

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Energy and Environment

BEPS Task Force Meeting – August 17, 2021

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The text below is a transcript of the presentation and Q&A recording, with time stamps as reference.

SLIDE 1

1

00:00:00.000 --> 00:01:52.200

Note: the first couple minutes of the task force meeting recording are hard to hear due to audio issues on DOEE's side.

SLIDE 2

2

00:01:52.200 --> 00:02:00.989

Before we get started, just want to go through some general online meeting etiquette that we present before every meeting. As Andrew said, the meeting's being recorded and a video transcript will be put to our website at the web address listed on this slide.

3

00:02:04.140 --> 00:02:11.159

Since everybody's been muted. All questions we handle through the chat box so please type in the chat box as we are talking.

SLIDE 3

4

00:02:11.159 --> 00:02:18.270

This is how Webex works if you would like to chat us a question.

5

00:02:18.270 --> 00:02:26.430

You can click the chat button at the bottom right hand corner of your screen and then you can type in your message in the box that pops up.

6

00:02:26.430 --> 00:02:31.800

You can either send it to everyone or just to the host.

7

00:02:31.800 --> 00:02:38.969

It's probably easier to send it to everyone so that everyone kind of knows what questions have already been asked.

8

00:02:38.969 --> 00:02:44.009

SLIDE 4

9

00:02:44.009 --> 00:02:47.189

A few administrative items that were going to update all everyone on.

10

00:02:47.189 --> 00:02:51.360

And then we're going to jump into the presentation on the compliance and enforcement guidebook.

11

00:02:51.360 --> 00:02:55.530

Last week we covered the first half of the guidebook.

12

00:02:56.939 --> 00:03:06.539

We'll get through the other half today and then we will have any roundtable updates and then we'll close the meeting.

SLIDE 5

13

00:03:08.280 --> 00:03:17.009

So, the 1st thing I wanted to update you all on some of you, I think already dialed into this, but I wanted to dial everybody else into it.

14

00:03:17.009 --> 00:03:20.159

Note: Audio issues

15
00:03:20.159 --> 00:03:23.580
Note: Audio issues

16
00:03:23.580 --> 00:03:28.349
Note: Audio issues

17
00:03:28.349 --> 00:03:38.759
Note: Audio issues

18
00:03:39.930 --> 00:03:47.009
Note: Audio issues

19
00:03:47.009 --> 00:03:52.169
I mean, anybody who pays attention to the budget process, you might have seen in the mayors budget released a couple of weeks ago.

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00:03:52.169 --> 00:03:56.310
And then the most recently budget that council budget approved last week

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00:03:56.310 --> 00:04:03.449
DOEE got about 30 Million dollars through the American Rescue Plan.

22
00:04:03.449 --> 00:04:06.629
So this is federal funding that will be set aside for fiscal year 22 to support BEPS compliance

23
00:04:06.629 --> 00:04:16.860
For all of you, fiscal year 22 starts on October 1st.

24
00:04:16.860 --> 00:04:25.110
The funds will primarily be directed to multifamily affordable housing

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00:04:25.110 --> 00:04:28.259

And we're going to use those funds for an initiative that we will be standing up

26

00:04:29.428 --> 00:04:34.559

Which we're calling the retrofit accelerator.

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00:04:34.559 --> 00:04:41.548

Right now, we're working to finalize the program design of the retrofit accelerator and essentially this this initiative will seek to address the technical procedural and financial needs of all buildings attempting to comply with BEPS.

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00:04:42.928 --> 00:04:57.718

So we already have a lot of pieces in place. Like, we have rebate programs through the SUE we have financing through the Green Bank.

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00:04:57.718 --> 00:08:50.000

Audio Issues continue for several minutes. We return to these slides when the audio comes back in.

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00:08:50.969 --> 00:09:05.634

Hey, can everybody hear me now? Oh, my gosh. Oh, boy. I was talking for a long time. Okay.

31

00:09:06.599 --> 00:09:20.308

I'm sorry all, let's go back. Okay, so talking through the ARP funds and the accelerator. For anybody who pays attention to the budget here in the district, the mayor released her budget a couple of weeks ago and then the council voted on the final budget.

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00:09:20.308 --> 00:09:24.298

I think this happened last week or the week before.

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00:09:24.298 --> 00:09:34.198

Essentially within that budget, you'll see that there's about 30 Million dollars coming from the American rescue plan, which are federal funds.

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00:09:34.198 --> 00:09:37.528

That will be set aside in fiscal year 2022 to support BEPS compliance

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00:09:37.528 --> 00:09:44.249

These funds will primarily be directed to multifamily affordable housing.

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00:09:44.249 --> 00:09:49.109

And so we've got these funds that are coming in that will bolster a program we are launching called the retrofit accelerator

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00:09:49.109 --> 00:09:57.149

Right now we are working on the final program design of what this retrofit accelerator is going to look like.

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00:09:57.149 --> 00:10:11.933

But the basic premise is that the accelerator will address sort of the technical, procedural and financial needs of all buildings, attempting to comply with BEPS

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00:10:12.538 --> 00:10:17.399

And so this money will sort of get funneled through this accelerator to help support primarily multifamily affordable housing through that process.

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00:10:17.399 --> 00:10:23.428

But the accelerator is going to sort of make all the financial and technical resources we have here in the district very accessible to building owners

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00:10:23.428 --> 00:10:33.389

And really help them understand how to make the upgrades that will be required under BEPS

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00:10:33.389 --> 00:10:45.298

We will have a lot more details in the coming months, but I just wanted to update everybody on it because a lot of this information is starting to become public because the budget process, and we will keep you all updated.

43

00:10:45.298 --> 00:10:59.969

On sort of what the progress is, but we're really excited about this. It's going to be, I think, really transformative to the district. We're really going to be out there, helping building owners step by step walk through this process.

SLIDE 6

44

00:11:02.818 --> 00:11:09.568

So before I launch into the presentation about the guidebook, I realized last week, it would have been a lot easier to provide a bit of context on the difference between regulations versus guidance

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00:11:09.568 --> 00:11:13.168

And so I'm going to go ahead and do that today

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00:11:13.168 --> 00:11:21.418

And so generally the difference is regulations are written to implement the specifics of a law

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00:11:26.068 --> 00:11:32.394

In this case, we're talking about the Clean Energy DC Act.

