

BEPSDC Task Force

August 18, 2020

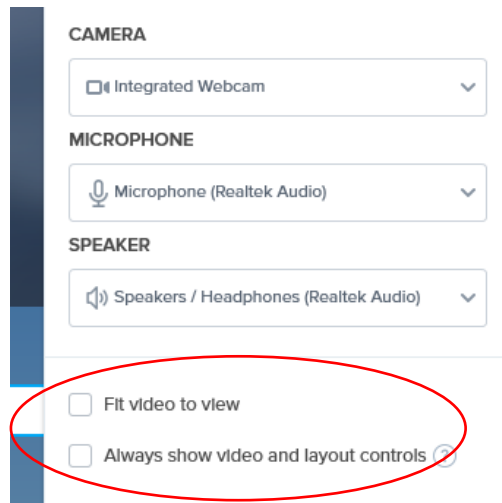
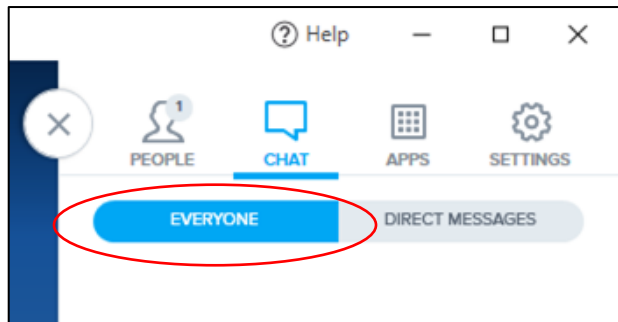
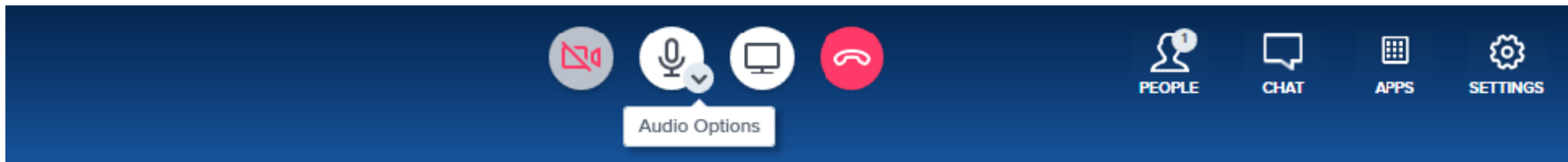


@DOEE_DC
#BEPSDC

*** DEPARTMENT
OF ENERGY &
ENVIRONMENT
GOVERNMENT OF THE DISTRICT OF COLUMBIA

WE ARE
WASHINGTON
DC GOVERNMENT OF THE
DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

BLUEJEANS TOUR



ONLINE MEETING ETIQUETTE

- The meeting is being recorded and will be posted to our website
- Questions and Comments throughout the meeting:
 - All attendees will control their own mute function but could be muted by the facilitator due to background noise
 - Task Force Members – can comment at any time
 - Non-Task Force Members - please use the chat box to request to talk
- Attendance
 - Non-Task Force Member – please use the chat box at this time to register your name, organization and email to “sign in”
 - Task Force Members - roll call (will also use this for voting)

ROLE OF TASK FORCE



- Advise DOE on creation of an implementation plan for the Building Energy Performance Program;
 - Recommend amendments to proposed regulations issued by DOE;
 - Recommend complementary programs or policies.
-
- If topic needs in-depth discussion, anyone can suggest moving to a committee
 - This is an open meeting - everyone is allowed to participate



OVERALL SCHEDULE



Future Agenda Items for Discussion/Feedback

- Prescriptive path
- Guidance Documents (higher education/hospital carve-out, reporting/verification, **delay of compliance**, etc.)
- **Green Bank feedback session**
- Equity discussion
- Workforce development

INTESPA

AGENDA



- Administrative Items
- Sub-committee update
- DC Green Bank feedback session
- Affordable Housing update
- Delay of Compliance Criteria
- Announcements



