

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Energy and Environment



BEPS Task Force Meeting Notes

January 21, 2020, 2:30-4:30pm
1200 First St NE, 5th Floor, Washington, DC 20002

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

1. Administrative Items
 - a. Role of Task Force
 - b. Future meeting flow
 - c. MOTA will be sending emails about dc.gov email in the next few days. Majority of members have not received email with final signature needed. Working on getting someone from MOTA to the next meeting for final swearing-in.

2. Possible Decision Points from Previous Meeting

- a. Property Types
 - i. Initial property type groupings – initially grouping buildings by ENERGY STAR portfolio manager property types (scenario 2 from working groups)

Task Force Decision: All present voted in favor of this

- ii. Grouping smaller number of buildings together – Level 2 is by same ENERGY STAR scoring model; Level 3 is by National Median group that have more than 10 buildings and have private building representation (would not do custom groupings for a level 4 at this time)

Task Force Decision: All present voted in favor of this. TF asked for more research on property types with property counts below 10; move custom groupings for level 4 to Bike Rack at this time.

- iii. For groups that have 100% public buildings (ex. fire stations, police stations, recreation centers, etc.).

Task Force Decision: Move subject to Bike Rack.

- iv. Subdivision by building age doesn't matter (not statistically significant) and should not have a separate standard (ex. one standard for pre-1950 buildings vs. one standard for post-1950).

Task Force Decision: Majority voted in favor of this, with Jessica Jones and Reshma Holla voting in abstention. They asked for more research on age of affordable housing properties and how it affects energy use.

- b. Setting the Standard
 - i. Should the national median (50) be the lowest standard set in any property type group?
 1. Concerns about property types that fall below the national median have specific issues related to DC. Concerned about reaching higher than local median for first cycle for an already ambitious program (would be a difficult case to make for the market).

Task Force Discussion: Asked for more research on how buildings in the District compare to other urban areas; wanted to know the impact on cost and benefit to overall GHG emissions.

- 3. Proposed Technical Amendments to CEDC Act
 - a. Proposed changes
 - i. Correcting language – “All” buildings instead of only those with a “verified ENERGY STAR score” will be subject to BEPS Requirements.
 - ii. DOEE will establish the BEPS standard every 6 years - Add gap year for data collection and analysis before setting next standard.
 - iii. Move all building sizes to same compliance cycle timing - BEPS begins 2027 for buildings 25k+ and 2033 for buildings 10k+; benchmarking timelines remain the same 25K+ start with 2021 data and 10K+ start with 2024 data.
 - b. Proposed changes shared with Task Force as informative note. Emergency amendments introduced last week will be pulled back and reintroduced as permanent amendments (emergency amendments only valid for 90 days). Council likely to take up the issue in May/June.
 - c. Impact of the proposed implementation timeline to overall energy and GHG savings very minimal as majority of savings (almost 95%) derived from buildings over 50K square feet.
 - d. Comment: 2033 is a long time out to begin engaging with small properties. Would be nice to identify ways to engage with them now, especially if they have major capital upgrades planned in the interim.

Task Force Decision: Private sector Task Force members expressed interest in writing a support letter for the technical amendments. Anica will write draft and circulate.

- 4. Discussion of Compliance Pathways
 - a. Pathway Language from CEDC Act
 - b. Working Group Feedback
 - i. Flexibility
 - ii. Certainty

- iii. Fairness
- c. Scenarios for adjustments to performance pathway
 - i. Performance Pathway - Buildings that do not meet the standard must reduce Site EUI by 20%.
 - 1. Concerns about the inability for buildings to continuously reduce 20% cycle after cycle (mostly cycle 3-5). Buildings can achieve 20% savings realistically, but taking it further to require very low performing buildings to get 75% of way to median score is unrealistic.
 - 2. For original language proposal, the 20% reduction was a pressure relief valve to ensure expectations remain realistic.

Task Force Discussion: More research and discussion needed on leaving performance pathway as written. DOEE will research internally for legal process to change it.

- ii. Median Target Compliance Pathway
 - 1. Often interpreted as the current law, but is not correct. Was originally envisioned as the suggested pathway when drafting the CEDC Plan, but was changed when Council introduced legislation.
 - 2. Current standard places greater burden on higher ENERGY STAR scored buildings to reduce by 20% when compared with much lower performing building. Concerns about buildings right below the standard of a high performing groups (ex. an office at 65 in a group where standard is 68) needing to reduce usage 20%. The higher the score, the more difficult it is to find energy savings equaling 20%. Those with an ENERGY STAR score of 5 (for example) can easily improve find ways to improve.
- iii. Gap Reduction with Performance Compliance Pathway
 - 1. Buildings that do not meet the standard must reduce Site EUI by 20% or reduce the gap between Source EUI and standard by x% (We assumed 70% for this exercise)
- iv. Gap Reduction without Performance Compliance Pathway
 - 1. Buildings that do not meet the standard must reduce the gap between Source EUI and standard by x% (We assumed 70% for this exercise)
 - 2. This pathway would require a change to the CEDC Act, and the change would potentially require more than just a technical amendment.

