

# BEPSDC Task Force

September 29, 2020

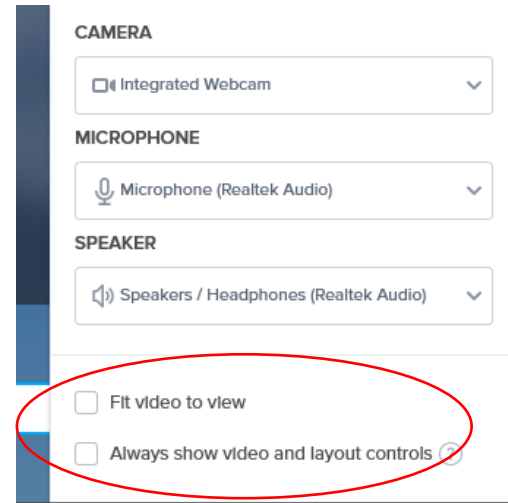
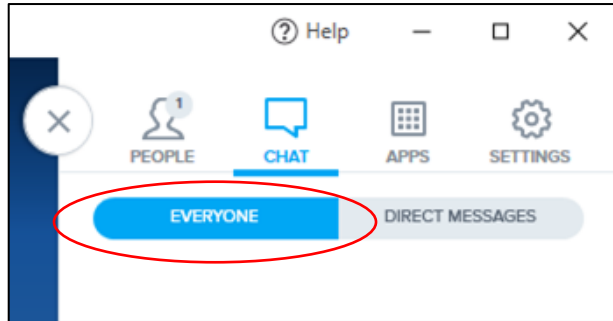
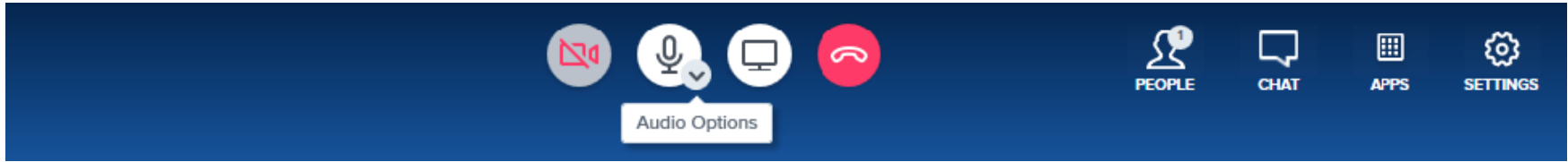


@DOEE\_DC  
#BEPSDC

\*\*\* 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

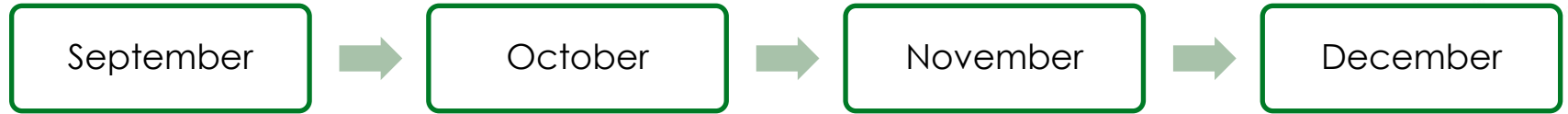
# AGENDA



- Administrative Items
- Affordable Housing recommendations reflection
- Deep Retrofit Pathways
- Announcements

*\*\* Campus sub-committee is meeting on Oct.8 @ 12pm to discuss a deep retrofit pathway for campuses. Let Sharon know if you'd like an invite.*

# OVERALL SCHEDULE



## Future Agenda Items for Discussion/Feedback

- Prescriptive pathway EEMs
- **Deep Retrofit pathway**
- Equity discussion
- Workforce development
- Non-DOEE policy gaps?

