

Building Performance Standards Evolution and Updates



June 12, 2025

Institute for Market Transformation (IMT)

Who We Are



- Our vision is a world where buildings dramatically lower greenhouse gas emissions and support our physical, social, and economic well-being

Who I Am



- A sustainability and ESG professional for 20+ years
- Worked in office, industrial, senior housing sectors
- Currently oversee IMT's Business Engagement Team
- Live in Culpeper, VA

Making Buildings Better for Everyone Across 3 Focus Areas



**Policy
Engagement**



**Community
Engagement**



**Business
Engagement**

Why BPS?



Building Performance Standards are the most powerful policy tool available to drive improved performance, including decarbonization, in existing buildings



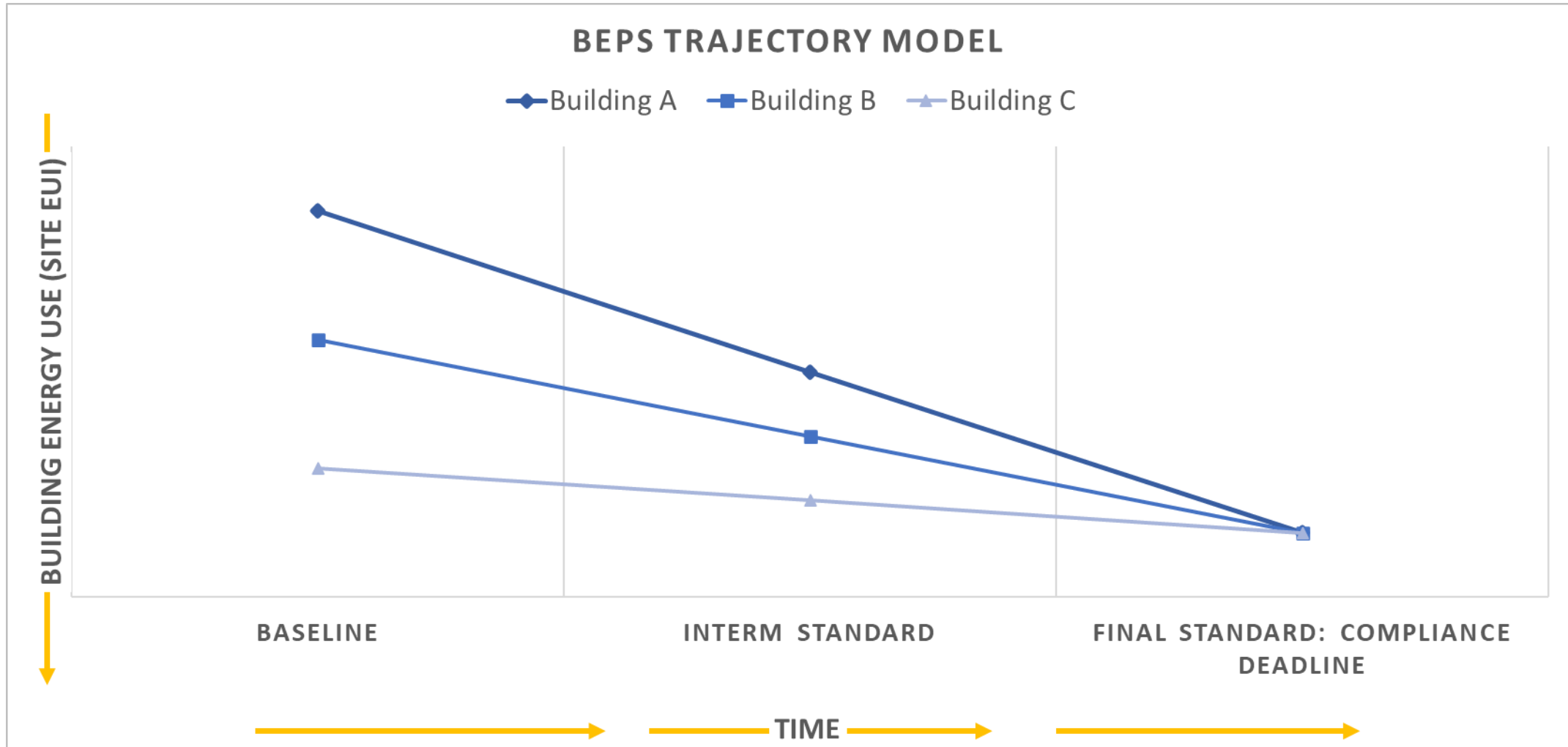
What is a Building Performance Standard (BPS)?

