Hannah Debelius: All right. Hello and welcome to the last day of the 2021 Better Buildings, Better Plants Summit. We're so glad to have you all here today for this special event session. Next slide, please. Today, we are not only going to be recognizing this year's Green Lease Leaders, but also having a conversation with some of the Green Lease Leaders to dive a little bit deeper into this really important topic that I've actually been hearing come up a couple of other times in summit. So I'm glad we're finally getting into it in the last day.

Before we get started, I do have a couple of housekeeping items for all of our attendees today. The first is that this session will be recorded and archived on the Better Building Solution Center. So we'll be able to follow up with all the attendees with these slides in the recording. So if there's a link you see you want to click on or anything like that, you'll be able to access that after the session.

Additionally, you've probably noticed that all of our attendees are in listen-only mode, meaning that you are not able to unmute yourself . However, we'll still have an option for you to interact with our speakers using a tool that I'll get to in just a moment. And if you do have any technical issues or problems with your audio or visual, you can reach out to our tech support person through the Zoom chat function.

Next slide, please. I'm your moderator, Hannah Debelius, and I'm a fellow in the building technologies office with the Department of Energy, and I have the privilege of working with the Better Buildings Program with our commercial real estate and higher education sector, as well as in partnership on the Green Lease Leaders Program, which we'll be talking about today.

Next slide. Today, we'll start with a little bit of welcome and introductions. I'm very excited to showcase our Green Lease Leaders this year and tell you a little bit more about them, although hopefully, you got a little bit of a teaser of information when we first announced it in the opening plenary during summit. Then we'll get to the heart of this session, which will be the panelists' presentations and Q&A with some of our Green Lease Leaders and other representatives from the Green Lease Leaders program.

However, I'd also like to introduce our first tool, what we're going to be using during this whole session to do Q&A. So if you could go right now either to a mobile device or open up a new window in your browser, you're going to want to go to slido.com and you can enter the event code DOE, and then from a dropdown, you want to choose the name of this session, which is A Conversation with Green Lease Leaders.

So again, open up a new browser window or your mobile device, slido.com, enter the event code DOE. You might have to hit a button that says Join, at that point, and then you'll choose this session from the dropdown, which is A Conversation with Green Lease Leaders. You also can go ahead and hit the link that's in the chat function, if that's easier for you.

Any time you have a question that comes up for one of our speakers during this session, you can go ahead and submit it to the Q&A in slido, and we'll be able to get to those at the end. Also, if you see a question from someone else that you really like, you can hit the little thumbs up icon, and the more votes a question gets, the higher it moves up in our list, so we'll be able to prioritize that question when we get to Q&A.

So without further ado, I would like to introduce our panelists that we have today. We'll have Audi Banny, who's in from the Institute for Market Transformation; Sam Stockdale, who's from Link Industrial Properties; and Carla Walker, who's with the Natural Resources Defense Council, but on behalf of the city of Cincinnati. However, before we get to hear from our wonderful panelists, I want to just tell you a little bit more about the Green Lease Leaders program and recognize the Green Lease Leaders from this year.

So I think a lot of you who are joining us today might know what a green lease is already, but as a reminder, a green lease creates mutually beneficial landlord-tenant relationships that lead to higher-performing buildings and healthier, more sustainable communities in part by addressing the split incentives. And the Green Lease Leaders program is a partnership between DOE's Better Buildings Initiative and the Institute for Market Transformation. It's a national recognition program honoring landlords, tenants, and partnering real estate practitioners from a variety of sectors that incorporate green leasing to drive high performance and healthy buildings.

Next slide. This year, we are really excited to be recognizing 43 organizations that own or manage more than two billion square feet of space, which actually nearly is doubling the total amount of impacted space the program has had in just one year. We've also had a lot of program growth, which means that half the applications this year were actually new to the Green Lease Leaders program and we've welcomed multiple new international

Green Lease Leaders, which is wonderful to see green leasing really expand beyond the United States in this recognition.

Next slide. We also saw growth across sectors, and this year, we were pleased to extend recognition to the multifamily sector. So I want to say thank you to also the partners in the multifamily sector that worked with us and were involved as stakeholders as we built out the new reference guide to accommodate multifamily applications.

So without further ado, I'd like to recognize these Green Lease Leaders through a video. So if we could switch over to that, I think it would be wonderful to see and hear more about them.

[Video played, 0:05:37 to 0:06:46]

Great. I think once was enough. Congratulations, again, to all of our Green Lease Leaders. It's wonderful what you've been able to accomplish this year and what impact that has at the program level, as well, so a big congratulations.

Our first speaker today is Audi Banny, who's IMT's associate director for private sector engagement. As such, she leads the organization's work with real estate decision makers to drive adoption of innovative solutions that bolster landlord-tenant relationships. Audi is an expert in bringing together tenants, government agencies, property owners, and other real estate leaders to identify and overcome the most pressing barriers to producing high-quality, high-performance lease space across the country. So, Audi, go ahead and take it away.