HIGHER ED/HOSPITAL SUB-COMMITTEE UPDATE



- Met August 12
- Reviewed BEPS compliance paths
- Discussed options for campus compliance paths
- Added an additional meeting – August 19
- Last meeting - August 26 – create recommendations
- Presenting recommendations to TF on September 1





GREEN **DC** BANK

Supercharging DC's Clean Economy

BEPS Task Force



Overview

- DC Green Bank Goals & Focus Areas
- Overview & Current State
- Available Now - Open Request for Proposal
- Coming Soon
- Discussion & Recommendations

DC Green Bank Goals

DC Green Bank will utilize an initial investment of public funds to significantly leverage private capital to:

- Create jobs and spur economic growth;
- Meet the city's sustainability and resilience goals;
- Reduce carbon emissions and install clean energy systems;
- Reduce residents' utility costs; and
- Improve the resiliency of energy.



Sustainability



Economic Growth



Inclusive Prosperity

DC Green Bank Focus Areas

- Bringing private capital into new spaces and markets
- Initial focus sectors:
 - Solar energy
 - Building efficiency
 - Transportation electrification
 - Storm water abatement

DC Green Bank Overview & Current State

- Flywheel Development Investment
 - Projects under construction now
- Stakeholder outreach - Focus Groups
 - Environmental NGOs – August 7
 - Multifamily Developers – August 19 & 21
- Montgomery County Green Bank Partnership
- Personnel
 - Filled positions
 - Director of Operations, General Counsel, Chief Investment Officer
 - Upcoming positions
 - Directors of Sustainability, External Relations, & Equal Access
 - Deputy Chief Investment Officer, Business Development Analysts

Available Now – Open Request for Proposals

- Request for Proposal
 - <https://dcgreenbank.org/open-request-for-proposals/>
 - Proposed collaboration for clean & renewable energy projects
 - \$250,000+
 - Rolling application process
- Discussion point
 - What recommendations do you have to generate interest and applications for the RFP?
 - What organizations do you recommend we directly contact?



Coming Soon

Product Pipeline | CLEER | COVID-19 Resources | Pre-development

Selected Pipeline of Products Being Considered for Development

Type	Target Sector	Financing category	Lender Partner	DCGB potential commitment / project size	Target launch
Open RFP	Multi-sector	Open – focused on bringing in additional capital and innovation	Encouraged but not required	Flexible	Launched
MoCo Green Bank Product	Commercial energy efficiency and solar	Guarantee or Loan Reserve	Yes, CDFI and commercial	TBD / \$10-250k	Summer 2020
MoCo Green Bank Product	Small commercial	Guarantee and participation	Yes, CDFI	TBD / \$10-\$150k	Summer 2020
Existing Green Bank Product	Commercial, multifamily, affordable housing	Predevelopment Loan	TBD	TBD	Fall 2020
Existing Green Bank Product	Residential loan, LMI	Energy efficiency, solar, necessary repairs	TBD	TBD	Winter 2020

CLEER – Commercial Loan for Energy Efficiency & Renewables

- Financing: minimum \$15,000, 24-144 months terms
- Eligibility
 - Commercial property owners and tenants, Condominium or PUD HOAs, Cooperative Corporations
 - Financing for improvements, retrofits, and renovations
- Eligible Improvements
 - Energy Efficiency (Pepco approved under Commercial & Industrial energy savings program) and Energy storage, Solar PV, or HVAC natural gas
 - 70% of cost of improvements being financed
 - 30% of improvement costs financed - Additional improvements to the property
 - Must have 15% energy savings from current status

Small Business Energy Savings Support – COVID-19

- Support for stalled capital improvement projects
- Cover upfront costs of energy efficiency retrofits and safety upgrades
- Loans: \$10,000 – \$150,000, 5-years term
 - 3-5% interest rates
 - Flexible payment options – interest-only payments or payment deferrals
 - 70%+ financing for energy systems, up to 30% for non-energy improvements
- Eligibility
 - Less than 500 employees, with less than 65kW demand
- Available through January 2021