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00:11:33.144 --> 00:11:46.583

And then also, the other thing that regulations or rules, as we call them here in the district, is that they provide the requirements for complying with the law. So right now DOEE is writing the requirements into the regulations.

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00:11:46.913 --> 00:11:50.423

And then those regulations go out for our public comment period.

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00:11:50.879 --> 00:11:57.389

A Guidebook or guidance essentially provides technical guidance and assistance, and help people understand those requirements.

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00:11:57.389 --> 00:12:07.318

So the guidance is simply there to help provide more detail and to help really provide an explanation of the technical requirements.

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00:12:07.318 --> 00:12:15.119

And we are not the 1st program to do this.

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00:12:15.119 --> 00:12:20.308

Other programs do this all the time. The best examples I can provide if anybody wants to look them up is the stormwater management guidebook and the dc green construction and energy conservation codes.

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00:12:56.158 --> 00:13:08.068

So, that's what we're trying to accomplish with this guidebook.

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00:13:08.068 --> 00:13:15.658

And as you all remember, last time we went through the 2nd proposed rulemaking, and we got through about half way of the guidebook.

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00:13:15.658 --> 00:13:18.839

Today we will going through the 2nd half of the guidebook.

SLIDE 7

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00:13:23.129 --> 00:13:28.619

So, I will just go ahead and launch in and feel free to ask questions again as we go.

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00:13:28.619 --> 00:13:32.849

So, we'll start with chapter 4 last week.

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00:13:32.849 --> 00:13:40.619

We got through chapter 3 now we're launching in the chapter 4. Chapter 4 specifically talked about alternative compliance pathway options.

SLIDE 8

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00:13:40.619 --> 00:13:53.609

When we're talking about the alternative compliance pathway process, essentially it allows for methods for compliance outside of the 3 principal pathways that achieve equivalent or greater energy savings to those pathways

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00:13:53.609 --> 00:13:56.668

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00:13:56.668 --> 00:14:02.548

If you remember the 3 principal pathways are the performance pathway, the prescriptive pathway and the standard target pathway.

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00:14:02.548 --> 00:14:07.589

So this is a way for building owners to sort of comply outside of those pathways.

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00:14:07.589 --> 00:14:12.119

But still achieve and meet, sort of as rigorous requirements.

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00:14:12.119 --> 00:14:23.129

So 1 of the things that building owners will have to do is submit a proposal according to the alternative compliance pathway action requirements. We'll talk about a little bit on the following slides.

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00:14:23.129 --> 00:14:32.489

DOEE will then issue an ACP decision letter that contains the status of the decision, which can be either approved, approved with modifications, or rejected.

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00:14:35.099 --> 00:14:39.298

The letter will also contain the performance or action-based energy performance requirements for each cycle.

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00:14:39.298 --> 00:14:48.448

And you'll see, in a minute, if there's a multi cycle pathway that the building is following, they will have requirements that will need to meet within each cycle.

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00:14:48.448 --> 00:14:59.068

Documentation methods that will serve as the reporting and verification requirements. So those are the 3 main things that are building or what have to agree to or DOEE you will have to approve to allow a building to follow an ACP.

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00:14:59.068 --> 00:15:04.288

After DOEE has issued the ACP Decision letter, the building owner will have 30 days to appeal the approval by submitting a revised proposal through the online portal.

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00:15:04.288 --> 00:15:13.288

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00:15:13.288 --> 00:15:19.349

1 cycle ACP will use the COVID 19 public health emergency delay automatically.

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00:15:19.349 --> 00:15:33.119

And then, as a reminder that compliance cycle ends December 31st, 2026 and the baseline years for any performance based pathway will be the average of calendar year 2018 and 2019 compared to calendar year 2026.

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00:15:33.119 --> 00:15:37.558

So, that will align with the performance pathway. If you're taking an ACP.

SLIDE 9

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00:15:39.028 --> 00:15:51.719

Within the guidebook we describe a few different types of ACPS. Some of them were calling Pre-approved pathway options. And then we have a process for applying for custom ACPSs

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00:15:51.719 --> 00:15:55.229

And I'll talk through the basics of all of these.

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00:15:55.229 --> 00:16:01.828

But they kind of fall a little couple different buckets. We have our deep energy retrofit preapproved pathways.

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00:16:01.828 --> 00:16:13.739

We have ACP option dedicated to new buildings, and then we have what we're calling baseline adjustments that is another pathway option. And then finally we have our custom ACP option.

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00:16:14.153 --> 00:16:28.313

Under deep energy retrofit there are 2 Pre-approved pathways described in the guidebook. 1 is the accelerated savings recognition pathway option and 1 is called the extended deep energy retrofit pathway option. And I'll talk about all these a little bit more on the following slide.

81

00:16:28.614 --> 00:16:30.173

This is just an overview.

SLIDE 10

82

00:16:33.989 --> 00:16:43.109

So jumping into the accelerated saving pathway option. The way that's described in the guidebook.

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00:16:43.109 --> 00:16:47.188

The building owner will follow the requirements of a principal pathway in cycle 1.

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00:16:47.188 --> 00:16:53.068

And then at the end of cycle, 1, there will be a realized performance level.

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00:16:53.068 --> 00:16:57.149

That hits the targets that are listed at the bottom of the slides.

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00:16:57.149 --> 00:17:03.808

If a building on our hit those targets at the end of cycle 1, when it comes to cycle 2 or 3 or 4.

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00:17:03.808 --> 00:17:17.638

They would be eligible to choose the accelerated savings pathway option and that would be their pathway option for cycle 2 or 3 or 4, depending on when they choose that option.

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00:17:17.638 --> 00:17:23.999

The ACP decision letter will spell that out and say, okay, this is the option you're choosing because you hit that target in cycle 1.

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00:17:23.999 --> 00:17:31.048

And your basic requirement would be that you maintain a certain percentage of the savings.

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00:17:31.048 --> 00:17:36.659

And so on the left hand side, you'll see some basics.