# CELEBRATING ADDY SONAIKE!

- Supported the BEPS Technical Advisory Group
- Attended and took notes through 40+ hours of BEPS Task Force Meetings
- Provided key analytical input into development of the BEPS Program including:
  - Helped Determining the medium term GHG and energy impacts of BEPS
  - Compared DC building stock to regional building stock
  - Estimated the impact of BEPS on the Hospital sector
  - Helped develop the equivalent metric to the ENERGY STAR Score



# AFFORDABLE HOUSING RECOMMENDATION REVIEW

November 2019 – NHT and HAND released the “Recommendations for Implementing the District’s BEPS in Affordable Multifamily Housing” – available here:

[https://www.nationalhousingtrust.org/sites/default/files/news\\_file\\_attachments/BEPS%20Recommendations%20FINAL.pdf](https://www.nationalhousingtrust.org/sites/default/files/news_file_attachments/BEPS%20Recommendations%20FINAL.pdf)

- The primary obstacles for multifamily affordable housing developers will face relate to limited access to financial resources and the capacity required to undertake building upgrades.
- DOEE should take full advantage of the flexibility allowed under the law to accommodate the unique challenges owners face. Close coordination and alignment among an array of D.C. agencies are also needed to ensure that owners have the financial and technical resources needed to comply.



# DELAY OF COMPLIANCE

| Item  | Recommendation Detail   | Response  |
|---|---|---|
| Ability to Pay for Upgrades/Financial Hardship  | Delay compliance if building reserves or net operating income are insufficient to cover the cost of upgrades, and the owner cannot access debt. | Delay of compliance or ACP guidance with a dedicated focus on alignment with finance cycle timing; Continue investigating possible support programs |
| Financing Cycle   | Delay compliance if the building is expected to be recapitalized.   |   |
| Subsidized Buildings with Utility Allowances  | Since building owners cannot recoup the cost of energy efficiency upgrades, delay compliance until the property goes through a refinancing.     |   |
| District-owned Public Housing   |   |   |
| Residents Exercising their Rights Under the Tenant Opportunity to Purchase Act (TOPA) |   |   |

# DEFINING PROPERTY TYPES

| Item           | Recommendation Detail  | Response  |
|----------------|--|---|
| Building Style | Set different performance standards for garden/low-rise buildings compared to mid-rise.  | Analysis showed different building styles did not correlate to the need for different standards. No action taken. |
| Affordability  | The 2018 median EnergyStar score is lower for deeply subsidized buildings and naturally-occurring affordable housing as compared to the median score for all multifamily rental housing. DOEE should provide additional accommodation to these properties by providing funding to help them cover the cost of efficiency upgrades. | This is addressed by multiple other responses in different ways.  |

# COMPLIANCE PATHWAYS

| Item         | Recommendation Detail   | Response  |
|--------------|---|---|
| Prescriptive | Allow energy efficiency measures installed within the preceding three years of the first compliance cycle to be counted towards meeting the prescriptive pathway. | In PP Technical guidance, proposal to accept 2019/2020 measures             |
| Prescriptive | Tailor Prescriptive Measures to Building Styles (garden, low-rise, mid-rise)  | Cost/Benefit Study does not cover this difference; can't do for first cycle |
| Prescriptive | Provide Flexibility in the Types of Measures for Historic Properties  | Delay of compliance criteria fits this issue                                |
| Performance  | Incent Deeper Energy Savings by Offering Automatic Compliance with Future Cycles - in normalized site energy use intensity by increments of 5%.                   | Deep retrofit pathway for affordable housing                                |

# ALTERNATIVE COMPLIANCE PATHWAYS

| Recommendation Detail   | Response  |
|---|---|
| Allow Progress Made in the Previous 3-5 Years to Count Toward the 20% Reduction Requirement | Developing criteria to consider on a case-by-case basis |
| Allow a 20% Reduction in Source Energy Use Intensity to Comply                              | Under consideration                                     |
| Allow Improvement in Energy Star Score to Count Towards Compliance                          | Addressed by Standard Target Pathway                    |
| Align Compliance Requirement with the D.C. Qualified Allocation Plan                        | Analysis in progress                                    |
| Develop an Alternative Compliance Pathway for Public Housing                                | Proposed ACP structure would allow for this             |

# NON-COMPLIANCE/PENALTIES

| Recommendation Detail   | Response  |
|---|---|
| Base Fines on the Distance from Reduction Requirement           | Proposed rules apply  |
| Waive Fines if an Owner Demonstrates a Plan to Comply           | "Plan to comply" will likely be addressed by request for delay/DER/case-by-case evaluation  |
| Institute an Appeals Process                                    | Standard enforcement process will offer appeals process.  |
| Provide Flexibility to Account for Resident Energy Use Behavior | DOEE recognizes the inherent challenge, but unsure how support could be provided. Burden of proof on building owner to provide on case-by-case exemption for extenuating circumstances. |