Pre-Development Loan

- Simple, line of credit for energy-related analysis and design
- Multi-family properties, additional sectors being considered
- Owners cover 25% of project costs, 75% financed
 - Owners select and manage their own service professionals
- Eligibility
 - Energy benchmarking and audits
 - Design, engineering, and bidding work
 - Other reasonable expenses needed to design or fund projects
- Easy application process

Terms & Rates		
Rate	1.99% for affordable properties	3.99% for rate properties
Term	24 months or upon project financing	

Programs Questions

- Any challenges with the current proposed programs that can be addressed?
- What other products may need to be developed or offered?
- Would a financing program based on the pre-approved pathways be helpful?
- What are other needs to consider?

Existing Pipeline of Selected Pilot Projects

Project	Total capital / Green Bank portion	Project type	Sector	Technology	Lender Partner	Inclusive Prosperity Component
Existing Green Bank Participation Loan #1	\$500k / \$250k	Community and nonprofit solar	Faith-based nonprofits	Solar	Existing Green Bank	Community solar with LMI component
Existing Green Bank Participation Loan #2	\$500k / \$250k	Nonprofit solar	Faith-based nonprofits	Solar	Existing Green Bank	Nonprofit entity, community service
PACE Project Loan Guarantee	\$10M / \$500k	Energy efficiency upgrades	Multi-family residential	High efficiency hot water heaters, building automation	CDFI	Naturally affordable housing, percentage yet to be determined
PACE Project Development Loan	\$2M total for equipment / TBD – same as above	Energy efficiency upgrades	Multi-family residential	High efficiency hot water heaters, building automation	CDFI	Naturally affordable housing, percentage yet to be determined
PACE Project Loan Loss Reserve	\$500k / \$100k	Energy efficiency upgrades / solar	Faith-based nonprofit	HVAC, solar, lighting	TBD	Nonprofit entity, community service
Public solar	>\$3M / TBD	Solar	Government	Solar	TBD	Community solar / governmental

Pipeline of New Selected Pilot Projects – July

	Total capital / Green Bank portion	Project type	Sector	Technology	Lender Partner	Inclusive Prosperity Component
Construction loan - stormwater abatement	\$600k / TBD	Stormwater abatement	Nonprofit	Various	TBD	Nonprofit entity, community service
LMI residential solar	\$5M / \$2M	Solar	Residential	Solar	Existing Green Bank	100% LMI customer
Construction loan - solar	TBD / \$450k	Community solar	Commercial	Solar	TBD	Solar for all – 100% LMI customers

Discussion & Recommendations

- What specific role do you see DCGB playing in supporting the role of BEPS in the District?
 - What is the greatest area of opportunity?
 - What policies and procedures can DCGB put in place to support BEPS regulations?
- What specific recommendations do you have for DCGB's growth and support in the District?



Let's get to work!

Contact: info@dcgreenbank.org

AFFORDABLE HOUSING UPDATE



- AH focus group has been meeting monthly since June
 - 3rd meeting next week
 - One-off calls with TF representatives also on-going



AH SUPPORT AND CONSIDERATIONS



Support and considerations in line with NHT/HAND Nov 2019 report

- Delay of compliance
- Compliance pathway considerations
- Technical assistance
 - Coordinating with Hub
- Data verification
- Financial resources
 - CEDCA funding reserved for AH
 - Collaborating with Green Bank
- Complementary policies & programs
 - Coordinating with Hub, Green Bank, SEU, DHCD, Utility rebate and merger funding
 - Minimizing renters' risk of displacement/rent-control considerations
 - Education and outreach



DELAY OF COMPLIANCE QUESTIONS



- Think about the process as we go through the slides
- When requests would be allowed during the compliance cycle?
- Required documentation?
- Who reviews?