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00:17:36.659 --> 00:17:40.348

All property types are eligible.

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00:17:40.348 --> 00:17:48.628

They'll have to be performance-based savings in cycle 1, and there'll be a specific performance level that you would want to target in order to take advantage of this pathway option.

SLIDE 11

93

00:17:49.858 --> 00:17:55.739

The other deep energy retrofit pathway option is called the extended deep energy retrofit option.

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00:17:55.739 --> 00:18:09.624

This one's a little bit different in that we are limiting it to specific property types. Over on the left hand side, and at the bottom of the screen, you'll see the different property types that we've limited this to in the guidebook.

95

00:18:09.624 --> 00:18:15.384

We name specifically affordable multifamily and rent control housing are eligible for this pathway.

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00:18:15.689 --> 00:18:20.308

Also, college University and hospital campuses are eligible for this pathway.

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00:18:20.308 --> 00:18:31.679

And then at the bottom of the screen, you'll see a little asterisk that for the 1st cycle, buildings under financial distress due to the COVID 19 public health emergency are also eligible to take this pathway.

98

00:18:31.679 --> 00:18:37.199

Again, building owners will have to demonstrate the financial distress in order to choose this option.

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00:18:37.199 --> 00:18:44.489

And essentially, what it says is that you have to target cycle 1 savings time, the number of cycles requested.

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00:18:44.489 --> 00:18:53.098

So, for example, if you were looking for a 2 cycle EDER ACP you will basically be targeting 40%

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00:18:53.098 --> 00:18:57.749

Which is twice what you would have to do on the performance pathways.

102

00:18:57.749 --> 00:19:07.078

You'll see here, we laid out minimum site eui saving target and maximum site eui savings targets. Those are all described in the guidebook as well.

103

00:19:07.078 --> 00:19:15.778

This pathway will be a combination of performance and action based, which is based on what the building on our sort of proposes to DOEE.

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00:19:15.778 --> 00:19:24.118

As I mentioned with any multicycle pathway options, building owners will have to meet at least some sort of milestone by the end of the cycle. 1.

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00:19:24.118 --> 00:19:33.538

We're not going to just let folks off scot free. So when the building owner applies, they will have to describe what milestones they will meet by the end of cycle 1

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00:19:33.538 --> 00:19:37.288

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00:19:37.288 --> 00:19:42.449

The basic requirements are to submit a pathway selection form by April 1st 2023.

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00:19:42.449 --> 00:19:48.929

Submit the proposed milestone plan as I just mentioned, you have to spell out what milestones you're going to hit by and by what date.

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00:19:48.929 --> 00:19:59.128

And then submit interim file milestone plans, as required as noted in the decision letter with DOEE and then submit your benchmarking report as required.

SLIDE 12

110

00:19:59.128 --> 00:20:07.078

To talk about this a little bit more here are some example.

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00:20:07.078 --> 00:20:14.189

So if you look at the site eui savings targets. You have your existing principal pathway eligibility

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00:20:14.189 --> 00:20:18.479

Which, for building a is the performance pathway.

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00:20:18.479 --> 00:20:24.929

Building B is on the standard target and building C is also eligible for the standard target.

114

00:20:24.929 --> 00:20:32.159

The principal pathway, minimum for building a, is a 20% reduction, because they're on the performance pathway.

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00:20:32.159 --> 00:20:42.298

If they wanted to follow a 2 cycle EDER, they would have to hit 40% by the end of the 2nd cycle. They were following a 2 cycle EDER they'd have to hit 60% by the end of the 3rd cycle.

116

00:20:42.298 --> 00:20:46.858

They will also have to propose interim milestones along the way that they will have to hit.

117

00:20:46.858 --> 00:20:51.538

Building B, right here you can see here.

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00:20:51.538 --> 00:20:58.588

That if they were following the standard target pathway, they were only they only have to get a 16% site reduction.

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00:20:58.588 --> 00:21:04.229

So, at the end of cycle, 2, they have to hit 32% the end of cycle 3. they'd have to hit 48%.

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00:21:04.229 --> 00:21:10.679

So, again, it's just sort of multiplying the number of cycles by what your pathway target is.

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00:21:10.679 --> 00:21:24.209

And then the last 1 building C over here, this is where we're employing those minimum site savings targets. So this building right here only needed to reduce their site eui by 9% to hit their standard.

122

00:21:24.209 --> 00:21:34.769

So if they decided they wanted to take the EDER pathway they will have to, at least hit a minimum of 30% by the end of cycle 2, and the minimum of 45% by the end of cycle 3.

123

00:21:34.769 --> 00:21:38.519

So, we do have those minimums in place that are spelled out in the guidebook.

SLIDE 13

124

00:21:40.108 --> 00:21:47.128

Again, talking about the proposed milestone plan, the building owner will have to propose savings target and number of cycles requested.

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00:21:47.128 --> 00:21:53.219

They'll have to provide a narrative explaining how the building or campus will benefit from this multi cycle option.

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00:21:53.219 --> 00:21:56.999

And how it's constrained from meeting the requirements of the current cycle.

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00:21:56.999 --> 00:22:06.269

They will have to provide the description of the potential energy efficiency measures, retrofits, or actions that will achieve the deep long lasting savings with an integrated design approach.

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00:22:06.269 --> 00:22:12.479

The will have to provide a list of proposed interim cost effective energy efficiency measures.

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00:22:12.479 --> 00:22:16.499

That will be implemented throughout the cycles and timeline of the implementation.

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00:22:16.499 --> 00:22:20.729

They will have to propose a timeline and the building owner will follow.

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00:22:20.729 --> 00:22:29.128

They will also have to describe how the potential align with the district's sustainability goals of electrification and carbon neutrality.

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00:22:29.128 --> 00:22:34.709

Because these are very long-term pathway options. We have to ensure that the long-term targets for the district are incorporated.

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00:22:34.709 --> 00:22:38.848

134

00:22:38.848 --> 00:22:50.128

And then with affordable multifamily, housing and rent control billing specifically they'll have to provide a description of the funding strategy that will be pursued in order to implement interim and final and or retrofit to meet the savings targets.