# TECHNICAL ASSISTANCE

| Item                   | Recommendation Detail   | Response  |
|------------------------|---|---|
| Awareness of Resources | Common Cost-Effective Measures – Provide a base-level list of energy efficiency upgrades  | Aspects of cost-benefit analysis and inherent to prescriptive path. Hub will work on low-cost/no-cost measures. |
| Awareness of Resources | Approved Vendor List – Develop a list of approved vendors who meet certain industry standards   | Discussed multiple times in TF.   |
| Awareness of Resources | Agency Contacts/Coaches - Provide a list of resources across the District government for various aspects of building processes, from permitting and assistance with energy-efficient retrofit planning. | DOEE working on customer service workflow.  |

# TECHNICAL ASSISTANCE

| Item                          | Recommendation Detail   | Response   |
|-------------------------------|---|--|
| Create a One-Stop-Shop        | Provide a single access point to all available incentive programs and assist owners to execute all project design, predevelopment, and construction tasks.  | Hub will come closest, but intend to have all partners be aware enough (at a basic level) of all other partners' responsibilities .                |
| Tenant Education              | Provide resources and tools to help building owners engage their residents and educate them about energy-saving habits and energy use.  | Hub will provide resources for building owners.  |
| Third-Party Data Verification | Allow building owners to use management agents to conduct the verification. DOEE should also encourage owners to create a consortium to pool staff resources to complete verifications and provide financial resources to help cover the cost of verification services. | DOEE + SEU will be providing in some capacity at no charge for first cycle. Focusing on 50,000+ sq. ft. properties. Will review for future cycles. |

# FINANCIAL ASSISTANCE

| Item   | Recommendation Detail  | Response   |
|--|--|--|
| Structure Funding to Address Unmet Needs                     | Additional analysis should be done to understand the scale of the costs of BEPS compliance and the unmet resource needs in the market. Use the \$3M annually as grants for flexible uses, including predevelopment expenses, energy audits, health and safety measures, etc. | Shift focus in November from technical guidance to financial gaps and opportunities for support from CEDCA funding, Pepco funds, partner support, etc. |
| Target Properties with Limited Access to Financial Resources | These may include smaller properties, limited-equity co-ops, buildings in mid-cycle financing, and NOAH/rent-controlled properties.  | In partnership with Green Bank, DOEE looking into additional, possibly more innovative, offerings for recommendation.                                  |



# ALIGN FINANCIAL RESOURCES/ACCESS

| Item                                    | Response  |
|---|---|
| DCSEU                                   | Accelerated offerings for low-income properties thru end of FY20. Other programs in development. Coordinate with Pepco offerings. |
| AltaGas-WGL Merger Program              | DOEE is reviewing and providing feedback on the merger planning.  |
| Pepco-Exelon Merger Program             | Standing monthly call between BEPS staff and DOEE leads.  |
| DC Green Bank                           | DOEE has provided research/ideas for low-income focused products. Research is ongoing.  |
| Align with LIHTC and other DHCD Funding | Performing research evaluating BEPS performance (based on benchmarking data) of LIHTC projects; analyzing QAP                     |

# ALIGN FINANCIAL RESOURCES/ACCESS

| Item  | Response  |
|---|---|
| Engage/Educate lenders about the need to underwrite energy efficient upgrades | Working with Green Bank   |
| Education/Outreach especially to Co-op Owners/Housing Counselors              | This will become particularly important in cycles 2 and 3, but DOEE is starting to plan for targeted outreach for co-ops and independent building owners. Likely looking to implement/ramp up this targeted outreach in 2021. |



# CAPITAL COST PASS-THROUGHS

| Item   | Response   |
|--|--|
| “Accommodations for NOAH properties to prevent rent-increases”; “Preventing rent increases in rent-controlled properties”; “Minimize renters' risk of displacement via program design” | DOEE (with partners) looking into programs/solutions to preventing burdensome rent-increases that can be tied into BEPS. |

# DEEP ENERGY RETROFITS – GUIDING PRINCIPLES

- Pre-approved Alternative Compliance Pathway
- Designed to provide similar savings as multiple cycles of compliance
- Applications due at the same time as other pathways
- Each DER/ACP will have its own reporting, evaluation and enforcement requirements

