

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Energy and Environment



BEPS Task Force Meeting Notes

April 28, 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, Asa Foss, Dave Good, Max Greninger, Adrian Gross, Reshma Holla, Jessica Jones, Cliff Majersik, Todd Nedwick, Matt Praske, Joe Reilly, Jay Wilson, Anica Landreneau

Public Attendees: Andrew Held, Kate Johnson, Jeffrey Salay, Meghan McAvoy, Catherine Jones, Michael Feldman-Wiencek, Nathan Jeffay, Andrea Foss, Adefunke Sonaïke, Brendan Hall, Justin Baker, Kristian Hoffland, Molly Hofsommer, Giuliana Kunkel, Matthew Espie, Melissa Burandt,

Agenda:

1. Administrative Items

- a. Opened meeting at 2:30pm and started recording. Attendance taken through roll call and chat box (noted above)
- b. Katie B. spoke about limited BEPS communications from DOEE during public health emergency – can TF members take a more active role in acting as ambassadors to their groups?
 - i. TF members asked for updated timelines and standardized outreach material, especially outlining the new 6-year cycle. DOEE will send out to TF members.
 - ii. Asked for more clarity on if 2020 data will be included/excluded from BEPS. DOEE will send out information when they make the final determinations
 - iii. Asked for more information on data verification plans. Katie B said that is coming soon.
- c. Amendments to law to adjust BEPS timeline were passed as temp/emergency amendments in Feb for 90 days. DOEE is working on making them permanent.

2. Tradable Allowances/Portfolio Goals

- a. Matthew Espie from the DOEE Regulatory Review Division presented on DC Stormwater Retention Credit (SRC) Trading Program to inform TF decisions on credit trading for BEPS compliance
 - i. Background:
 1. stormwater shears/erodes river banks and introduces many pollutants.
 2. Green Infrastructure (GI) retrofits = green roofs, bioretention ponds, etc. Required as of 2013 Stormwater Regulations

- ii. Credit aggregators are raising private investments to build GI throughout the District which become credits that can be traded if developers can't/don't comply with regulations. DC is buyer of last resort of credits which establishes market confidence in trading value
 - iii. Program updated recently to make better quality stormwater outcomes
 - 1. High-impact SRCs (HISRCs) for new, voluntary installs where GI is most needed
 - 2. Everyone can use high impact SRCs and some developers can comply with 100% of their retention requirement with HISRCs
 - 3. DOEE pays a portion of the price for developers to purchase high-impact SRCs by offering incentive payments to sellers to reduce the price they charge buyers
 - iv. Lessons learned
 - 1. Set up program such that buying a credit is as good or better for environmental outcomes
 - a. Additionality matters (getting an improvement over a baseline). Therefore, credits will come from new/improved performance, not existing GI which doesn't add to baseline performance
 - b. Program can establish a funding stream for more distributed benefits and access to benefits
 - 2. Establish clear measurement of credit units and lifespan (whether credits are for one year, can be banked over time, etc.) – SRCs are good for one year.
 - 3. Robust data tracking system and registry are important to ensure program transparency and to ensure that market facilitator knows status of each credit
 - 4. Defined roles for DOEE are important
 - 5. Adaptively manage program over time to ensure it continues to work to achieve key objectives, allows for continuous improvement of program's environmental outcomes
- b. Presentation Q&A
- i. How much DOEE staff time? - 7 staff work on SRC program, but 2 people-worth of time to administer program. A lot of time is providing support to developers who want to use credits to make sure they understand how it works and that they will comply. Also working to coordinate with credit suppliers
 - ii. Credit requirements: a credit is good for one year. Developers need to purchase enough credits for multiple years up front or annually. 13% of developers choose to comply via SRCs under old requirement of 50% on-site SWM, but updated 100% allowable offset may change SRCs.
 - iii. Have campus/portfolio projects been participating and does it look different than one-off? Yes, strategies differ, but mainly if credit supply is internally

supplied in a portfolio or externally. Internal supply allows more flexibility for a property/campus.