Audi Banny: Thank you, Hannah, and thank you, everyone, for joining us today. I'm very excited to talk about the future of green leasing. One of the things that we saw this year during a tough year in real estate, what we saw from the Green Lease Leaders alumni and the freshman class is how green leasing provides flexibility in real estate.

Next slide. But specifically what we're going to talk about today is how green leasing can help in the landlord-tenant space, especially when we're looking at who controls the energy. And most buildings, when you break it down, the energy consumption is mostly in the tenant space. So landlords can work on base building systems, common area, but that really only equates to a fraction of the energy consumption. So leasing practices need to start to address the other half with tenants in an equitable fashion.

Next slide, please. And we had a unique opportunity in the past year to evaluate what this looked like. We can go back to March of 2020, when buildings were vacant. We were able to see a lot of inefficiencies in buildings. Operators were busy working to reduce non-essential energy wherever possible, but even the best of all efforts, what we saw was about 25 percent savings or less. The limited energy seen can partly be attributed to terms in the lease. Building owners and operators were bound by leases to maintain the same temperature standards as when the buildings were occupied, and often facing barriers gaining access into tenant spaces to perform a full building diagnostic.

This is an example of what is in a traditional lease, and we were able to track even more data as occupants were coming back into the building, and even though they weren't at full capacity, actually probably 10 percent for the second half of 2020, the savings that we saw in the earlier parts of the pandemic shot right back up to 2019 usage patterns. But for me, I think this is a real opportunity of information that we saw in these buildings to make some changes.

Next slide. So what are these opportunities? Well, if you're looking at the future of real estate, it's looking like it needs to be a lot more flexible. The future of real estate is really actually changing drastically on a monthly basis. The permanent changes are yet to be seen, but they will likely incorporate flexible office use, more indoor air quality standards, much, much more safety features. And it's really a time to take the lessons learned over the past year and look to change how landlords and tenants work together to align these new priorities and leases.

Next slide. The investor community is rapidly adjusting their criteria also to account for climate risk and many major companies are announcing new emissions commitments. It's not just the real estate REITs. It's also the tenants that are looking at new commitments, and there's a true opportunity to align these commitments in the lease. Additionally, employees and customers are demanding climate action and are looking for more than transactional business. They want real estate to reflect these values. Employee retention requires corporations to demonstrate their awareness and purpose that resonates with employee passion.

Next slide. And there are programs providing guidance, the tools to improve buildings and tenant space performance. But these goals and the requirements from these programs must be written into the lease to ensure to ensure that what is intended in the design is carried through in the operations, and Green Lease Leaders is a program that complements these goals.

Next slide. Additionally, cities are also addressing carbon emissions from buildings by passing policies to help them meet their goals. Benchmarking, for example, is a policy requiring building owners to report whole building energy performance energy consumption to cities annually. Now if we follow the blue line, you can see a progression, a growth of cities that have passed this policy. When you look at the smaller line, you see the growth projection is faster, and this is for what's called a building performance standard.

So this this new policy requires building owners to drastically reduce energy consumption over time. This can include energy, gas, and water usage, as well as emissions and peak energy demand. These targets become stricter over time, driving continuous long-term improvements in the building stock. This accelerated growth demonstrates how cities are applying more aggressive policies to help them, the cities, drive down their own carbon.

What does this mean to real estate? Today, New York City, Washington, D.C., Washington State, and St. Louis, Missouri, have passed this type of policy. You can anticipate that in three to five years, there are going to be a growth of other cities, large and small, that will also be passing a building performance standard. So if you own or lease space in major cities and smaller market cities across the United States, this will impact real estate practices and leasing practices, and specifically, landlords and tenants working together to reduce carbon emissions in those buildings. To learn more about these policies, you can go to imt.org/bps.

Next slide. The good news is that green leasing is here. It provides a framework, a platform, for how do you apply this in practice. What's different than traditional leases is that green leasing prioritizes what's important to both parties, and primarily prioritizes environmental and health, also policy. And it also establishes a point of contact from both the landlord and the tenant side that are focused on these priorities. And then also, how does that incorporate in how the building and tenant space are operated?

But I think what's more important than the benefit of high-performing and green leases is the ability to report. So we talked about investor pressure, policy pressure. Green leases allow the ability to be able to report progress on the priorities that have been set.

Next slide. There are a ton of resources available. The first stop, I would recommend going to GreenLeaseLeaders.com. There's reference guides there that, whether or not you're looking for recognition or just getting started in green leasing, this is a great place to start. There is a continuing ed course online that's called *A Business Case for High-Performance Buildings*, and you can find it in the Better Buildings library. And, as well, you can also find a ton of case studies, training material, and resources, as well as examples of green lease clauses for landlords and tenants at GreenLeaseLeaders.com and also at the Green Lease Leaders library.