# DER/ACP TYPES

- **“Early Compliance”**
  - Incentivizing early completion of projects = savings realized sooner
  - Proposing compounded savings percentages
  - Performance and prescriptive options?
  - Open to any property type
- **“Extended Compliance”**
  - Designed to allow for projects not done within first cycle; to align with financing cycle or campus master plans.
  - To achieve deeper savings over the course of more than 1 cycle rather than 20% in consecutive cycles.
  - Proposed opening to Affordable Housing and College/University and Hospital “campuses”

# “EARLY COMPLIANCE” DER/ACP

- **Incentivizing early compliance** – projects completed during the first cycle
- **Demonstrating savings** - Properties that have completed the retrofit during the cycle but have not yet been able to demonstrate savings may apply for a special extension to demonstrate the required energy savings
- **Persistent savings** - Buildings must demonstrate that they have *maintained* at least 85% of savings from the end of the first cycle (opportunity to implement corrective measures or subject to entirety of penalty).
- **Evaluation** – initial performance is end of 1<sup>st</sup> cycle; re-evaluated at end of waiver cycle for persistent savings.
- Buildings that fall short of one goal but not another will still be granted waivers (Ex: buildings applies for 2<sup>nd</sup> level but achieves savings slightly higher than 1<sup>st</sup> level; building would be granted the waiver for the 1<sup>st</sup> level.)

# “EARLY COMPLIANCE” DER SAVINGS AND WAIVERS

| Type         | Expected Savings by end of first cycle | Persistent savings by end of waiver cycle | Waiver   |
|--------------|--|---|----------|
| Performance  | Site EUI savings of 36%                | 30.5% (85%)                               | 2 cycles |
|              | Site EUI savings of 49%                | 41.7% (85%)                               | 3 cycles |
|              | Site EUI savings of 59%                | 50.2% (85%)                               | 4 cycles |
| Prescriptive | 36 pres. pathway points                | ?   | 2 cycles |
|              | 49 pres. pathway points                | ?   | 3 cycles |
|              | 59 pres. pathway points                | ?   | 4 cycles |

# “EXTENDED COMPLIANCE” - AFFORDABLE HOUSING

- Will allow buildings in this sector to **target deeper energy savings** beyond the base pathways with additional time to achieve savings target.
- Intended to be an **extension past** the three base compliance pathways so will be required to achieve more savings to have the extension
- Each building will be required to submit a **milestone plan** at the beginning of the compliance cycle and **milestone progress reports** at the end of each compliance cycle (with minimum requirements)
- Buildings **not on track** to meet their goal will be removed from the pathway and subject to aggregated penalties at that time. Any progress made will be counted towards reducing the penalty.



# “EXTENDED COMPLIANCE” DER SAVINGS AND TIMELINE




| Expected Savings        | Timeline |
|-------------------------|----------|
| Site EUI savings of 40% | 2 cycles |
| Site EUI savings of 60% | 3 cycles |

# 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 [#BEPSSDC](#)! Join DC's DOEE for a monthly update on the new Building Energy Performance Standards. Next update is October 29, 2020 at 11:00am!  
<https://beps-monthly-webinar.eventbrite.com>

# UPCOMING WEBINARS

Go to [Eventbrite.com](https://www.eventbrite.com)  
and search for “DOEE”

- DOEE & DCRA: 2020 Green Building Professional Series @ 1:00 pm
  - Getting Ready for BEPS – November 12, 2020
  - New Building Codes – December 9, 2020
  - Transportation Electrification – January 13, 2021
  - Road to 100% Renewable Electricity – February 10, 2021
  - Funding Clean Energy Projects – March 10, 2021
- DOEE, PSC, OPC, and DCSEU: Energy Efficiency Day 2020  
October 7, 1:00 – 2:30 pm

The DOEE will honor several District businesses or organizations selected by our panel of judges, as well as one business or organization that receives the People's Choice Award for outstanding achievement in sustainability.



***Voting is live for the 2020 People's Choice Award!***

<https://www.surveymonkey.com/r/2020SDCAwards>

**Register for the Virtual Event**

Tuesday, September 29 | 6:00 - 7:00pm

<https://2020sdcawards.eventbrite.com>

# NEXT MEETING



**October 13, 2:30 – 4:30pm**

- Campus deep retrofit pathway
- Prescriptive pathway – energy efficiency measures





# ANNOUNCEMENTS

