

## **BEPS Task Force Meeting Notes**

### **August 18, 2020**

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

**Public Attendees:** Andrew Held, Sharon Jaye, Kate Johnson, Kristian Hoffland, Michael Feldman-Wiencek, Adam Szlachetka, Cet Caldwell, Kevin Carey, Abby Mrvos, Eli Hopson, Donald Walker, Kathleen Berube, Molly Hofsommer, Julia Field, Sean Fish

*The notes reflect the discussion only – please see the referenced slide deck for content presented.*

#### **Agenda:**

1. Administrative
  - a. Opened Meeting at 2:32pm
  - b. Attendance taken by roll call (see above) and quorum acknowledged
  - c. Role of Task Force, overall schedule review, and current agenda reviewed
2. Higher Education/Hospital Sub-committee update
  - a. Discussed compliance paths in last meeting
  - b. Added an additional meeting for August 19 to be able to stay on deadline for presenting recommendations at Sept 1 TF meeting
  - c. Final meeting scheduled for August 26
3. DC Green Bank feedback session
  - a. Introduced new CEO Eli Hopson
  - b. Goals & Focus Areas (slides 10-11)
  - c. Overview & Current State (slide 12)
    - i. Focus groups ongoing – If TF members or others would like to participate or have suggestions on the type of focus groups needed, please contact the DCGB.
  - d. Open Request for Proposals (slide 13)
    - i. Rolling application for substantial investment projects (\$250,000+), proposed collaboration for clean & renewable energy projects
      1. Could the \$250k+ be a pool of smaller projects or a portfolio? Yes.
    - ii. How can TF and Green Bank help each other? What organizations should we be connected to? General thoughts to help Green Bank with outreach?
      1. DHCD would like consolidated RFP process to include all financing options. Opportunity to plug Green Bank in.
      2. Can Green Bank get connected with CDFIs? Yes
      3. Talk to the BIDs and Community Improvement Districts. They know which smaller businesses, faith based orgs, and non-profits might be looking for capital.
  - e. Product Development Pipeline (slide 15-19)

- i. Can available finances be streamlined into documentation process for BEPS? Would be very helpful, especially those who don't normally do energy efficient upgrade financing.
    - ii. Is DCGB considering forgivable loans like in Los Angeles?
      - 1. Doesn't currently fit GB business model. Would need an externally funded grant pool. TF: we need to figure out if or how this can be done.
    - iii. Could the cost of the audit be wrapped into the loan to do the upgrades? Yes. Predevelopment loans could be wrapped into a follow-up construction loan.
    - iv. Is an ASHRAE level 2 audit necessary to determine what is worth investing in for upgrades? Probably yes for longer term upgrades
      - 1. Would a financing program based on the pre-approved pathways be helpful? Consensus is yes. In particular for affordable housing, I think a prepackaged, defined finance package with defined approval criteria, and fast closing would be especially helpful.
  - f. What specific role do you see DCGB playing in supporting the role of BEPS in the District? Areas of opportunity? Specific recommendations? (slide 22)
    - i. Anything that targets electrification retrofit would be helpful
    - ii. Opportunity to build DCGB products around prescriptive path and deep energy retrofit path
    - iii. Ability to put together larger funding projects even if GB is only a portion of the funding
    - iv. How to stack incentives with financing products. DCSEU and DCGB should be familiar with each other's products and the Hub familiar with both.
    - v. Would like to see some education for the implementers of energy efficiency on financing – making the facility/property managers more familiar with basic financing terms so they can have discussions more easily with internal CFOs. SWA made a comment to add this to the education plan from the cost/benefit study.
- 4. Affordable Housing Update (slide 24-25)
  - a. Support considerations largely follow NHT/HAND report that came out of AH working groups
    - i. Does "affordable" only encompass subsidized housing? No, naturally occurring affordable housing is also considered
    - ii. Kudos: Todd (NHT): Grateful for a dedicated hire to manage AH needs with BEPS compliance, hope it becomes best practice. DOEE: Grateful for significant time investment and involvement of AH reps from TF
- 5. Delay of Compliance Criteria
  - a. Presented questions to think about during the slide. Will go through all six slides and then revisit each slide for discussion.
  - b. Guiding Principles (slide 27)
    - i. Good faith effort becomes tricky if change of ownership. Also doesn't necessarily cover finance cycles misaligned with BEPS cycles

- c. Reviewed legislative language (slide 28)
- d. Good cause criteria (slide 29)
  - i. Could COVID updates and expenditures qualify as a delay for compliance? Yes
- e. Delay Possibilities (slide 30)
- f. Addition requirements (slide 31)
  - i. TF: Should DOEE condition BEPS extensions to affordable housing on the owner signing a covenant that the building will remain affordable housing for a set period?
    - 1. TF: Depending on the financing of the development, an affordable covenant may already be on the property for 30+ years. Maybe confirming if one is on there already?
    - 2. TF: that makes sense if such an agreement isn't in place already and that is a factor in consideration of the delay in compliance
    - 3. DOEE: DOEE may not have the authority to make this happen.
  - ii. TF: Some members expressed concern about supporting automatic additional savings required with a delay of compliance.
    - 1. DOEE: To be clear, additional savings requirements would not be automatic, but rather depending on situation
    - 2. TF: Think achieving savings targets is incumbent upon property owner, not DOEE, but recognize it depends on context.
- g. Process (slide 32)
  - i. Who reviews the requests?
    - 1. TF: Is it more work or more helpful to have a body of reviewers to work with? DOEE: unknown, looking for feedback first
    - 2. TF: Likely a large volume of requests, may not be logistically reasonable to funnel through GBAC or Task Force, but maybe precedent-setting requests do come before a body for review.
  - ii. When should delay requests be allowed to be submitted?
    - 1. TF: some support for not allowing immediately (i.e. only during years 4 and 5). Other encouragement for leaving open full cycle.
  - iii. Will the letter agreements be made public?
    - 1. DOEE: Should they be? Would it be useful?
      - a. TF: would help DOEE for everyone to know fair treatment is happening
      - b. TF: Or maybe denoting which properties had a delay?
    - 2. DOEE: Understood there to be a degree of discomfort from the TF about public disclosure on certain BEPS program items. Is their discomfort with displaying what compliance pathway a property pursued?
      - a. TF: No, as long as it's not confidential information such as cost, address, pending sale or transaction