And I think with that, I can pass it on.

Hannah Debelius: Excellent. Thank you so much, Audi. Next up, we have Sam Stockdale, who's the vice president, head of environmental and sustainability at Link Industrial, the Blackstone Logistics real estate platform. Sam is responsible for the development, implementation, and communication of ESG environmental and sustainability strategy across the high-quality, well-located industrial assets totaling over 400 million square feet throughout the US.

So, Sam, when you're ready, go ahead and take it away.

Sam Stockdale: All right, can you hear me okay?

Hannah Debelius: We can hear you, although your video is off, so if you wanted to turn that on, we'd love to see you, as well.

Sam Stockdale: Oh, here we go. How are we doing now?

Hannah Debelius: Ah, perfect. Go for it.

Sam Stockdale: All right. Thank you. I'm Sam Stockdale. I'll be representing Link Logistics today. So we are a first-time applicant and winner of the Green Lease Leaders award, so we're thrilled to be here and grateful for the opportunity to give everyone a small peek into what we're up to. So why don't we go to the platform slide, so next slide for me, and one more. One more.

All right, here we go. So before I jump into the main content of today's focus on Energy Star and LED retrofits, I want to spend just one or two minutes to orient everyone on who Link is because we're a relatively new player, albeit a very large player. As Hannah mentioned, we are the Blackstone North American platform for logistics and industrial assets, now the national leader in last mile distribution networks. We are the second largest industrial landlord in the country, at over 400 million square feet across 3,000 properties. We're also a full scale developer with 15 million square feet of projects in our development pipeline. In fact, on Earth Day, we just announced that that entire pipeline would be LEED certified under the new construction core shell framework.

Organizationally, we are decentralized, and so that is by design, and what that means is that our executives sit all over the country. We believe that real estate is a local business and so we have expertise in Chicago, where our CEO sits, in New York, where our finance department sits. Our head of leasing is on the West Coast, property management in Florida. So we're pretty spread out across most major markets. And our performance has been very strong over the last year, which is indicative of the industrial asset class as a whole, but also due to the terrific people here at Link who have been coming on board.

And on the next slide, which I'll speed through very fast, but this is really just meant to underscore that at Link, all the major disciplines are internal. So no third-party property management, construction management. We do it all and we think that this is going to lead to a competitive advantage for us.

So next slide. Just a quick snapshot at all of the markets and submarkets that we're in. These markets generate 77 percent of our NOI. So probably no big surprises here, but as we seek to scale into growth markets and core markets, I wanted to give everyone a preview of where those are.

So next slide. All right, so slowly getting closer to the topic of the day, just a quick look at our ESG program. And I kind of like to think that the elements of ESG fit into this house with some of the basics which we call the nuts and bolts, the fundamentals of ESG program building like green leases or building certifications, construction standards at the bottom, which if successful, can enable you, as an organization, to do more interesting, more environmentally impactful things like managing energy utilities, facilitating ecosystem services, and zero emission vehicles. And these are the kinds of programs that enable firms like Link to make big sweeping environmental commitments like100 percent renewables by 2024, carbon neutral by 2025.

But we have a third commitment, on the next slide, which is to benchmark all of our properties in the EPA's Energy Star Portfolio Manager tools, and not just the compliance markets. We want to do them all.

So on the next slide, a little bit I think actually we can probably skip over Energy Star, A Green Building Conference. I assume that everyone here is familiar with the basics of Energy Star. But actually, I tell you. If I was an expert in slido, I would have polled everyone and said how hard do you think it would be for Link to benchmark all of these properties?

And on the next slide, for those of you who think this is easy, my team behind my back dubbed this initiative mission impossible because this is really difficult. And as Audi mentioned, it's because of the triple net lease where tenants have the utilities in their own name and all of the industrial asset class is constrained by this triple net lease framework. And so the green lease concept is extremely important for groups like Link to be able to report and be in Energy Star compliance.

But just in compliance markets, we have 694 buildings. Two hundred and eighty of those carry penalties for non-compliance. And so because the landlord doesn't own those accounts, we have to interact with 7,000 tenants across 600 utilities for energy data. So on the next slide, you will see that we have had to get very creative on how to go about requesting data efficiently and using some of our partners, experts like RE Tech and Schneider Electric, to help us.

And so we put our efforts across these three buckets which you see here which can be characterized by working with RE Tech specifically to identify friendly utilities, ha ha. Utilities that will share utility data with us with either out tenant authorization forms or with easy tenant authorization forms. We asked Schneider Electric, being the largest utility bill management partner in the country, to help us identify common clients where we can easily port over full building energy data and then report through Energy Star Portfolio Manager.

And the third bucket is the old-fashioned way, where we just went out through our portal and through our national accounts group and leasing and asked tenants for data. And actually, we had a pretty immense amount of success just on the third bucket, which is a surprise, where we found a lot of our clients were pretty amenable to sending data back. So across those three work streams, we are able to target about 50 percent of our total portfolio by square footage where we will get environmental data for compliance reporting. So we're pretty thrilled with that as a base year.