- Establishes successively more ambitious requirements for building to improve performance across one or more quantitative objective measurements (e.g. to reduce site energy use intensity)
- Applies to a large swath of public and private buildings over a certain size (usually 25-50k sq. ft.) on preset dates (no trigger needed)
- Complements building codes

IMT's Model BPS Law

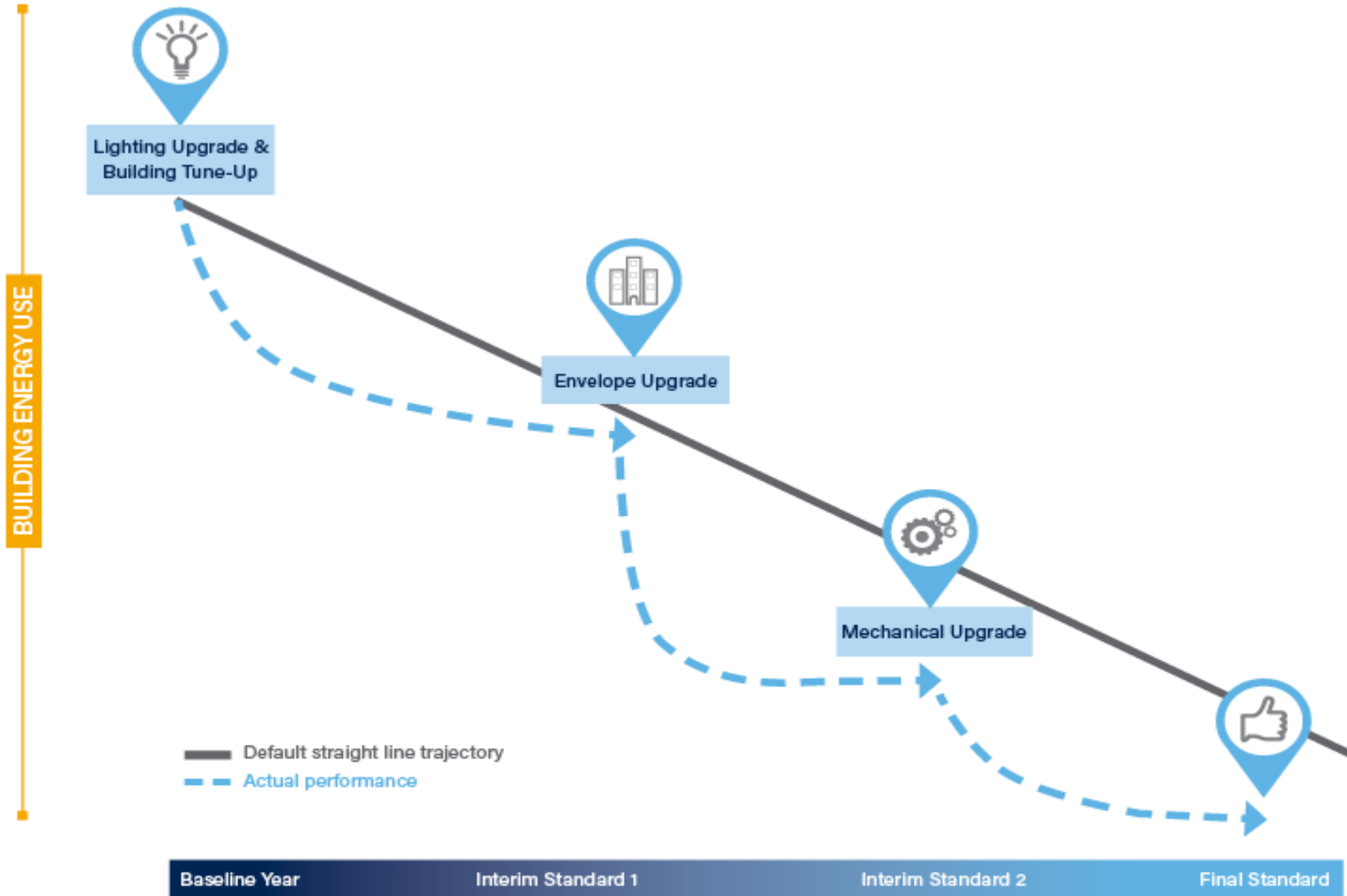
- IMT published first (and only) model law for building performance standards in January 2021
- Incorporates lessons learned from adopted BPS
- Reviewed by expert stakeholders in government, real estate, social equity, building science, building performance policy
- Serves as the starting point for most new BPS laws
- www.imt.org/bps

BPS Trajectory Approach Example: Final and Interim Standards for 3 Office Buildings