135

00:22:50.128 --> 00:22:59.818

On the right hand side the plan will have to be limited to 10 pages.

136

00:22:59.818 --> 00:23:08.578

The building, I don't want to have to identify a backup pathway if DOEE does not approve their easy EDER application

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00:23:08.578 --> 00:23:12.239

and then all this will be submitted through the portal.

SLIDE 14

138

00:23:14.878 --> 00:23:25.259

Moving on from the EDER to the alternative compliance pathway options that are available to new construction or a building that's changing their property type

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00:23:25.259 --> 00:23:36.808

And so this applies to all of buildings that are issued a certificate of occupancy in 2019 or 2020.

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00:23:36.808 --> 00:23:41.128

Or buildings that change their property type during the cycle.

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00:23:41.128 --> 00:23:44.159

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00:23:44.159 --> 00:23:49.979

Buildings that change property types could also be eligible for delay.

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00:23:49.979 --> 00:23:53.249

On this alternate compliance pathway options.

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00:23:53.249 --> 00:23:58.288

The target is for the building to meet or exceed its standard by the end of the cycle.

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00:23:58.288 --> 00:24:02.818

The performance metrics are the same exact same as the standard target pathway.

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00:24:02.818 --> 00:24:09.628

And pathway selections essentially for new construction buildings will be due April. 1st, 2023.

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00:24:09.628 --> 00:24:15.568

For any building that's changing their property type will be due 1 year after receiving their certificate of occupancy.

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00:24:15.568 --> 00:24:29.159

Applicable baseline and evaluation years energy performance and reporting verification requirements will be outlined in what we're calling an ACP decision letter, which is what building owners will receive once they've been approved by DOEE on any ACP.

SLIDE 15

149

00:24:29.159 --> 00:24:36.989

The next alternate compliance pathway option are what we're calling baseline adjustments.

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00:24:36.989 --> 00:24:45.298

And these are sort of baseline adjustments and I'm not going to sort of talk through exactly what that is. But I'll talk to you examples.

151

00:24:45.298 --> 00:24:50.848

These are eligible circumstances are for building owners to receive what we're calling a baseline adjustment.

SLIDE 16

152

00:24:50.848 --> 00:24:56.909

The 1st circumstance is whether if the building had previously completed EEM before the compliance cycle had started

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00:24:56.909 --> 00:25:00.328

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00:25:00.328 --> 00:25:10.648

We would allow potentially for the building owner to apply for a baseline adjustment saying, hey, we already did some efficiency improvements that we'd like to be recognized by DOE

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00:25:10.648 --> 00:25:18.509

Next if there's low occupancy in the building, so if the building was below the occupancy threshold criteria that's listed out in appendix B in the guidebook.

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00:25:18.509 --> 00:25:22.048

Then there's an addition or demolition.

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00:25:22.048 --> 00:25:29.578

So if it's part of a single building, so building that added or demolish square footage that could significantly affect their energy consumption.

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00:25:29.578 --> 00:25:38.368

For any buildings that are new construction or demolition on a campus that significantly affect energy consumption.

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00:25:38.368 --> 00:25:43.979

And then historic properties, so, buildings that demonstrate that full compliance is not possible given historic building restrictions.

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00:25:43.979 --> 00:25:47.548

161

00:25:47.548 --> 00:25:51.148

162

00:25:51.148 --> 00:26:00.538

New ventilation, so, buildings that were previously unventilated and planning to have installed new ventilation systems and expect an increase in energy consumption.

163

00:26:00.538 --> 00:26:06.719

Low or no global warming potential refrigerant. So buildings that replace high global warming potential refrigerant with low to no refrigerant.

164

00:26:06.719 --> 00:26:11.338

That result and energy efficiency losses

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00:26:11.338 --> 00:26:16.169

And finally there could be other circumstances to be determined by DOEE.

166

00:26:16.169 --> 00:26:24.179

That building owners could sort of request from DOEE, and DOEE would make the determination as to whether that building receives a baseline adjustment.

SLIDE 17

167

00:26:27.868 --> 00:26:40.769

So, for the baseline adjustment option the building would have to submit a baseline adjustment request with supporting documentation that shows good cause. If it's approved the requirements will be outlined in an ACP decision letter.

168

00:26:41.453 --> 00:26:56.273

The district benchmark results and compliance report for the applicable years, describe below must be 3rd party verified. So if the building owner wants to take this option, they have to have their benchmarking data 3rd party verified so that we can ensure that data is complete and accurate.

169

00:26:56.578 --> 00:27:01.588

And it must be resubmitted with the request.

170

00:27:01.588 --> 00:27:04.949

The baseline year shift this must be for the years being shifted to and the year being shifted from.

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00:27:04.949 --> 00:27:12.118

So, for example, a building, our asks us to shift their baseline from an average of 2019 and 2020 to just 2018.

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00:27:12.118 --> 00:27:15.358

173

00:27:15.358 --> 00:27:24.358

All 3 years of the benchmarking report must be 3rd party verified so that we can ensure the accuracy and ensure of what the building is asking us to do.

174

00:27:24.358 --> 00:27:31.348

The baseline energy use intensity modification. So people are asking for an eui modification.

175

00:27:31.348 --> 00:27:36.269

We must know what years are sort of being modified and that was must be 3rd party verified.

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00:27:36.269 --> 00:27:42.598

Looking at the right hand side as I just sort of went through, there are 2 types of adjustment.

177

00:27:42.598 --> 00:27:50.459

There's baseline shifting - asking us to change the year, that's being used for your baseline of performance or there's a baseline modification.

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00:27:50.459 --> 00:27:57.239

Which is essentially taking the baseline that has already been prescribed by that for the building.

179

00:27:57.239 --> 00:28:00.808

Adjusted so it's an adjusted baseline based on estimated or measured energy penalty incurred for activities during the cycle.

180

00:28:00.808 --> 00:28:14.159

So these are things that are kind of outside of the building owners control and they'd like there to be some sort of adjustment.

SLIDE 18

181

00:28:16.169 --> 00:28:21.298

Okay, moving on so looking at what baseline shifting means.