Task Force Decision: Move discussion of pathways to Bike Rack until after enforcement discussion. Request that DOEE provide clarity on how much of the savings in the Carbon Neutrality Strategy is coming from BEPS alone.

- d. Alternative certifications as possible compliance paths
 - i. Request to look at ISO 50001 READY as a possible compliance path.
 - ii. LEED v4.1 energy model not as stringent as BEPS – may not satisfy as a path – third party energy models may not equal ENERGY STAR scores.

- iii. Look at Enterprise Green Communities requirements and aligning compliance path for affordable housing group.
- iv. Examine which certifications have outcome-based energy performance requirements.
- v. Seems like additional work than just the prescriptive pathway – unless project is already pursuing for other reasons, in which case is simpler to offer as a path.

Task Force Discussion: Asked for more research on at ISO 50001 READY, and comparison of outcome-based energy performance requirements of other certifications to green codes. Move topic to Bike Rack until after enforcement discussion.

- e. Short discussion on other possible Compliance Pathways
 - i. Affordable housing gets a prescriptive path in the legislation – should we have more prescriptive paths for other property type groupings? Suggestions that we need a prescriptive path for rent-controlled group. Possibly one for historic? Break-outs possible depending on existing system-types (residential vs. commercial)?
 - ii. Deep retrofits in exchange for extended compliance – what would be the target (ex. 30-40% for 10 years, 40-60% for 15 years?).

Task Force Discussion: Asked for more research on deep retrofits. What would conditions be for extended compliance? Look at potential modeling on early adoption and extended compliance for deep retrofits.

- iii. Tradable allowances across a portfolio or a credit market across the city (like stormwater credit trading program).
 - 1. Look at NYC as an example. They are spending the next few years examining this issue in great detail.
 - 2. Would probably not be able to set this up in an equitable way by the end of 2020.
 - 3. Discussed possible idea of trading within one building owner’s portfolio – concerns about equity issues for building owners who do not have a portfolio.

Task Force Decision: Move topic of tradeable allowances to Bike Rack.

5. Next Meeting Topic Review

- a. Possible decision points? All items were added to Bike Rack for discussion after enforcement/exemption topic
- b. Research needs for enforcement/penalties or exemption criteria/process?
 - i. Non-monetary ideas in other cities?
- c. Pre-reads
 - i. BEPS Working Group – Enforcement – [slides](#); [notes pages 10-12](#)
 - ii. NHT Affordable Housing BEPS [Recommendations](#) – pages 19-23

- d. Commercial tenant representatives will work on possible language for fines/penalties and bring back to group.

6. Announcements

- St. Louis circulated draft of BPS rules to their stakeholders
- RFP out for Building Performance and Enforcement Branch [database creation](#).

Bike Rack

Topic	Issue	Status
Alternative compliance path	Possibility for tradable allowances within one owner’s portfolio; examine equity issues against single building owners	Further discussion needed
Alternative compliance path	Possibility for tradable allowances? Within a portfolio or DC-wide? Maybe energy efficiency credits (like stormwater?)	Discussed; adjusted
Alternative compliance path	Affordable housing requirements – review Enterprise Green Communities requirements as an alternative compliance path	Research needed
Alternative compliance paths	Allowing certification programs (LEED, Living Building, etc.) as alternative compliance pathways. Examine which certifications have outcome-based energy performance requirements. Add ISO 50001 READY	Research needed
Alternative compliance pathways	Deep retrofits in exchange for extended compliance – modeling on target and extensions – create scenarios?	Research needed
CEDC amendment	In the 2nd cycle, do the smaller sq. ft. buildings get put into the same group as larger buildings?	Discussed; removed
Compliance path	Look at metrics for compliance pathways; short term vs. long term goals	Discussed; removed
Equivalent metric	Equivalent Metric – use site, source, or weather-normalized source?	Further discussion and Research needed
Incentives	Modeling on early compliance incentives?	Research needed
Overarching consideration	Examining short vs. long term goals in creating compliance pathways	Keep
Overarching consideration	Equity and analysis based on unavailable data – other compliance paths? Exceptions?	Keep
Performance pathway	Performance pathway scenarios – examine carbon neutrality modeling for possible guidance	Research needed
Prescriptive pathway	Possible break-downs for prescriptive path - rent-controlled group; historic?; existing system types (residential vs. commercial)	Research needed
Property Type	Concern about age of building and groupings	Discussed; removed
Property type; alternative compliance path	For property type groups that have 100% public buildings (ex. fire stations, police stations, recreation centers, etc.), 50% of buildings will always fall below standard every cycle	Further discussion needed
Property type; alternative compliance path	Affordable housing sector and splitting standard by age groups?	Research needed

Setting standard	Mixed Use properties – how to measure their ES score or EUI equitable in setting the standard	Further discussion needed
Setting standard	District energy systems and estimated bills in ENERGY STAR score. How to treat them in setting standard?	Research needed
Setting standard	Setting standard above local median for groups under national median. Compare DC medians to other urban areas; what is the impact on cost and benefit to overall GHG emissions?	Discussed; Research needed
Setting standard	District energy systems and estimated bills in ENERGY STAR score. How to treat them in setting standard?	Research needed