Compliance Example

Owner decides when and how to improve building



IMT-RAP Model Utility Data Access Law (Annotated)

Cliff Majersik (IMT), Julia Eagles (IMT), Camille Kadoch (RAP), David Farnsworth (RAP)



- Developed in response to requests from building owners, policymakers, and others; written for adoption by states
- Authored by IMT and Regulatory Assistance Project (RAP), with key input from ENERGY STAR
- Published November 2023
- A living document
- www.imt.org/UtilityData

November 2023

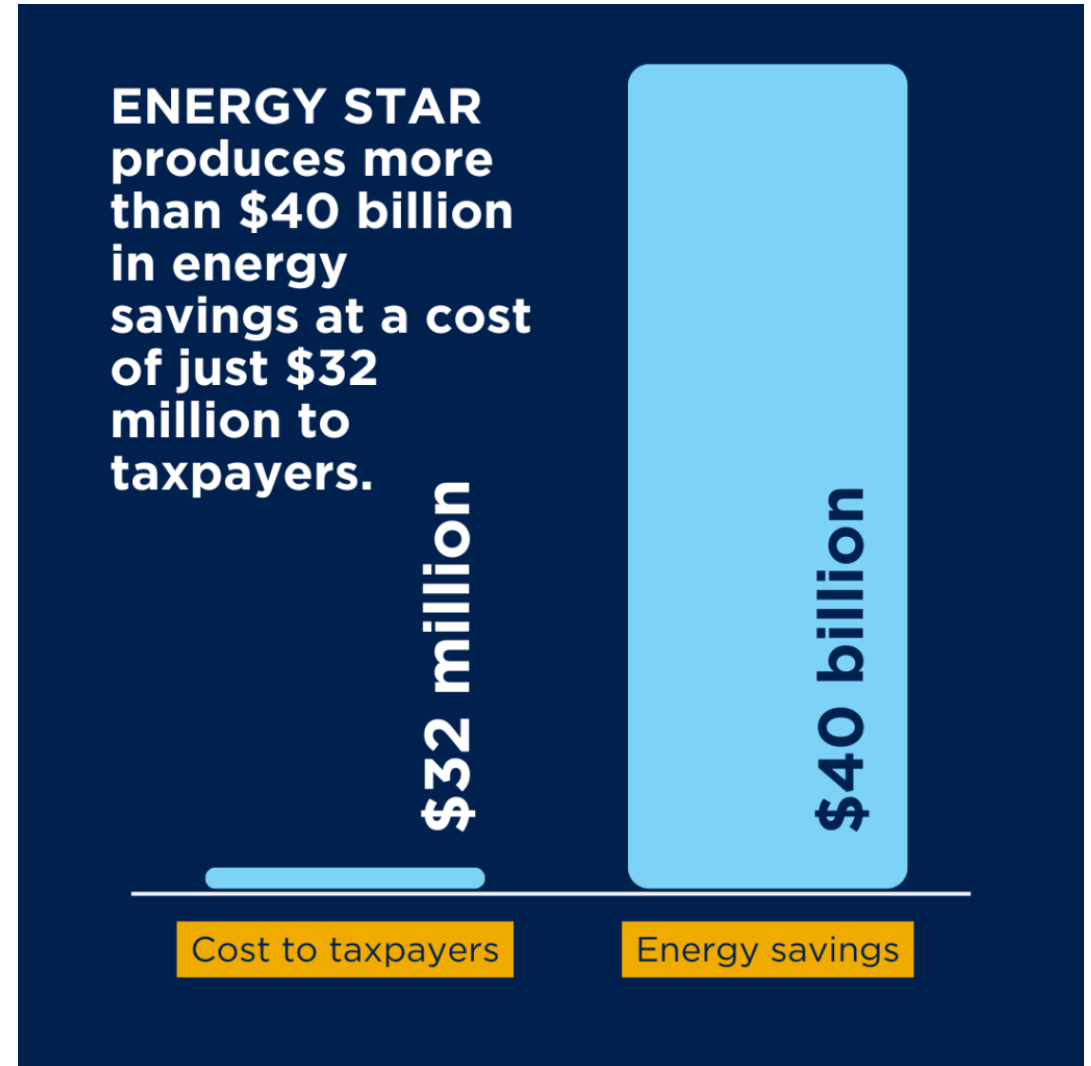
ENERGY STAR Program Update

- Congress established ENERGY STAR and explicitly delegated responsibilities shared by U.S. EPA and U.S. DOE to run the program jointly, with responsibilities divided according to agreements between the two agencies
- ENERGY STAR program includes: appliance program, industrial program, residential program, and commercial building program (ESPM)
- Keeping federal role remains “Plan A.” Lots of industry support for preserving federal role, with letters to EPA/DOE/Congress
- Potential move to DOE; support from National Labs