182

00:28:21.298 --> 00:28:29.159

So, if you look at this example, the building implemented in 2019 that reduced their site.

183

00:28:29.159 --> 00:28:32.608

Instead of faulting the building with a more aggressive target.

184

00:28:32.608 --> 00:28:38.068

DOEE will shift the baseline back the year and allow the building to count the savings towards compliance.

185

00:28:38.068 --> 00:28:44.368

So, if you can take a look at this example, the building owner is able to shift their baseline back.

186

00:28:44.368 --> 00:28:51.538

To before the EEMs were installed, which means that they, they would essentially get count those savings in this compliance cycle.

SLIDE 19

187

00:28:52.618 --> 00:28:56.338

Here's another 1.

188

00:28:56.338 --> 00:29:00.659

That is sort of showing what the example of a baseline modification would look like.

189

00:29:00.659 --> 00:29:08.548

So, for example, this building added increased ventilation that added about 5 kbtu per square foot to its annual energy consumption.

190

00:29:08.548 --> 00:29:14.818

And instead of being penalized for these improvements, DOEE could modify the unavoidable energy to the baseline periods.

191

00:29:14.818 --> 00:29:22.469

DOEE would get adjusted to add in that 5 kbtu to recognize there was something that the building did to help improve the health of the building.

192

00:29:22.469 --> 00:29:27.689

That maybe negatively affected them in terms of their BEPS compliance.

193

00:29:27.689 --> 00:29:33.419

SLIDE 20

194

00:29:35.759 --> 00:29:49.288

Okay, so those were all just what I described before what we're calling Pre-approved alternative, compliance pathway options. Also in the guidebook we describe a process by which building owners can apply for a custom ACP

195

00:29:49.288 --> 00:29:54.328

And essentially DOEE will consider alternative approaches to improving energy efficiency that might not be possible under the current compliance structure.

196

00:29:54.328 --> 00:29:58.378

197

00:29:58.378 --> 00:30:05.669

All property types are eligible, the option proposed could be performance or action based or both.

198

00:30:05.669 --> 00:30:11.429

And, but the caveat is that the savings must be comparable to the performance pathway.

199

00:30:11.429 --> 00:30:16.199

The core criteria for a custom option proposal will include.

200

00:30:16.199 --> 00:30:24.179

It prioritizes energy efficiency and expects to achieve energy savings comparable to or greater than the principal pathways.

201

00:30:24.179 --> 00:30:30.509

It addresses an existing barrier in the building industry that makes it difficult to comply through the principal pathways.

202

00:30:30.509 --> 00:30:35.009

The proposal will have to show to show that the pathway option being described maintains improves equity and the built environment for DC residents and building occupants.

203

00:30:35.009 --> 00:30:41.608

The proposal should be thorough, complete, and technically achievable.

204

00:30:41.608 --> 00:30:49.558

And then the other important thing is that the building owner will have to prove that the results are measurable and verifiable by DOEE.

205

00:30:49.558 --> 00:30:55.588

So the building owner will have to show how the results will be verified

206

00:30:55.588 --> 00:31:00.509

how DOEE can actually measure and track progress on that pathway option.

207

00:31:00.509 --> 00:31:05.308

These applications are due by October 1st, 2022.

208

00:31:05.308 --> 00:31:17.999

This is so that the building owner can then select that pathway by April 1st, 2023, which you all remember from our last presentation that was a date by which all pathway selection must occur.

SLIDE 21

209

00:31:20.098 --> 00:31:24.088

We're talking a little bit more about custom ACP applications.

210

00:31:24.088 --> 00:31:31.798

The purpose, and the objective in the application should state how the custom ACP will meet the goals of the BEPS program.

211

00:31:31.798 --> 00:31:35.519

Objectives it will achieve or barriers that it will help overcome.

212

00:31:35.519 --> 00:31:41.098

It should talk about the target sector. So what type of buildings will a custom ACP be used for? And will other building owners benefit from the pathway

213

00:31:41.098 --> 00:31:50.189

It should show quantifiable outputs, including estimates of energy and carbon savings.

214

00:31:50.189 --> 00:31:59.308

It should show sort of describe what will be implemented and how energy and carbon savings estimations were derived.

215

00:31:59.308 --> 00:32:08.939

And then with measurement and verification, the applicant will need to describe how building owner will demonstrate energy performance requirements and how DOEE will evaluate and verify compliance.

216

00:32:08.939 --> 00:32:13.888

The applicant should outline specific reporting that will be submitted as part of the process.

217

00:32:13.888 --> 00:32:18.209

Administrative items limit the application of 5 pages.

218

00:32:18.209 --> 00:32:23.848

Supporting documentation on efficacy of methods will be limited to 5 pages each

219

00:32:23.848 --> 00:32:31.798

It'll all need to be submitted through the portal and then approved custom will be listed on the portal.

220

00:32:31.798 --> 00:32:37.318

So the other buildings can take advantage of the ACP option this is all again spelled out in the guidebook.

SLIDE 22

221

00:32:37.318 --> 00:32:44.189

Okay, so moving on from alternative compliance pathway options we're going to talk about delays of compliance.

SLIDE 23

222

00:32:45.749 --> 00:32:53.098

So, this again, this section in the guidebook describes the requirements that are sort of spelled out in the regulations.

223

00:32:53.483 --> 00:33:04.794

So, an introduction to the delay of compliance, all buildings may request the delay up to 3 years. Please note that the COVID 19 public health emergency already gives every building a delay of 1 year.

224

00:33:04.973 --> 00:33:08.784

That means that buildings are eligible for up to 2 more in cycle. 1.

225

00:33:09.088 --> 00:33:21.358

So, all buildings can request up to 3 years, qualifying affordable housing may request more than 3 years of delay. I'll talk about both of those requests in a minute.

226

00:33:21.358 --> 00:33:26.398

Delays will not change the start of the following BEPS period or new compliance cycle.

227

00:33:26.398 --> 00:33:34.229

And just as notes DOE is more likely to approve a delay request if the building has demonstrated that some effort to comply.

228

00:33:34.229 --> 00:33:42.959

So the building owner has improved the operations and maintenance plan or program, they've implemented low cost or no cost energy efficiency measures.