DELAY OF COMPLIANCE PRINCIPLES



- For buildings that have made **good faith effort** to comply with BEPS but have met considerable challenges and need extra time
- Delays are not exemptions from any BEPS requirements
- Delays and ACPS may interplay with each other to allow for reasonable compliance
- Criteria should be broad to maximize flexibility
- Delay requests are not always going to be approved



DELAY OF COMPLIANCE LEGISLATIVE LANGUAGE

- DOEE shall establish exemption criteria for **qualifying buildings** to delay compliance with the building energy performance requirements for **up to 3 years** if the owner demonstrates, to the satisfaction of DOEE, financial distress, change of ownership, vacancy, major renovation, pending demolition, or other acceptable circumstances determined by DOEE by regulation.
- DOEE may establish an exemption criterion for **qualifying affordable housing buildings** to delay compliance with the building energy performance requirements for **more than 3 years**; provided, that the owner demonstrates, to the satisfaction of DOEE, financial distress, change of ownership, vacancy, major renovation, pending demolition, or other acceptable circumstances as determined by DOEE by regulation.

GOOD CAUSE FOR GRANTING DELAY



- Substantial evidence of a practical infeasibility or financial distress in meeting the BEPS
- Change of ownership of the property during a Compliance Cycle such that the buyer of the property cannot feasibly meet the BEPS requirements
- The building undergoes a Substantial Improvement
- The building becomes Unoccupied
- The building subject is pending a building demolition prior to the completion of the applicable Compliance Cycle. The building demolition or raze permit shall have been issued within three (3) years prior to the completion of the applicable Compliance Cycle.
- A change in Property Type.
- Other acceptable circumstances as determined by DOEE
 - Public Health Crisis

INTERSTATE

DELAY OF COMPLIANCE POSSIBILITIES



- All qualifying buildings: legislation allows for up to 3-year delay, but could approve shorter amounts of time
- Affordable housing buildings
 - DOEE considering default of 1 compliance cycle waiver with additional savings required in next cycle
 - Finance-cycle alignment if recapitalization to occur within 5 years after current compliance cycle ends with additional savings required (up to 2 compliance cycle waiver)
 - Public housing – discussing custom ACP with DCHA ILO delay of compliance



POSSIBLE ADDITIONAL SAVINGS REQUIREMENT

- Granted delays of compliance may include additional savings req'ts (just because you're granted a delay, doesn't mean you're exempt from BEPS 2)

Example:

- Property A receives full 3-year delay of compliance for cycle 1 after demonstrating good cause
- If 20% improvement is not enough to get Property A to cycle-2 standard, DOEE can't, in good conscience, allow the property to achieve 20% savings halfway through cycle 2, only to expect an additional 20% savings in a couple years
- DOEE would likely grant 3-year delay with additional savings requirements in this case

DELAY OF COMPLIANCE PROCESS



- Building applies through the online BEPS portal for a delay of compliance
- All requirement documents must be submitted to show “Good Cause” for the delay
- DOEE and building owner negotiate terms of delay (i.e. length granted, additional requirements)
- Then either:
 - Building owner signed delay of compliance agreement, which lays out the terms of the delay, requirements, enforcement considerations
 - Building owner agrees to custom ACP for extended compliance



MONTHLY WEBINAR UPDATE

DOEE hosting a live [monthly webinar](#) to update the public on the progress of BEPS (and associated programs) implementation

July 30
August 27
Sept 24
Oct 29
Dec 10

July 30, 2020

- [Slide Deck](#)
- [Video Recording](#)
- Timing of video
 - 0:00 – Overview and BEPS framework
 - 12:49 – Adjustments & implementation timeline
 - 19:01 – Complementary program updates
 - 27:30 – 30 minutes of Q&A!

Social Media Post:

If you own, manage, operate, service, construct, or design buildings in DC, you need to get to know [#BEPSPDC](#)! Join DC's DOEE for a monthly update on the new Building Energy Performance Standards. Next update is August 27, 2020 at 11:00am!
<https://beps-monthly-webinar.eventbrite.com>

INTEGRAL

NEXT MEETING



September 1, 2:30 – 4:30pm

- Recommendations from Higher Education/Hospital sub-committee
- Prescriptive Path

Cost/Benefit Study Survey

- Need help with distribution
- Will follow up with an email





ANNOUNCEMENTS