But this is why green leases are important. This is what happens when legacy leases and tenants aren't obligated to provide energy data and it's also why we've been aggressively pursuing green lease language on a go-forward basis and we're very proud to have executed over seven million square feet of green leases at the time that we submitted our award. And I think even right now, we've almost eclipsed that ten million square foot mark, so we keep chipping away at this, and we're hoping that through that effort that this 52 percent will continue to grow.

So the next slide is one cool thing that I did want to point out is this concept called engineer in a box, which we partnered with RE Tech on, which is how we facilitated certifications and properties that did meet the Energy Star certification threshold during COVID. So I thought this was pretty cool where we really had a professional engineer sitting offsite that would ship a tool kit that had all the required tools for measurement and readings to the site, to the onsite building engineer, where they could Facetime and the professional engineer could guide them for actually taking all those required readings.

And it was a pretty big success. We knocked out certifications for a handful of buildings, mostly Iron Mountain buildings, who is a major tenant of ours, and I think they were also pretty happy to be able to achieve this in an environment where guests were not allowed in the facility.

The next slide. Let's see, and I gotta check my time here. I will fly through the LED piece because I only have two minutes left, but on the next slide, I wanted to talk about the cost recovery clause specifically in the context of LEDs and the industrial asset class, mostly because this is kind of a personal gripe of mine, where when we included this clause in the standard green lease language, a lot of our asset management and leasing folks kind of came back and said, "Sam, our tenants are going to redline this out and they're going to redline it out because a lot of folks are giving it away. Other landlords and our competitors are either giving it away as part of the deal or the facility already has an LED retrofit."

And so that it changes the conversation with the tenant when you're trying to encourage them to partner with you on LED retrofit. And also, Link being a relatively new organization, we were still setting up our LED program so that we could go about retrofitting projects like a smoothly running machine. And so as we went out and asked tenants to partner with us on growing this platform, some of them showed hesitancy. And so we wanted to look at this a little bit differently.

And so we wanted to start looking at vacancies. We wanted to look at it based in data. And we had a couple statistics that I wanted to share with you which was that all of my leasing folks said that LEDs are going to be a standard within the next five years, if not already, which they are in many major markets. Across the Link portfolio, almost three-quarters of it could use an LED retrofit, and we already include LEDs in our make ready, our vacant space prep scope, most of the time. And so we're doing a lot of this work already, and so if you partner that up with our downtime, which is when no one's in the facility, these properties can be dark for six, eight, seven , somewhere in that range of months. And so that electricity cost is going directly to Link's bottom line.

Why don't you go to the next slide for me? So in order to catalyze our LED program, we wanted to make an argument for every time that a tenant vacates, we want to go right to the property, roll a truck, and knock out the LED retrofit. And we want the LED to also have sensors so when no one's in there, the box truly is dark. And so as we executed on this strategy, we did a couple statistics exercises where we wanted to look in dollars per square feet the difference between a property, a vacant property with LEDs, which you can see in the purple on the left, and vacant properties without LEDs, which is the green.

And what we found absolutely proved our assumption, which is that properties with LEDs had a much lower carry cost in terms of vacant space electricity, and the properties without LEDs had a much higher carry cost but they also had this long tail which is very unpredictable for us to understand how much that vacancy was going to cost us in electricity. We found that was mostly due to sensors not being there and when leasing folks wanted to show it, they would leave the lights on, and so those spaces would sit on or fully lit for sometimes weeks at a time, which of course completely skews all of your vacancy budgets.

And so we found this to be an incredible tool for us to go back to Blackstone and our own CFO, request funding to retrofit up to 30 million square feet of vacancy a year. So over five years, this alone, this one program is going to help us knock out roughly half of our portfolio with LEDs.

And on the next slide, which is my last slide, this is a few more confirmations of data points that compare LED-retrofitted properties when they are vacant to properties that are not LED retrofits. And so I think that we were really able to verify with the data that this makes a lot of sense for us, and especially if you consider a five percent cap rate, we would do this all day if you can reduce your vacant carry run rate by a double-digit percentile on a go-forward basis.

So that is it and we are very grateful to have had the opportunity to share with you today. Thank you very much.

Hannah Debelius: Awesome. Thanks so much, Sam. We appreciate the insight into your data, in particular, on that. That was interesting.

And our last speaker we have today before we go to Q&A will be Carla Walker, but before I read her bio, I just want to put a reminder out there that you can put questions in slido any time for any of our speakers. I see we've got some coming in, so also, you can go ahead and hit the thumbs up to like the ones that you like and send it to the top for we'll prioritize out the Q&A.