229

00:33:42.959 --> 00:33:52.709

Those are just some examples. So, DOE is more likely to approve the request of the building owner shows that they have been trying.

230

00:33:52.709 --> 00:33:57.088

And hasn't done anything for how many years they've postpone work.

231

00:33:57.088 --> 00:34:00.298

232

00:34:02.489 --> 00:34:12.059

eligible circumstances, makes it practically feasible to meet the energy performance by the end of cycle equals a delay.

233

00:34:12.059 --> 00:34:17.099

So, essentially, when we talk about postponing in that, there's 2 concepts

234

00:34:17.099 --> 00:34:22.858

There's an extension where you can't meet a reporting deadline

235

00:34:22.858 --> 00:34:28.228

For example, you're following the prescriptive pathway you need more time to submit a document to DOE you can ask for an extension.

236

00:34:28.228 --> 00:34:32.668

That can only limited up to 6 months, but we're talking about a delay in this chapter

237

00:34:32.668 --> 00:34:40.409

We're talking about you have eligible circumstances that make it practically feasible for you to meet your energy performance targets by the end of the cycle.

SLIDE 24

238

00:34:41.909 --> 00:34:49.108

Talking about delay of compliance definitions

239

00:34:49.108 --> 00:34:52.949

Within the guidebook, and this is also spelled out in the regulations.

240

00:34:52.949 --> 00:35:04.498

A building owner will have to demonstrate good cause for granting a delay of compliance the building owner must provides substantial evidence that 1 or more of the following circumstances exist.

241

00:35:04.498 --> 00:35:11.338

And that the circumstances make meeting the energy performance requirements by the end of the compliant cycle practically infeasible.

242

00:35:11.338 --> 00:35:14.639

So, there's those 2 concepts, the circumstance exists.

243

00:35:14.639 --> 00:35:19.228

And then it makes complying practically infeasible.

SLIDE 25

244

00:35:20.909 --> 00:35:35.009

So some of the eligible circumstances that are listed in the regulations and described in the guidebook are financial distress. So, in reference to BEPS financial distress means a building, or cannot honor financial obligations.

245

00:35:35.009 --> 00:35:38.128

Including payment of ordinary and necessary business and or living expenses

246

00:35:38.128 --> 00:35:43.679

And that would prevent timely compliance with energy performance requirements.

247

00:35:43.679 --> 00:35:51.628

Talking about a change of ownership during a cycle if the transfer of ownership creates unavoidable circumstances.

248

00:35:51.628 --> 00:35:57.599

Which prevent a building from achieving the energy performance requirements within the applicable complying cycle.

249

00:35:57.599 --> 00:36:00.599

The new building owner may request a delay.

250

00:36:01.889 --> 00:36:09.599

A major renovation a building may be eligible for delay. If a major renovation will be completed within the timeframe allowed by the delay.

251

00:36:13.228 --> 00:36:22.708

The building becomes unoccupied if the building's occupancy falls below the occupancy threshold during that compliance cycle described and appendix B of the guidebook.

252

00:36:22.708 --> 00:36:31.978

The building may be eligible for delay to accommodate tenant fitout and or occupant turnover procedures to demonstrate a stable energy performance for performance evaluation.

253

00:36:31.978 --> 00:36:42.088

Demolition, so the building is pending demolition and owner planning to completely demolish and building immediately after the end of a cycle may apply for a delay.

254

00:36:42.088 --> 00:36:46.228

Upon complete demolition, the building would then be granted an exemption.

255

00:36:46.228 --> 00:36:50.159

In accordance with section 2.7 of this guidebook and also described in the regulation,

256

00:36:50.159 --> 00:37:01.768

The building has a change in property type. So if a building undergoes a modification that would alter its property types and portfolio manager.

257

00:37:01.768 --> 00:37:10.228

DOEE may approve a delay, so when an example would be if a building changes from multifamily to an office building.

258

00:37:10.228 --> 00:37:13.318

SLIDE 26

259

00:37:14.273 --> 00:37:28.344

So more eligible circumstances that are described are the COVID 19 public health emergency. So, this is for cycle 1, only owners of buildings, consuming energy during the COVID 19 public health emergency will receive a delay in court accordance with section 5.1.

260

00:37:29.099 --> 00:37:36.539

You all remember last time we talked about this every building is going to receive that 1 year delay unless they tell DOEE otherwise.

261

00:37:37.708 --> 00:37:38.664

262

00:37:38.873 --> 00:37:42.204

Buildings that are listed on the DC inventory of historic sites,

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00:37:42.324 --> 00:37:48.083

or designated as contributing to a historic district that experience a delay in project implementation,

264

00:37:48.143 --> 00:37:53.094

due to the historic preservation board approval may be eligible for a delay as well.

265

00:37:54.563 --> 00:37:58.014

And then the last 1 is an innovative approached energy efficiency.

266

00:37:58.378 --> 00:38:08.759

So, buildings that pursue innovative energy efficiency measures or strategies that have not been widely implemented by the local building industry, which result in delays inherent to novel design.

267

00:38:08.759 --> 00:38:12.869

For example, maybe there's something that the building's pursuing.

268

00:38:12.869 --> 00:38:18.900

That has a longer design development process, a link to lengthy permit review process.

269

00:38:18.900 --> 00:38:23.670

Or extended product lead time, they could be eligible for a delay as well.

SLIDE 27

270

00:38:26.280 --> 00:38:31.050

So the process for submitting a request for a delay of compliance.

271

00:38:31.050 --> 00:38:41.309

The building owner will submit a request that documents the eligible circumstances. So the building owner will have to show how they meet 1 of those circumstances listed above.

272

00:38:41.309 --> 00:38:48.840

In table, 21 of the guidebook you will see some of the some examples of the supporting documentation that can be provided.

273

00:38:48.840 --> 00:38:58.530

And then also the building and will have to demonstrate infeasibility. So, the building owner will have to provide a narrative that clearly connects the submitted documentation to demonstrate that BEPS implementation is practically infeasible without additional time.