Take Action to Protect ENERGY STAR

- Call or email your legislator's office
- Over 1200 companies and organizations have signed letters advocating for EPA to continue to operate the ENERGY STAR program
- <https://imt.org/news/energy-star-an-invaluable-bipartisan-public-private-partnership/>



IMT Business Engagement Programs



Policy Tracking Resources



Hubs



Green Leasing



VHE HVAC

Policy Tracking

- IMT is the trusted go-to source for building policy information
- We have different solutions available:

Policy website

Free to all

- Basic info on BPS, benchmarking, & Other requirements
- Spreadsheet, maps, etc.

CEO Partnership

- 2 levels of engagement for annual fee
- Provides proactive detailed policy information, training, newsletters, updates

Energy Policy Database

- Annual Subscription
- Energy Policy Database (EPD) available via API

building performance par+nership



IMT
INSTITUTE
FOR MARKET
TRANSFORMATION



bpp supports the creation of local building resource hubs to accelerate high performance, healthy buildings everywhere for everyone.





Program Purpose

- Program formed in 2014 by IMT and the Dept. of Energy's Better Buildings Initiative
- Define best practices in green leasing
- Provide technical support and free resources to the real estate market
- Recognition for property owners, tenants, brokers, attorneys, and real estate teams that meet the Green Lease Leader standards

Program Benefits

- Demonstrate green leasing best practices
- Support LEED certification and GRESB reporting
- Support sustainable operations at the property, which enables companies to meet their decarbonization goals (Net Zero, SBTi, etc)
- Foster partnership between landlord and tenant
- Path for continued lease enhancement and risk mitigation

Green Leasing as a Critical Tool for Decarbonization

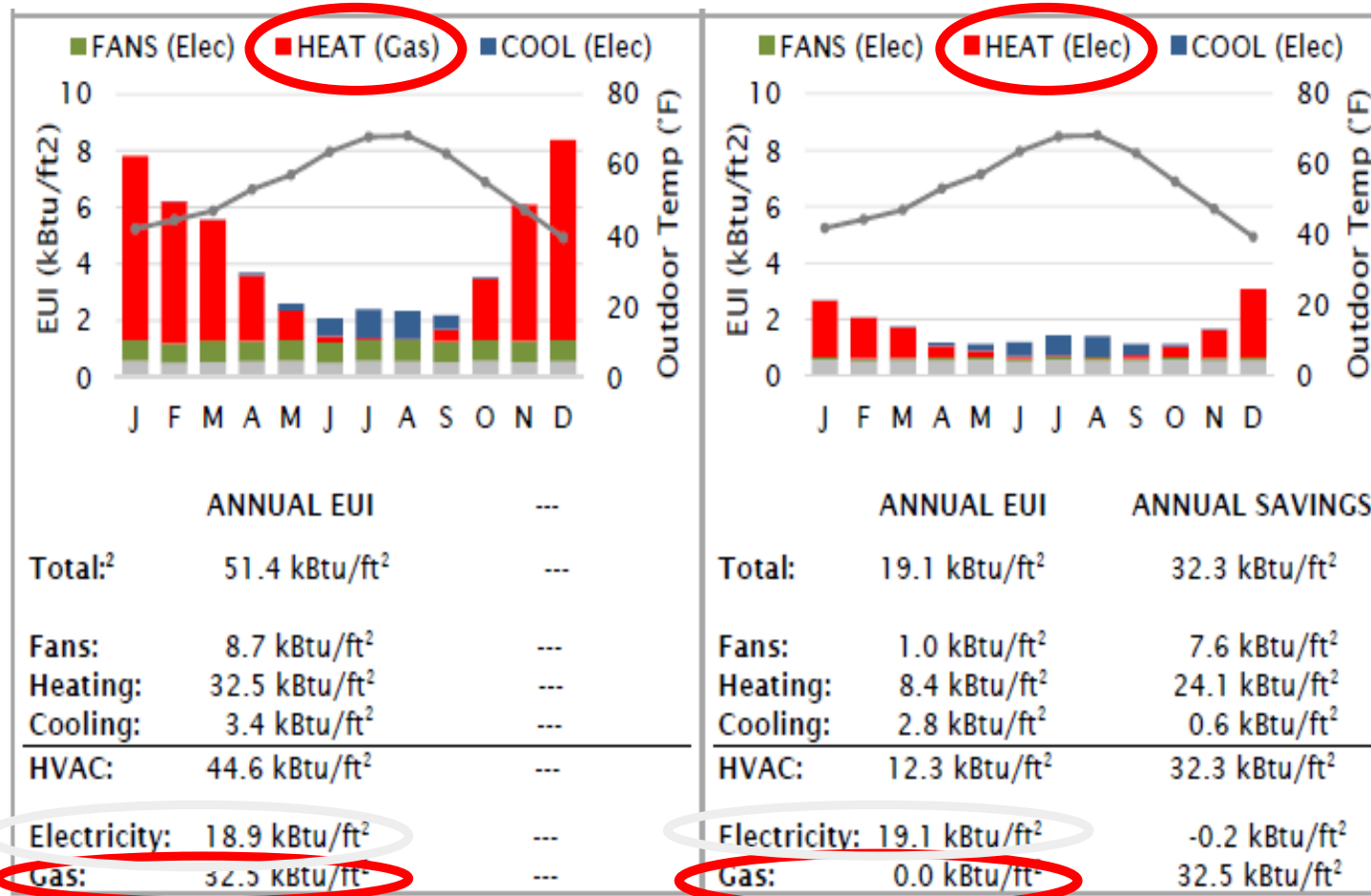
- Recent IMT research found that green leases now have the potential to unlock over **17%** in energy consumption savings.
- If the U.S. office sector adopted green leases across all offices, the sector could realize over **\$2.2 billion** in energy savings.

