

Building Performance Standards

Technical Advisory Group (TAG) Meeting #6 Summary Notes

Thursday, June 2, 2022

Attendees

- OSE: Sandra Mallory, Nicole Ballinger, Terry Sullivan, Christine Bunch
- SBW team: Faith DeBolt, Poppy Storm, Lucy DeBolt, SBW webinar facilitator
- TAG Members: Joe Malaspino, Ian Brown, Seth McKinney (sub for Treasa Sweek), Madeline Kostic, David Okada, Edmee Knight, Amy Wheeless, Becky Becker, Sarah Moore, Peter Hasegawa, Kelsie Blanthorn (sub for Bobby Coleman), Kerry Meade

Agenda Items & Notes

- **Introduction and Welcome - 5 min.**
 - Welcome message: Faith
 - Agenda Overview
 - A few subs (Seth for Treasa today and Kelsie for Bobby)
- **TAG Recap & stakeholder engagement recap**
 - Nicole summarized feedback from the many different groups OSE has heard from when building this policy. They've heard a lot of technical details, but high-level themes have emerged: the importance of communicating it now so there's a long lead time, a streamlined but flexible policy, and lots of support financially and otherwise for these transitions. She also provided a quick glance at some specific highlights from stakeholder feedback.
 - Faith summarized high-level takeaways from TAG meetings 4 and 5.
 - Mixed support for individualized and universal targets
 - Option to comply as a portfolio provides flexibility to owners, but: could delay improvements to buildings most needing them
- **TAG feedback/questions**
 - Portfolio analysis: does delayed improvements to one building matter if the net portfolio emissions are reduced? If the portfolio is still meeting the target?
 - For the Seattle school system, would the buildings be weighted differently? All buildings the same? How would that be defined?
 - OSE – would determine methods in rulemaking, but the concept is to weight by use type and use an aggregate weighted average across the portfolio.
- **SBW Analysis**
 - Faith presented slides on the SBW analysis
 - TAG questions/feedback
 - Based on known changes due to the State standard. Don't know how target would apply to an individual building rather than the aggregate for a type. Don't see a trigger that would force the building to improve.
 - Faith – This example (hypothetical) building would need to participate in Tune-Ups so it may need to make some improvements, based on the LBNL model (the black line).
 - Question: How do we create incentives for buildings to exceed the minimum compliance pathway?

- Impact analysis: Is there data that explains the age of the building. Is there some way to include/show the risk of redevelopment?
 - OSE: We have considered redevelopment a possibility, but don't have a way to incorporate that at this time. We've considered using zoning maps to get a better idea. For example, where are the "up-zones" and which may be underdeveloped properties for that zone?
 - Question asked about number of buildings that would need some action in each time frame and determining if the market is capable of supporting the work, and what measures need to be in place to allow it to happen.
 - Faith – some of those are the largest buildings and may need to be by 2026 compliance.
 - Sandra – The draft policy pathway doesn't fully match the analysis idealized targets that Faith shows, but that is an excellent question. There may be timing issues for some. (Note: next step of analysis will estimate numbers.)
 - What's your takeaway from this? What inferences are you all drawing from this? Faith noted:
 - Individualized vs universal targets, analysis did not show a case to choose one over the other.
 - This is the idealized version assuming everyone complies on time, but a lot of work would have to be done to make that happen. It is theoretically plausible to reach 39% by 2030 based on this though.
 - Also shows there is no natural decline to zero, so we need a policy
 - A note: emissions don't go to zero in 2045 because this graphic includes under 20,000 square feet buildings
 - Which is easier to administer as a policy?
 - OSE - The individualized vs universal targets aren't that different. No compelling case based on analysis to choose one or the other. (look to other reasons).
- **Draft Policy Overview**
 - Sandra presented the timeline and overview on the slides.
- **TAG questions/feedback**
 - How do you encourage EEM's (Energy Efficiency Measures) when a building is fossil fuel heated? Antithetical to the goal. Concerned about incentivizing conversion to electric resistance, however using pre-offset emissions factors may counterbalance that little bit.
 - Planned incentives for voluntary action? (A lot of interest in incentives for voluntary action before and beyond required decarbonization.)
 - OSE is working to get funding for incentives, for resources for underfunded buildings, etc. Definitely want to do incentives
 - How do we ensure that efficiency is happening? How do we encourage it?
 - Working on demand on multiple fronts - regulation, incentives, demand response programs, time of use rates. Lots in there
 - Some small amount of funding for affordable housing decarbonization?
 - We have some previous ARRA funding we're using as grants for 2-3 affordable housing projects to decarbonize. Been talking to Bobby and housing consortium