So Carla Walker has spearheaded large-scale civic engagement and public service initiatives at the local, state, national, and international levels for the last two decades. She currently serves as a climate advisor for the city of Cincinnati through the Bloomberg American Cities Climate Challenge. In this role, she supports the city's Office of Environment and Sustainability in developing and implementing initiatives to reduce carbon emissions in the building and transportation sectors. So Carla, go ahead and take it away.

Carla Walker: Thanks so much. Good afternoon, everyone. We're excited to be here and I'm really thrilled about the recognition and the team category for Green Lease Leaders this year with one of the multifamily recipients. As it was stated, I am a climate advisor for the city of Cincinnati through the Bloomberg Philanthropies American Cities Climate Challenge, which is an effort to resource cities to take strong action to reduce pollution that contributes to climate change and impacts public health. This is, as a part of the climate challenge, the city has pledged to take bold action to reduce emissions from its transportation and building sectors, and I'll be talking about one of the capital programs our team created in our WarmUp Cincy energy efficiency program suite, which is an important part of the city's response to the climate challenge.

Next slide, please. So when our team created the program a couple of years ago, many of the city's existing energy efficiency programs provided services only to owners of single-family homes. And at the time, we were becoming more aware of the energy burden issue our residents, and particularly residents who are most vulnerable, were experiencing. When the funding for our programs come from an electric rate case settlement between the city and Duke Energy Ohio, and so that provides about $250,000.00 annually to the city.

And the city was able to design the program through the participation of the American Cities Climate Challenge. We were fortunate to work with IMT since January of this year, as they are also a climate challenge partner. And this work was able to help us leverage the Green Lease Leader program as a pilot with one of our capital programs we created, and I'll share a little bit more about how that worked, some of the outcomes, and what we learned during that experience.

Next slide. Next slide, please. Great. So Cincinnati started its carbon reduction journey in 2008 when it adopted the first climate action plan and it's been revising that plan every five years, and in 2016, the American Council for an Energy Efficient Economy report included Cincinnati and it mentioned that Cincinnati had the eighth highest energy burden for renters, as well as the eighth highest energy burden for low-income residents out of 48 metropolitan areas in the country. And the city actually wanted to take a closer look at that issue and contracted with a local organization to explore energy burden, and what we found was that 17 of the 52 neighborhoods had a energy burden level greater than six percent, which is considered that threshold for energy poverty.

And these findings fueled the response to include recommendations for addressing energy burden in the 2018 Green Cincinnati Plan, which stated a goal of reducing household energy burden by ten percent. And even though there was no percentage breakdown of the multifamily sector in that ten percent, there were recommendations to focus strategies on reducing energy burden for low-income renters. And as part of the challenge, we partnered with our research team at the University of Cincinnati to conduct a market segmentation analysis to give us a better sense of where those buildings were and what the situation was with our multifamily housing stock. You can see here that 63 percent of our apartment buildings are in these small-unit structures, and then that two-thirds of those apartment buildings are located in very low-income or extremely low-income communities.

Next slide. Taking all of that into consideration and the big challenge of the split incentive phenomena when dealing with energy efficiency products in these structures, we created a suite of programs to assist low-income Duke Energy customers by addressing their energy burden resilience and the programmatic service gaps. The programs center families with a household income of 200 percent or below the federal poverty limit, and we address the split incentive or try to address it by providing incentives and benefits to both sides of the equation. We have one program for tenants and two separate programs for building owners.

Each of those programs are designed to provide an incentive to participate, upgrades and education to drive behavior change, and establish a culture of sustained energy efficiency in this sector. So for the tenant program, we have all three elements, right, but for the building-owner side of our programs, we were missing the education element and that's actually where IMT and Green Lease Leaders comes in.

Next slide, please. So we have two building owner programs that provide grants to owners for their upgrades. I'm going to speak specifically about one of them, which is our matching grant program. It's our small grants program. It provides up to $5,000.00 in matching funds for capital upgrades of eligible buildings, and we launched the first round of the grants in November of last year without the education program because we had to get it out the door. And on the left side of this slide, you'll see it's an overview of the numbers in terms of the projects that we were able to fund that we announced in January, which was actually the start of the time when we were working with IMT.

And so since the grants had already been announced, we started working with IMT to create a pilot on how to test the Green Lease Leader program with these first round of grantees, and if it was a success we would recommend integrating the Green Lease Leader program into future rounds. We had already scheduled a feedback session with our grantees to hear how the grant was working so far, a month or two into the grant, so we felt that was the opportunity to introduce them to the Green Lease Leader program, and at that session, we had IMT staff walk through the history of Green Lease Leaders and the opportunity to work directly with them.

And when we gave the invitation to participate, out of the six grantees, five of them actually participated. And one of our first actions was to provide these owners with a survey to ask them questions about their specific needs and to help us figure out how they would integrate Green Lease Leaders into the program, as well as what other resources would be helpful to them

Next slide, please. So for the last month and a half or more, these building owners have been in touch with IMT staff on a regular basis and the exchange has helped create a toolkit that we're calling the affordable housing toolkit, for now, and it's a set of resources that we'll provide to landlords to support and sustain that education and that action. We're working to finalize that document, but it will include resources like how to market efficiency initiatives to existing and to new tenants, how to make energy efficiency upgrades during a unit turnover specifically for these small buildings, how to enhance savings by adopting energy management best practices, and even how to finance upgrades with local, and federal tax incentives, and other funding sources.