Most Widely Used Green Lease Clauses:

Lease Clause	% of Landlord Applications	% of Tenant Applications
Energy Tracking	60%	49%
Water Tracking	71%	41%
Disclosing/ requesting building energy performance	45%	33%

Source: IMT, 2024 <https://imt.org/resources/green-leasing-as-a-critical-tool-for-decarbonization/>

Very High Efficiency (VHE) HVAC



Electrification/Decarbonization Law Office Energy Use Results

Key Takeaways for Service Providers

- BPS are a huge and growing driver of demand for your services
- Help your clients proactively position to profit from current and future BPS
- Owners and operators will look to you for BPS guidance. So, get smart **now** on BPS requirements
- Incorporate BPS into ROI calculations, etc.
- Present solutions to enable **long-term** compliance with BPS
- Include federal, state, and utility incentives and loans

Key Takeaways for Building Owners

- Focus on benchmarking, understand BPS, begin **now** to incorporate building performance (e.g. EUI) into
 - Capital plans
 - Due diligence checklists
 - Performance-based leases (see greenleaseleaders.com for resources)
 - Performance specs for new construction
 - Job descriptions and evaluation for property managers, building engineers, etc.
- Access incentives and financing mechanisms
- Make it a part of how you do business!

IMT Resources

The collage features several documents from the Institute for Market Transformation (IMT):

- Summary of IMT's Model Ordinance for a Building Performance Standard**
- Short Model BPS Law** by James Burton, Zachary Hart, Cliff Majersik, and Jessica Miller
- Putting Policy in Action: Building Performance Standard Implementation Guide** (dated November 2022)
- Building Performance Standard Module: Housing Affordability** Policy Brief by Benjamin Silverman, Jessica Miller, and Quinn Biever (with ELEVATE logo)
- Building Performance Standard Module: Resiliency** Policy Brief by Jessica Miller and Benjamin Silverman
- Building Performance Standard Module: Ventilation and Indoor Air Quality** Policy Brief (with International WELL Building Institute logo, dated September 2021)

- **Green Lease Leaders**
- **High-Performance Building Hubs**
- **Policy Maps**
- **Energy Policy Tracking Options**
- **Very High Efficiency (VHE) HVAC**

Questions?

thanks!

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For more info: www.imt.org

Critical Sustainability Drivers in Real Estate Today



Sustainability commitments happening at scale

71% of top office occupiers and **65%** of top industrial & logistics occupiers across major markets globally have commitments to reduce emissions



Optimizing energy use in real estate operations

Occupiers are prioritizing energy-smart buildings to drive operational excellence and cost efficiencies, impelled by concerns over power availability and surging energy prices in recent years



Retrofitting rates are not keeping up

Inventory is aging rapidly and current retrofitting rates, at **1%** of stock, are lower than required



Shortages of desirable low carbon space will emerge

70% of future demand for low carbon **office** space will *not* be met by 2030

41% of future demand for low carbon **industrial & logistics** space will *not* be met by 2030



Retrofitting emerges as a crucial strategy, presenting:

A value shift in investment processes for **building owners**

A reset in location strategies for **occupiers**

Greater collaboration to retrofit stock for **both**