- Decarbonization plans: there was concern for the cost for very small, simple buildings, but they're very valuable for larger buildings. Think it could be streamlined so that all owners demonstrate a basic understanding of the magnitude of the challenge and what they'll do about it long term
 - And it seems like it would be fairly straightforward to incorporate that basic understanding into the CBPS Energy Management Plan
 - Do we want people to do a decarbonization plan?
 - Somewhat to be determined. Don't want it to be busy work, but want owners to be aware, so trying to find a sweet spot. Concise but useful to OSE and the owners. Some Tune-Ups questions may be useful, about equipment age and longevity etc. Simple as possible but informative.
 - Add to that, HDC pilot work will generate some input for that plan for multifamily generally
 - Capital needs assessment (CNA) and energy modeling of the systems. One is more conducive to what affordable housing can do, source out stuff. External engineers and such. Capacity consideration.
 - Typical CNA doesn't capture everything we like out of that plan so how can we modify it to cover what we want? Can that be expanded easily, what capacity is there? Don't think we need modeling
 - What would be required to provide current conditions beyond reporting in Portfolio Manager?
- **Breakout room discussions (combined)**
 - Compliance pathway
 - Overall: seems realistic and makes sense. Pathway is easy to follow.
 - Approval of compliance, benchmarking verification
 - Strong approval of light version of a decarbonization plan, it'll be important
 - Assuming 5-year compliance circles, matching the clean building performance standards
 - Understand why there is no energy component to this
 - Compliance could lead to load building
 - State standards opening up to smaller buildings...?
 - SM – we don't know yet what's going on. Assumptions – multifamily delay etc, but don't know yet
 - Will targets but adjusted given that a lot of buildings may not be doing much in first cycle?
 - One thing Clean buildings ran into – what are the options for updating the rule making to match later on?
 - Legislation must be changed through council; rulemaking doesn't need council... need to set compliance dates in ordinance. Changing dates to be consistent with state action should be straightforward through council. Redefining what's expected would take a lot more discussion. Where is there flexibility? Could first cycle be defined in legislation and later ones in rule?
 - What's the process for reopening rulemaking?
 - For the city, can open it up themselves, but public input required. Just doesn't have to go through council
 - Required actions 2026-2030

- Rational is to accelerate action to address climate change, but be reasonable for what's possible – Sandra
- Sympathetic to finance cycle and keeping in mind the env component from a timing perspective. Is there a strong argument for delayed component to do it all at once later, should there be an offset component early on? If just allowing alternate compliance, not necessarily providing penalty... the stick of legislation should be effective. We don't want to focus on profitability. That's what got us here. Need to do it in a way that makes sense for the market but...
- Compliance should be minimal first round since it's so late already
- Faith – part of the point of documentation requirements is to encourage people to not do like for like replacement
- Sandra – will do our darndest with outreach and education, but it still doesn't always reach people. Need *some* action to ensure awareness
- Tag member -- We're doing like for like replacement now and it's against our clean energy resolution...
- Seattle schools currently don't do energy star certification due to costs
- Benchmarking certification
 - An added cost... Could it be an in-house person? Would it have to be an external consultant? Is it possible to fund capacity building and in house staff capacity?
 - Sandra – would need to be verified by a professional, could be on site or a third party.
 - Dream is to have staff member who could do all that. Maybe could there be continuous funding to support on staff? Support someone who could do all that? Consistent, in house staff
 - Benefits outside of energy auditing to having in house staff. Opens up a lot of possibilities.
- Faith – thoughts on the 20%? If you've got to touch it all, might as well meet the target? Or the slow start is good? Or...reactions?
 - 10% may be possible if there's low hanging fruit, but that might trigger replacing equipment early. What are the offramps? What is the city trying to signal? 10% felt more comfortable than 20%.
 - Could consider just having electrification targeted at end of life like Denver has.
 - Makes sense to me. 100% or 20% at least. A question of the inconvenient vs the env. It's not that simple, but people need to be pushed
 - Stylistic comment – question was confusing. Faith's example was helpful. Example – at 50% or above, not going to hit target do at least x. Is the 10% a suggestion or an alternative?
 - Agree, was having a hard time with this slide. Recommend less words and more pictures for the open house.
- Capital needs assessment – this question would be clarified by real data collected from buildings attempting to comply. Just, get to the target or is there a percentage that makes sense?