Next slide. As the American Cities Climate Challenge comes to a close at the end of June, we're looking at ways to embed Green Lease Leaders into the WarmUp program for the duration of the Duke Energy Ohio funding, as well as share this information with as many multifamily building owners in the region. So now we're working to host a forum for apartment building owners, grantees or not, to learn about the Green Lease Leader program, and our hope is to partner with the regional apartment association to do this as early as June. We will be recommending that the city not only update its website to include more information about the Green Lease Leader program, but also recommending that future small grant funding rounds which we expect to be about two rounds a year require applicants to participate in the Green Lease Leader program where IMT can provide that one-on-one assistance.

Next slide, please. I'm sorry, next slide, also. Great. Our experience working with IMT justifies the incorporation of the Green Lease Leader program into the WarmUp program if we're really to see the kind of energy efficiency behavior we intended when we created the program. Here are four key learnings and outcomes from the last six months. Number one, we needed a building owner education program and got much more than that with the Green Lease Leader program. It created a second incentive for participation with the recognition program for our owners.

The city now has a market-specific set of resources for our multifamily building owners, which we didn't have before, to help further energy efficiency behavior. And this this is a big one. This did not and will not require a heavy lift from city staff or the city budget. I should also add that it also does not require a heavy lift or additional resources from the building owner, which is a win-win, or more than a win-win, in my eyes.

Next slide, please. We have heard from the grantees often about the benefits of the pilot, and as you'll see here with this quote, this is from one of our grantees who is a high school teacher. He owns a two-family building which is in a very high energy burden neighborhood and his tenant is at the income level to our target income level. And he's been working on energy saving strategies with this property since he purchased the building two years ago. What I love about this is that he has been telling other building owners about not only the grant program but the experience that he has had working with the folks at IMT and the Green Lease Leader program.

Next slide, please. And that's my end slide. I'm really looking forward to seeing the next round of small grant applicants for the WarmUp Cincy program and fully integrating the Green Lease Leaders program into the city's energy burden strategy. Again, thank you so much for the opportunity to share what we've been doing in Cincinnati.

Hannah Debelius: Thanks so much, Carla. I'm sorry. I'm hearing a little bit of, yeah, feedback. There we go. Thanks. It's so great to hear your perspective and what you've been able to help build in Cincinnati, so that's wonderful.

We have a lot of questions coming in on Q&A, which is great, but it's not too late to still add yours. You can go to slido.com, select the conversation with Green Leaf Leaders, and still add yours. I'll also say that we will prioritize our questions based on the number of thumbs up votes that they get. So even if you didn't submit a question, it's a great time to head over to slido and vote for some of the questions that you'd like to see prioritized. So for the next 10 or 15 minutes, I'd like to welcome back our speakers onto video so that we can tackle some of these questions from attendees.

All right. The first question is, "As a tenant, how do I begin a conversation with my landlord to pursue green leasing?" So maybe if we could start with Audi, if you have some perspective on this, and then if Carla or Sam would like to weigh in, that would be great.

Audi Banny: Sure. I think there's many different ways to approach it and it often depends on where you are in the green leasing process. So I'll provide the example of you haven't signed a lease yet. When talking to the landlord, I think the term green leasing can sometimes be deceiving 'cause it's really about talking about operational efficiencies, setting priorities, and having that conversation up front, to have that laid out and have an understanding between both parties what that looks like. And then the lease reflects those priorities, which again, it's about efficiency, it's about what are the priorities for both parties written in the lease, but then also translates into operational practices.

In the mid-lease, if you don't already have a green lease, and the opportunity may be having regular conversations with the landlord to start talking about these efficiency issues and addressing them maybe one at a time but having continuous conversations that are priorities of your own priorities, but having those conversations so the landlord understands that they are priorities and finding a way to working together.

Hannah Debelius: Thanks so much, Audi, and I'm glad you mentioned that about starting conversations while you're mid-lease, 'cause I know that that was another question that I saw that we may not get to was what do you do if you're in a long-term current lease, so that's great advice.

Carla or Sam, anything to add to that before I move to the next question?

Carla Walker: All I'll add is that we've kind of approached this during our pilot and we've asked our landlords to do this on the flip side. We've asked our landlords how their tenants have been communicating with them. We have specifically though been dealing with a very targeted community, and so educating that community about the idea and concepts of green leases has not been part of our programming. For the tenant side of our program, we've been more focused on making sure that they are understanding some of the other areas and issues of energy efficiency.

Hannah Debelius: Great, thanks so much, Carla.