274

00:38:58.530 --> 00:39:03.480

275

00:39:03.480 --> 00:39:08.190

So just really clear here. You can't just say you're in financial distress.

276

00:39:08.190 --> 00:39:13.559

Building owners will have to say we're experiencing financial struggles through this documentation.

277

00:39:13.559 --> 00:39:18.750

And this is why that financial distress is making it practically feasible for us to meet the BEPS requirements.

278

00:39:18.750 --> 00:39:31.110

DOEE will then consider whether there are circumstances beyond the control of the building owner that would impose a significant burden on the buildings ability to meet the energy performance requirements during the compliance cycle.

279

00:39:31.110 --> 00:39:37.559

Or render compliance not possible without significant burden that cannot be avoided unless the delay is approved.

SLIDE 28

280

00:39:40.889 --> 00:39:52.650

Within 60 days of receiving the request, DOEE will notify the applicant in writing. If the delay is approved, approved with modifications, or rejected.

281

00:39:53.789 --> 00:40:08.760

The delay of compliance decision letter will include the following. It will say the status of the decision, the length of the delay that is granted, any modifications to existing performance or reporting verification requirements, and any additional requirements as necessary.

282

00:40:08.760 --> 00:40:19.889

Please note that, as we propose it in the guidebook building owners will have 30 days to appeal to decision by submitting a revised delay of compliance request through the portal.

283

00:40:19.889 --> 00:40:24.030

So DOEE will hand down the decision within 60 days. The building owner will then have 30 days to appeal that decision.

SLIDE 29

284

00:40:26.309 --> 00:40:31.199

Talking about an extended delay of compliance.

285

00:40:31.199 --> 00:40:34.469

This is offered to what we're calling qualifying affordable housing.

286

00:40:34.469 --> 00:40:49.380

It's defined as a building that is primarily residential contained 5 or more dwelling units and can be and can demonstrate that user restrictions or other covenants require that at least 50% of the buildings dwelling units are occupied by households that have household incomes of less than 50% of the area meeting income.

287

00:40:49.380 --> 00:40:55.559

2 at least 50% of the dwelling units rent at levels that are affordable to households with incomes at less than or equal to 50% of the area meeting income or 3.

288

00:40:55.559 --> 00:41:05.130

Or 3, the building is a limited equity cooperative

289

00:41:05.130 --> 00:41:12.420

You can see more information about this in the guidebook.

290

00:41:12.420 --> 00:41:24.719

You can also read our regulations that sort of spell out what we define as qualifying affordable housing, but the guidebook has a little bit more detail on how we sort of talk about limited equity cooperatives.

291

00:41:24.719 --> 00:41:30.840

DOEE will only approve an extended delay request equal to 1 compliance cycle in length.

292

00:41:30.840 --> 00:41:33.900

To help maintain cycle alignment for these building owners.

293

00:41:34.284 --> 00:41:43.135

Owners of qualifying affordable housing that proactively seeking delays longer than 1 cycle should pursue the extended deep energy retrofit option.

294

00:41:43.135 --> 00:41:50.153

So DOEE will essentially tell that building owner here's another pathway option that you can pursue if you would like, more than 1 cycle of delay.

SLIDE 30

295

00:41:54.719 --> 00:42:04.500

Talking about the extended delay process step 1, the building owner needs to determine if they meet the definition of qualifying affordable housing based on how we propose it in the guidebook.

296

00:42:04.500 --> 00:42:08.610

And then an extended delay may be requested if the building meets 1 or more of the delay eligible circumstances listed in section 5.2.1 of the guidebook.

297

00:42:08.610 --> 00:42:15.360

298

00:42:15.360 --> 00:42:27.840

Also, they must demonstrate practical infeasibility as described in section 5.2.2 after taking advantage of available that support resources to make progress toward compliance during the cycle.

299

00:42:27.840 --> 00:42:39.449

And complete an extended delay milestone plan to demonstrate that it has sought compliance assistance and to propose a plan and milestones for moving forward. So, essentially the building on our will have to show that they meet the circumstances and then demonstrate how they have tried to comply.

300

00:42:39.449 --> 00:42:51.150

Then demonstrate how, if they get a very long delay, how they're going to actually bring themselves up to compliance.

SLIDE 31

301

00:42:53.519 --> 00:43:05.070

Talking about affordable housing again, just to lay out a little more clearly. Hopefully this is clear. So, there is the affordable multifamily housing definition that is within the clean energy DC act.

302

00:43:05.070 --> 00:43:17.969

That talks about buildings that can demonstrate that at least 50% of the buildings dwelling units are occupied by households that have incomes of less than equal than 80% of the area median incomes

303

00:43:17.969 --> 00:43:21.480

Over in the right hand side you'll see a circle that talks about 80%, right?

304

00:43:21.480 --> 00:43:33.900

There's a subset of that, which we're going to allow building owners to take this longer extended delay and they have to meet what we're calling qualifying affordable housing.

305

00:43:33.900 --> 00:43:37.739

Which we are limiting this to buildings that are less than 50% AMI or limited equity cooperatives

306

00:43:37.739 --> 00:43:52.079

And then lastly, we talk a bit about rent control properties and so with rent controlled, we're talking about multifamily housing buildings that, for the duration of the applicable BEPS period have an active registration number filed with the rental accommodation division of Districts Department of housing and community development

307

00:43:52.079 --> 00:43:56.400

308

00:43:56.400 --> 00:44:05.579

This must apply to greater than 50% of the total number of dwelling in, in the buildings in question and active.

309

00:44:05.579 --> 00:44:19.619

Please feel free to review all these definitions and provide comment. If you wish.

310

00:44:19.619 --> 00:44:24.690

But this break it down and show you all how we're defining these different types of properties and the flexibility DOE is offering them.

311

00:44:24.690 --> 00:44:29.429

SLIDE 32

312

00:44:32.159 --> 00:44:41.550

So the other part of the extended delay of compliance request is a narrative that describes the efforts that were pursued to avoid an extended delay. So, the ability to have to show that they tried to avoid needing more time.

313

00:44:41.550 --> 00:44:44.670

314

00:44:44.670 --> 00:44:49.019

The narrative will include what efforts were made to attempt on time compliance.

