GOVERNMENT OF THE DISTRICT OF COLUMBIA

Department of Energy and Environment



BEPS Task Force Meeting Notes June 23, 2020, 2:30-4:30 PM 1200 First St NE, 5th Floor, Washington, DC 20002

Task Force Member Attendees: Katie Bergfeld, Patti Boyd, Jen Croft, Marshall Duer-Balkind, Dave Good, Max Greninger, Adrian Gross, Reshma Holla, Jessica Jones, Anica Landreneau, Cliff Majersik, Todd Nedwick, Matt Praske, Joe Reilly, Jay Wilson

Public Attendees: Andrew Held, Sharon Jaye, Molly Hofsommer, Kate Johnson, Adefunke Sonaike, Kristian Hoffland, Dave Epley, Michael Feldman-Wiencek, Alex Fisher, Scott Emery, Meghan McAvoy, Jake McGillis, Excetral Caldwell, Kevin Carey, Emil King, Sean Fish, Kudret Utebay, Ilana Bowen, Myles Rogers, Christian Clifford, Joseph Knackstedt, Emily Low, Joanna Saunders

Agenda:

- 1. Administrative Items
 - a. Opened Meeting at 2:32pm
 - b. Attendance taken by roll call (see above) and quorum acknowledged
 - c. Role of Task Force, overall schedule, and current agenda reviewed
- 2. Sub-committee update
 - a. Solar sub-committee scrapped because majority of Task Force members wanted to participate. So solar topic will be covered in two parts on June 23 and July 7 agendas.
 - b. Campus sub-committee creation in the works. Marshall Duer-Balkind and Dave Good are co-chairs. Reaching out to university consortium, DC Hospital Association and other interested parties to schedule first meeting. Expect to have recommendation back to TF in 3-4 meetings. Will be technical sub-committee, aiming for 4 bi-weekly meetings alternating with full TF meetings, with feedback for larger TF after 3rd meeting. Please send your interest in the sub-committee to <u>sharon.jaye@dc.gov</u> by June 26, 2020.
- 3. Cost-benefit study update
 - a. Steven Winter Associates (SWA) awarded grant for study
 - b. Very early in process, but DOEE will be looking for time to have SWA speak with TF when appropriate
- 4. Draft Rules Update
 - a. Update summary
 - i. Adjustments for COVID are being integrated into rules (see June 9 meeting notes for more detail)
 - ii. Task Force will have some input on the Guidance Documents and they will be published (or a notice will) in the DC register.

- b. Excludable Spaces in benchmarking
 - i. Will provide additional guidance to building owners to exclude "excludable" spaces per EPA's guidelines in benchmarking
 - ii. DOEE will keep benchmarking consistent through compliance cycle (i.e. how the building was benchmarked in applying the standard is how it is benchmarked at the end to evaluate performance)
- c. Efficiency Requirements
 - i. Baseline for performance pathway can be shifted to 2018-2019 due to COVID, evaluation year will only be 2026.
 - ii. Standard Target Pathway will be limited to property groups above the Natl Median (i.e. Energy Star Score of 50 or equivalent source energy use intensity)
 - 1. A member expressed an equity concern that the lower-performing property type groups do not get the same opportunity with the standard target pathway, but another member brought up the original argument for proposing the standard target pathway in the beginning; that in higher performing buildings, making 20% efficiency improvements is more difficult. For lower-performing property type groups, there is more opportunity for low/no-cost improvement and a greater chance for 20% improvements. There was no significant disagreement with DOEE's proposal to limit the Standard Target pathway to groups above the national median apart from one member who expressed they would have preferred further discussion on this requirement before DOEE incorporated into draft rules.
 - 2. One member noted that the hospitality sector has been particularly impacted by the pandemic and they are one property type that currently has a local median which falls below the national median. In addition to the point made above about the intent of the standard target pathway, DOEE noted that preliminary analysis is projecting the local median for hotels to be above the national median when the standard will be set, which would make this particular concern no longer applicable.
 - 3. The question was asked: How will this apply to properties that do not receive an ENERGY STAR Score? DOEE clarified that, for such property types, median EUI for that property type will be used instead.
- d. Reporting Pathway Selection
 - i. Building owners will have until Feb 1 in the second year of compliance cycle to report which compliance path they choose (with multiple options for extensions)
 - Building owners may need more time (for the first and future cycles) to understand requirements, hire professionals, and submit a plan. The majority of the attendees preferred giving more time at the beginning of the cycle rather than the end.

- ii. Prescriptive path will have multiple points of reporting and verification along the 5-year compliance cycle. More details to be worked out. Building owners will be asked to file a compliance report at the end of the cycle so that DOEE can understand high performing building strategies better and adjust the program accordingly.
- e. Fines and Penalties
 - i. DOEE received approval to call them "alternative compliance payments"
 - ii. Square footage bins have been adjusted
 - iii. Payments will be adjusted based on the property's performance relative to its pathway-specific target.
 - 1. DOEE's goal is to provide transparency, flexibility, and fairness in a fine/enforcement structure.
 - DOEE described difficulty of providing clarity for building owners on what their fine would be versus flexibility of having multiple options for compliance and the reality of everyone's starting/ending points (see slide 13).
 - 3. In enforcement process, building owners can get reductions. Do not need a lawyer for the process and work with DOEE step-by-step
- 5. Solar Part 1 Set Stage for Solar Discussion on July 7 (see slide 15-17 for information presented; notes below reflect discussion only)
 - a. Solar in the District (definitions)
 - i. Net-metered systems are reflected in benchmarking because they are behind the meter; CREFs are not. A new PSC rule may change the way CREFs are handled in the future in benchmarking but rules have not been changed yet.
 - EPA recently changes how SRECs and solar are handled in benchmarking so DOEE is double-checking all buildings to make sure owners are properly accounting for solar in their benchmarking.
 - iii. Kudret Utebay offered several links for attendees to understand solar better in Portfolio Manager: <u>https://portfoliomanager.zendesk.com/hc/en-</u> <u>us/articles/211027598-How-do-I-enter-onsite-green-power-solar-wind-Part-1-</u> <u>Create-Meters</u>; <u>https://portfoliomanager.zendesk.com/hc/en-</u> <u>us/articles/219362268-How-do-I-enter-onsite-green-power-solar-wind-Part-2-</u> <u>Enter-Data</u>; <u>https://portfoliomanager.zendesk.com/hc/en-</u> <u>us/articles/226430188-How-do-I-enter-onsite-green-power-solar-wind-Part-3-</u> <u>Net-Metering</u>
 - b. Clean Energy DC and deep decarbonization
 - i. In order to achieve carbon neutrality DC must focus on high levels of energy efficiency first before focusing on fuel switching. Otherwise cost of decarbonization becomes very costly.
 - c. Benefits to Solar through BEPS
 - i. On-site solar reduces a building's Source Energy intensity
 - ii. Helps buildings comply financially

- iii. Does not inhibit efficiency work or vice versa
- 6. Next Meeting
 - a. July 7, 2020, 2:30 4:30pm
 - i. Campus sub-committee update
 - ii. Solar Part 2
- 7. Announcements
 - a. Cliff Majersik announced June 24 webinar on BEPS program in St. Louis. Because notes will be publicly posted after the event happens, link was sent to TF members by email.
 - b. Marshall Duer-Balkind announced a July 8 webinar on BEPS: "<u>USGBC NCR: A Map to</u> <u>Improving Your Building Performance to Exceed the BEPS</u>"
- 8. Closed meeting at 4:33pm.