So the next question is directed to Sam at Link, and it is, "Moving forward are you writing data sharing into existing leases and other new contracts?"

Sam, I think you're on mute. There we go. Now we can hear you.

Sam Stockdale: All right.

Hannah Debelius: Perfect, thanks.

Sam Stockdale: Short answer is yes, absolutely. All new leases have all the green lease language included and we also we ran an internal workshop at Link to educate our leasing partners for what it is, why it's important, and why they should guard against it getting redlined out. And I think if it doesn't get redlined out for any other reason, that some tenants just don't understand it, and lots of folks especially in the industrial asset class where tenants are used to landlords being a passive landlord, what they're not familiar with, they want to remove. And so now that we've educated all of our leasing folks for why it's important and to be able to push back, we actually haven't seen any get redlined out over the last few months.

Hannah Debelius: That's great to hear. Carla or Audi, would you like to say anything about the data piece in general before I go to our next question here? All right, great. So I'm not sure when this next question came in, so which partnership it's referring to, but the question is, "How are you selling the partnership piece of shared savings?" So I think that might be looking more at the split incentive. So would any of our panelists like to kick us off with that?

Sam Stockdale: Yeah, I'm happy to.

Hannah Debelius: Great. Thanks, Sam.

Sam Stockdale: So this is why I wanted to detail our LED vacancy program. So we wanted to ensure that all of our tenants and those customers that engage with us to perform any kind of energy retrofit felt comfortable that we had the right expertise and that we were able to achieve that quickly, efficiently, and at the right cost. And so we wanted to build that engine on vacancies and be able to show that proven track record of success and demonstrated energy savings back to the tenant. The nice part about selling the partnership, especially for LEDs, is the math is simple. One bulb at x wattage gets turned into another bulb, an LED bulb, at wide wattage, and it's as close to a guaranteed energy savings as you can get.

And also, most bulb manufacturers will stand behind the guaranty of the fixture and the bulb, and most partners who are doing the labor will stand behind the installation. And so it's a pretty surefire way to almost guaranty the savings, and actually, we do guaranty it at Link for the balance of the lease term, and so that's how we sell it.

Hannah Debelius: That's great, thank you. The next question that we have here is, "How can or should tenants pursue green leasing during property development?" So maybe, Audi, that might be a question that you could weigh in on?

Audi Banny: Sure, and if I'm understanding the question properly, I think green leasing takes a lot of different forms, and so it's about what are the priorities for the parties involved. So specifically for a tenant, priorities can range from ensuring that there are specific amenities. Amenities can range from physical amenities, to emotional amenities, or access to greenery, even access to building performance data, or if tenants have their own environmental goals, how are you going to be able to track them in the tenant space. And so it just it becomes a list of what are those priorities and ensuring that those priorities are incorporated not just from the site selection process but into the lease and then translate into improved operations that align with the tenants said priorities.

Hannah Debelius: All right, great. Thank you. Carla or Sam, anything on that? All right, great.

Well, Carla, I'm really excited about this next question because it was it was also coming up for me when I heard you speaking. "So can you talk about how you were able to get the analysis on energy burden and energy poverty? Who were the stakeholders or what were the resources?"

Carla Walker: So the city of Cincinnati, I believe in 2016, 2017, shortly after the ACEEE report, they actually contracted with an organization called Greater Cincinnati Energy Alliance, which sadly, it became a casualty of COVID. It no longer exists. But at the time, the energy alliance was the one organization that worked with utility data, residential utility data, that I believe that they received working with Duke Energy and they looked at that based off of census tract information to get us better sense of what our energy burden really looks like from neighborhood to neighborhood.

Because while the ACEEE report was telling, it was a kind of a bird's eye view and more of a regional approach to what was going on in Cincinnati, enough to give us a concern that we should be looking at what's happening at the local level. And we were fortunate to have a local organization kind of really begin looking at what that energy burden looks like from neighborhood to neighborhood.

Hannah Debelius: That's great. Thanks, Carla. It's interesting and great that you were able to get data at that level. Interesting piece.

So this question, the next question, which is, "Can you provide sample lease agreements for use or must participants use your data?" I'm not quite sure what the second part of that is about using our data, but I will say that on Green Lease Leaders, those resources is sample lease language and I think that maybe a colleague from IMT has been able to reply to a couple of those comments in the slido. But, Audi, I don't know if you have anything to add on that question?

Audi Banny: Yeah, I think commercial leases aren't regulated, so clauses will vary from lease to lease. Green Lease Leaders has an example, many examples, of various lease clauses. There is, and I put it in the slido as a resource, but if you go to GreenLeaseLeaders.com and go to resources, you can start there, but there's also a resource that says example green lease clauses, and in that document provides various examples that are from the landlord's perspective, how a landlord would write that clause, and then from the tenant's perspective, how a tenant might respond or suggest in those clauses. So there is no real set specific standard, 'cause like I said, it varies, but there are plenty of options on the website and in some of those resources that you can pull from.

