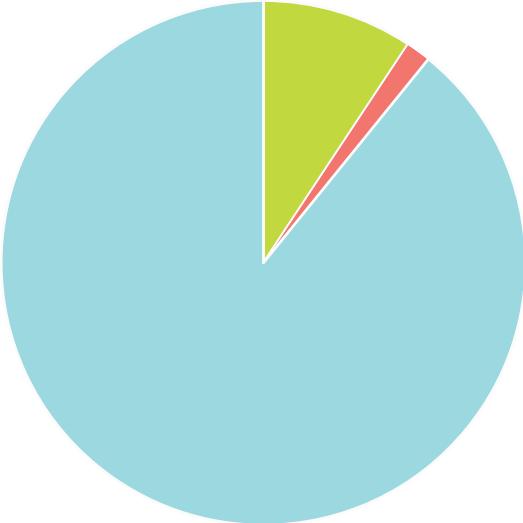
INCOME



Note: In 2013, IMT recorded approximately \$6.1 million in grants to fund a three-year project that is expected to run through 2016.



EXPENSES



- \$2,589,016 Program
- \$269,999 General Management
- \$44,527 Fundraising

FUNDERS

Our work would not be possible without the generosity of our funders.

Bloomberg Philanthropies
The Energy Foundation
Global Buildings Performance Network
The John Merck Fund
The Kresge Foundation
MacArthur Foundation
NeighborWorks America
Rockefeller Brothers Fund
Anonymous Foundation
Urban Sustainability Directors Network
United States Green Building Council

IMT has also performed work on behalf of the following organizations:

United Nations Development Programme
Vermont Energy Investment Corporation
The District of Columbia Sustainable Energy Utility
Portland Energy Conservation
New Buildings Institute
Virginia Department of Mines, Minerals and Energy
Consortium for Building Energy Innovation

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