GWI 2026 COLLABORATION SERIES

GREEN WILL INITIATIVE

Session 1: What's Working and What's Not: A Peer Exchange on Building Energy Performance

INTRODUCTION

This session marks the first virtual collaboration event of the year for the Green Will Initiative (GWI). The discussion highlighted a shift away from ESG-driven narratives toward financially grounded and operationally focused approaches. Success increasingly depends on aligning project messaging with organizational priorities and demonstrating clear value.

GWI MEMBER ORGANIZATIONS IN ATTENDANCE

- Akelius
- Crown Realty Partners
- Exhibition Place
- George Brown Polytechnic
- Minto Properties
- Morguard
- Quadreal
- Sinai Health
- Toronto District School Board
- Toronto Zoo
- Unity Health Toronto
- University Health Network
- William Osler Health System

GREEN WILL INITIATIVE (GWI) UPDATES

New Members:

- Lush, Morguard, Sinai Health, and William Osler Healthcare System have recently joined the GWI network.

In-Person Training Opportunity:

- The the first in-person CIET training of 2026, *Energy Efficiency for Building Operators and Maintenance Staff (EEBO)*, will be held on *July 28, 2026 at* Sinai Health.

- A live "Energy Hunt" will provide members with customized building performance data, proposed measures, and a post-course coaching session.

STAGE SETTING & KEY PREMISE

Participants noted that external conditions such as policy uncertainty, economic pressures, and changing attitudes toward sustainability have reshaped how projects are received internally. Messaging that emphasizes cost savings, efficiency, and reliability is gaining traction, while traditional sustainability language (e.g., ESG, electrification) is proving less effective.

Moderator Questions Driving Discussion

The session focused on several core questions:

- How are organizations currently positioning energy and decarbonization projects internally?
- What messaging resonates with leadership and decision-makers?
- How have policy and economic changes affected project viability?
- Are we shifting from decarbonization toward efficiency and optimization?
- How can projects be justified when financial returns are limited?

Key Themes & Insights

1. **Financial Viability as the Primary Driver**

   Projects continue to require a clear and defensible financial case to secure approval. Return on investment, cost neutrality, and operational savings remain the most influential decision-making criteria, particularly as changes to carbon pricing and incentives have weakened the economics of many capital-intensive decarbonization projects.

2. **Shift Toward Efficiency and Optimization**

   Organizations are prioritizing low-cost and low-risk strategies such as recommissioning, operational improvements, and energy efficiency. These approaches are easier to justify financially and can deliver meaningful short-term results.

3. **Importance of Messaging and Alignment**

   Projects are most successful when aligned with broader organizational priorities such as cost control, reliability, service delivery, and mission fulfilment. Framing initiatives through operational outcomes and organizational objectives often resonates more strongly than sustainability-focused messaging alone.

4. **External Factors Shape Feasibility**

   Policy, incentives, and regional conditions strongly influence project viability. Uncertainty around building performance standards and reduced carbon pricing signals have created hesitation in long-term investments. Conversely, regulatory requirements and reporting frameworks help drive action.

5. **Data and Infrastructure Challenges**

   Limited access to granular data—particularly in areas such as energy and water consumption—makes it difficult to identify and justify projects. Upfront investment in metering, controls, and data systems is often required.

6. **Sector-Specific Constraints**

   Different sectors face unique challenges:
   - Residential buildings are constrained by affordability and cost recovery limits.
   - Public institutions face capital constraints and competing priorities.
   - Newer buildings have fewer immediate retrofit opportunities.
   - Private portfolios are heavily focused on fiduciary responsibility and returns.

7. **Alternative Value Drivers**

   Where financial returns are insufficient on their own, projects are increasingly being justified through complementary benefits such as resilience, risk mitigation, operational continuity, and alignment with institutional or strategic objectives. These additional drivers can strengthen rationale for investment in projects with longer payback periods.

8. **Incremental and Pilot-Based Approaches**

   Pilot projects are widely used to test solutions, reduce risk, and build internal evidence. Organizations are focusing on scalable, repeatable solutions across portfolios rather than one-off initiatives.

9. **Weak Market Signals**

   Market-based incentives for decarbonization remain relatively limited. While sustainability performance may support leasing decisions, future competitiveness, and long-term risk reduction, its impact on asset valuation and insurance costs is not yet consistently reflected in the market.

OVERALL TAKEAWAYS

The sector is undergoing a transition toward pragmatic, financially grounded implementation. Energy efficiency and optimization represent viable near-term strategies, while broader decarbonization efforts depend on clearer policy direction and stronger economic incentives. Moving forward, successful projects will integrate financial, operational, and strategic value into a cohesive business case.

For more information on upcoming GWI events, training, or recognition opportunities, visit:
www.toronto.ca/greenwillinitiative