- iv. Credits can be banked indefinitely without expiring or losing value.
- v. Credits require maintenance inspection to certify. Maintenance agreement must show enough years contracted to certify

c. Portfolio Goals Discussion

- i. District-wide credit trading system (previously discussed waiting for NYC to figure out their system and possibly follow) – DOEE stated that this is not possible to set up for first cycle, but can be looked at in the future, possibly along with carbon-based accounting structure
- ii. Recommendation from public building sub-committee for portfolio goal allowed for property type groups owned 100% by one owner
- iii. Portfolio goal recommendation for building owners – Possibility of allowing it as an alternative compliance path on a case-by-case basis? Some members like the single-owner portfolio goal, but need a plan in place for when a building gets sold out of the portfolio

3. Voting on Items from Previous Meeting

- a. Vote 1 – Eligibility criteria for low-no occupancy extension – “Buildings that do not meet the standard at the beginning of the compliance period and that fall below the average annual occupancy threshold during the compliance period are eligible to apply by a deadline determined by DOEE for an extension of up to 3 years to comply with BEPS.”

Action: Motion to vote made by Katie B.; Second by Max Greninger

15 voted yes/0 voted no/1 abstain = recommendation passed

4. Standard Target Pathway

- a. DOEE update group on Carbon Neutrality - projections do account for this type of pathway offering. Kate talked about how this is one of many neutrality actions the District is pursuing and that DOEE will adjust the overall strategy based on what is offered in BEPS. Additional strategies and/or policies will be identified to close any gaps, so that this decision will not determine whether the District will reach their goals..
- b. Options to discuss
 - i. Offer as a permanent alternative compliance path every cycle – suggestion to remove the word “permanent”
 - ii. Only an option in the 1st cycle of your building sq. ft. inclusion (2021 for 50K+ plus public, 2027 for 25K-50K, 2033 for 10K-25K) – if we offer it only in one cycle, it should be written as the 1st cycle that the building enters the program instead of listing years.
 - iii. Only offer it for the 2021 cycle – not really discussed

5. Extended ACP for Deep Retrofits
 - a. Tabled discussion for next meeting due to time restrictions

6. Penalties matrix (intro)
 - a. Structure review presented by DOEE
 - i. Reviewed previous discussion conclusions and DOEE's assumptions in structuring penalties (see slide deck)
 - ii. Options considered:
 1. High Flat Penalty
 2. Flat Penalty based on Square Footage Bins
 3. Penalty based on \$/sq. ft.
 4. Flat Penalty is reduced based on building's performance relative to 20% target
 5. Flat Penalty adjusted for distance from standard
 6. Square footage bins + distance from target penalty (DOEE preference)
 - b. Short Discussion – What research/analysis does TF need to see for the next meeting?
 - i. Could kBtus away from target considered? DOEE thinks it's roughly equivalent to ES score or Source EUI. Will run quick check. Member mentioned that NYC uses kBtu metric.
 - ii. If sq. ft. is unreliable, wouldn't garage sq. ft. be inflating performance on an EUI basis? ESPM has specific guidance for how to deal with it and shouldn't be an issue for building owners. Should be able to use, but using bins reduces potential error or difference between benchmarking versus OTR data.
 - iii. If anyone has other ideas/scenarios to analyze for penalties, send them to DOEE/TF chairs

7. Next Meeting (May 5)
 - a. Penalties (cont.)
 - b. Bike Rack Review and Discussion
 - i. Historical Districts
 - ii. Mixed-Use Properties
 - iii. District Energy Systems
 - iv. Solar Installations
 - c. Outstanding Portfolio Questions?
 - d. Extended ACP for Deep Retrofits

8. Announcements
 - a. New DOEE team member on the technical support side – Kristian Hoffland
 - b. 2019 benchmarking data online – energybenchmarkingdc.org
 - c. DC SEU – trying to shift money into low-income space for additional support, added low-income account managers, spread the word