Hannah Debelius: Great. Thanks, Audi, and I'll also tell you that there are a lot of wonderful case studies on the website, as well, if you're looking for something in your sector, or industry, or geographically, or anything like that.

Our next question here looks like it's directed to Sam, which is, "How are larger retrofits beyond LEDs handled? How does Link as the landlord pass through and recoup project costs from tenants?"

Sam, I think you're on mute, again.

Sam Stockdale: Unmute. There we go. All right.

Hannah Debelius: Perfect.

Sam Stockdale: Lots of technical difficulties, today. It's a great question. So first off, everyone on the team here at Link either has held or currently holds a CEM, a certified energy manager certification, so that anyone here can perform at least a Level 2 ASHRAE energy audit. And so we have the internal expertise here to work with customers to perform full building energy audits, and then if those tenants elect to proceed on any of the energy conservation measures that have been identified, then we will work with them to either contract, if they want to directly finance, or we will finance for them and work out that exact cost recovery as an amendment to the lease.

It made a very simple one-pager that we do to identify what's going on, what the anticipated cost savings are, what the landlord will and won't guaranty, and a timeframe for execution. So typically what we see out there beyond LEDs are HVAC. So a lot of RTUs, a few belt stands motors, but it's mostly related to HVAC.

Hannah Debelius: All right, thanks so much, Sam. And I think this next one will probably be the last question we have time for. It's a little bit more detailed than I think any of our panelists got into, so I think for all our panelists, if you'd like to weigh in on this, feel free to take it a little bit more broadly. But, "Are solutions such as solar energy offered to the tenant as a landlord-tenant PPA?" That's power purchase agreement. "Percent of modeled energy like the New York City stakeholder model or amortized over the life of the lease? I've seen several variations here."

Maybe for our panelists, if you've been considering or you've worked in the renewable energy space in regards to leases, we'd be curious to hear a little bit more about that.

Sam Stockdale: There we go, all right. So I'm happy to take that.

Hannah Debelius: Okay. Also, Audi, you are on mute, so we'll go to Sam and then we'll kick it over to you, Audi.

Sam Stockdale: I'll make it very quick. There's no silver bullet here on this one. I would say it completely depends on the individual project economics, but also that property's location. Sometimes the economics support not having the system be behind the meter because, especially an industrial asset, because industrial assets are generally a low energy intensity operation. You can't support a large enough system to max out the size of the roof within that net metering constraint on an annual basis. And so for projects that are smaller or smaller buildings, we do sometimes work on these landlord-tenant PPAs and pass the benefit through to the tenant with the renewable energy dual commodity intact.

But more often than not, we're executing an operating license to lease out the roof to a developer to push it out on a community solar basis and we do claw back some of the wrecks if Link elects to be the anchor tenant to the community's solar program so that we can allocate the renewable attributes of the rooftop system back to the tenant if they're open to paying for it.

Hannah Debelius: Excellent. Thanks so much, Sam. Audi?

Audi Banny: Yeah, just to echo what Sam said, there's many different approaches to this, and we have some case studies and examples in the retail sector where developers have invested in renewables on their property and they utilize a process which essentially they sell that renewable energy source to tenants at or below market rate, and that's typically just done through either a lease clause or a separate agreement, but it varies.

It really honestly depends on, like Sam said, where you are in the United States how mathematically it pans out, best comes out for the particular property in the space. Again, there are plenty of examples of clauses and some case study approaches on this particular topic on Green Lease Leaders.

Hannah Debelius: Great. Thanks so much, Audi. With that, I would like to thank so much all of our panelists today. It was wonderful to hear from you all, especially with your different perspectives from industry, and organizations, and that sort of thing, so thank you all so much. And also, another congratulations to all of our Green Lease Leaders from this year. We've mentioned a lot of resources today, including GreenLeaseLeaders.com.

Here are some other resources for you on the Better Building Solution Center. So speaking of the Better Building Solution Center, the Better Building Solution Center has over 3,000 solutions to help you find proven and cost-effective strategies to help you reach your energy, water, and waste reduction goals. We've got a short video for you about the Solution Center.

[Video played, 0:57:51 to 0:58:38]

All right, and if you have been enjoying summit, then the fun with better buildings doesn't have to end this week. We are launching our summer webinar series, which will go all summer long with other wonderful content. You can access that by clicking on events and webinars on the Better Building Solution Center. Now I'll also say that the session on July 20th is also going to touch on green leasing as one tool in health and energy efficiency, so you can tune into that.

Finally, we've also launched a short feedback survey in slido. Unlike the Q&A, those answers are going to be anonymous, so we'd really appreciate your feedback so that we can continue to improve summit and this experience for you. And with that, thank you, again, to our panelists. If we didn't get to your question today, I hope you'll reach out. Thank you so much and good luck with all of your future green leases.

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