- Potentially an analysis question across a few capital needs assessments of various building types across the UIs rather than a “what do you think?” question
 - look at breakdowns of building type and size as a starting point
 - How do targets and overall targets intersect with state’s climate act?
 - Not sure why a different percent for small vs large buildings in the above vs below 50K threshold
 - For commercial 50k+ and commercial and 20-50k, not a big difference in challenges so don’t know if they need to be different. Difficulty not really affected by size.
 - If pushing for incremental changes - might be pushing people towards things that don't necessarily help them in the long run to get to the goal
 - Depends on signal we want to send around how the city is being reasonable now and how framing planning - one way is to say that these five years are the years to plan - so you know you're on the right track. Or could say here's a goal like 20-30% but if you can't commit to that then you have to go to an alt comp that then requires providing that same plan at some point
 - Timing is unfortunate - timing is too close to 2026 to squeeze this kind of thing in
 - Major decarbonization - the things that lead to step wise reductions need longer than a 5 year lead time
 - Ways to incentivize doing work sooner? Need incentives when earlier than end of useful life.
 - Faith – motivation of establishing targets as of 2026-2030 period despite soft launch, to highly encourage equipment replacement towards electrification or at least not like for like
 - Percent reductions are hard for GHG - electrification requirements like in Denver may make more sense. Only way to hit these are through electrification - but to do electrification on many buildings is challenging. How can we meet them in 5-10 years?
- Alternative Compliance
 - Proposing portfolio approach for entities that are long term owners (like schools)
 - Is there an alternative compliance pathway for deep efficiency?
 - Doesn’t the efficiency one improve emissions? How is that different?
 - Deep efficiency seems like it might be redundant: If you're assuming pre-offset electrical emissions factors, deep efficiency should still result in emissions reductions, right?
 - Many found it redundant
 - Climate Investment fund thoughts?
 - Paying your way out with climate investment fund – permanent?
 - SM – first couple cycles, not long term. Still want net zero. What is net zero? Some may not be able to get there
 - Climate investment fund...maybe not a primary pathway, more like a thing people should invest in and something attached to a

penalty. Fail to meet their own target – penalty to pay into fund. Wouldn't set it up as a primary pathway.

- Climate investment fund. Not a complete exemption, a delay. How much would that delay cost?
- Once metrics are published, TAG member may look at buildings where they replaced like with like, do a retro analysis, did that push that building below the metric? Look at efficacy of replacing like for like but more efficient. Sooner he sees metrics and numbers sooner he can look at that.
- Alternate compliance will be really important: many buildings will need an alternate compliance pathway (more than your normal energy code alternate compliance scale), timing will make sense differently for so many different buildings, not an incremental path (need to align the chess pieces)
- Create a pathway a mechanism to allow for trading or something so some who can't move can tradeoff with others who could but don't need to or aren't yet
 - Prescriptive option
 - Like the prescriptive option, or at least a resource/education for smaller building owners on what measures will automatically meet targets. (i.e. converting to VRF + DOAS). Especially for the smaller building types
 - Is the prescriptive option also redundant?
- Special building types
 - Heard a lot from hospitals during state rulemaking. High intensity energy uses and/or back up power
 - Nicole – doesn't fit into building types but there's an equipment type part as well. Backup power not included in first several rounds at least
 - Food service – is that an industrial or commercial use? Huge deal. Many businesses. Up the chain, what about any sort of refrigerated storage places? Grocery stores etc. Predominantly electrical but high intensity use. Refrigerants and electricity. Keep an eye on that.
 - Historic properties need to be treated carefully. May not make sense to take them off of gas. Focus on the individual targets pathway in alternative compliance. Try to streamline that as much as possible. As automated as possible.
 - Clean building performance standards for historic buildings. Don't need to do anything that would compromise the landmark status but must comply.
 - I'd like to clarify whether the multifamily prescriptive option to switch to Heat pump water heaters means that if you do that and still don't meet your emissions target, are you "exempt from further action?"
- **Wrap Up**
 - Thank you
 - Open house 6/16