315

00:44:49.019 --> 00:44:53.460

Why they were unsuccessful and why they left needs unmet.

316

00:44:53.460 --> 00:45:00.539

What technical or financial assistance from at least 3 of the supporting partners such as the green bank or the building innovation hub.

317

00:45:00.539 --> 00:45:14.099

Or other utility led energy efficiency programs were pursued to avoid or minimize the need for an extended delay and why a delay would be would enable compliance better than in any alternative.

318

00:45:14.099 --> 00:45:20.940

So why a delay would be more of a fit for this building, rather than doing the extended deep energy retrofit or another custom option.

SLIDE 33

319

00:45:22.710 --> 00:45:31.920

Talking about milestones so, again, giving a delay to building owner they have to propose a milestone plan that will be approved by the EA.

320

00:45:31.920 --> 00:45:40.650

They'll have to propose saving targets that the building will achieve by the end of the extended delay, which is equal to a greater than a 20% site reduction.

321

00:45:40.650 --> 00:45:44.969

They'll have to provide a narrative explaining how the delay will benefit occupants and the building generally

322

00:45:44.969 --> 00:45:52.139

And how the building is financially, or technically constrained from meeting the energy performance requirements of the current cycle.

323

00:45:52.139 --> 00:45:58.230

They'll have to provide a list of proposed interim cost effective that will be implemented through the cycles.

324

00:45:58.230 --> 00:46:01.440

They will have to provide a proposed timeline that the building owner will follow.

325

00:46:01.440 --> 00:46:08.489

Implement interim and finally EEMs or retrofits to meet the savings target.

326

00:46:08.489 --> 00:46:17.280

And they'll have to write a description of the funding strategy that would be pursued in order to implement interim EEMS and/or retrofits to meet the same target.

327

00:46:17.280 --> 00:46:22.050

Administrative items for this - the plan is limited to 10 pages.

328

00:46:22.050 --> 00:46:32.880

It's important to identify how the building plans to address future compliant cycles. So, since we'll be giving this building a very long delay we want to know how the building plans to keep up with BEPS.

329

00:46:32.880 --> 00:46:47.820

Then all this all and everything else will be need to be submitted through the online portal.

SLIDE 34

330

00:46:50.639 --> 00:47:03.269

DOEE will issue a decision within 60 days of receiving the request. DOEE will notify the applicant in writing. If the delay is approved, approve the notifications, or rejected.

331

00:47:03.269 --> 00:47:09.000

Like all other buildings applying for delay of compliance the decision letter will include the status, the decision, the energy performance and reporting verification requirements for each cycle.

332

00:47:09.000 --> 00:47:13.019

333

00:47:13.019 --> 00:47:19.409

Deadlines for milestone reports that provide DOEE with an update on progress with supporting documentation requirements.

334

00:47:19.409 --> 00:47:30.570

A deadline for the final milestone report submitted at the end of the applicable cycle with supporting documentation requirements, completed actions and final savings achieved.

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00:47:30.570 --> 00:47:35.760

As well as any additional requirements as necessary, so we can request further documentation DOEE requests from the building owner.

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00:47:35.760 --> 00:47:38.969

337

00:47:38.969 --> 00:47:42.900

338

00:47:42.900 --> 00:47:47.550

339

00:47:47.550 --> 00:47:56.699

The building then we'll have 30 days to appeal the decision by submitting a revised delay of compliance request through the portal.

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00:47:56.699 --> 00:48:02.369

That will start the process all over again if the building owner is unhappy.

SLIDE 35 & SLIDE 36

341

00:48:02.369 --> 00:48:06.150

342

00:48:06.150 --> 00:48:14.250

So moving in the chapter 6.

343

00:48:14.250 --> 00:48:21.059

There's sort of 3 components to enforcement that building owners should understand.

344

00:48:21.059 --> 00:48:24.719

There is what we call the alternative compliance penalty.

345

00:48:24.719 --> 00:48:31.260

Um, some people are calling them ACPs, which is a little confusing with our pathway options, but right now we're talking about penalties.

346

00:48:31.260 --> 00:48:45.989

So alternative compliance penalty, we're talking about the failure to meet the energy performance requirements of the building approved pathway. So, for example, you were taking the performance pathway, and you were supposed to get a 20% by reduction.

347

00:48:45.989 --> 00:48:51.090

If you do not reach that site eui reduction there is an alternative compliance penalty.

348

00:48:51.090 --> 00:48:54.329

Um, for civil interactions or fines.

349

00:48:54.329 --> 00:49:00.090

So, in the regs, we often referred to them as fines. They're also referred to as civil infractions.

350

00:49:00.090 --> 00:49:05.699

This is a failure to meet reporting and verification requirements of a building's approved pathway.

351

00:49:05.699 --> 00:49:10.380

So, for example, you're on the prescriptive pathway and you are supposed to submit an action plan

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00:49:10.380 --> 00:49:24.269

. If you do not do that, you could receive a civil infraction or a fine.

353

00:49:24.269 --> 00:49:30.030

Hopefully, that distinction makes sense. Please read the guidebook and let us know if it doesn't.

354

00:49:30.030 --> 00:49:44.250

We then have what's called a civil enforcement action so this is when the DC attorney general may file enforcement action against the building owner in DC superior court, for damages, cost recovery, reasonable attorney and expert witness fees or an injunction.

355

00:49:44.250 --> 00:49:52.559

And so it could be a court order for a specific action. So these 3 things are all described in the DC omnibus amendment.

356

00:49:52.559 --> 00:49:57.059

They're also described in our regulations and then we talk about them in the guidebook.

SLIDE 37

357

00:50:00.599 --> 00:50:04.289

Talking about alternative compliance penalties.

358

00:50:04.289 --> 00:50:08.849

You all will know this from last week.

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00:50:08.849 --> 00:50:12.329

So DOEE adjusted the penalty scheme a little bit.

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00:50:12.329 --> 00:50:20.789

Essentially, the maximum penalty will be based on the gross floor area of the building as reported in the building's most recent district benchmark results and compliance report.

361

00:50:20.789 --> 00:50:24.239

We call that the benchmarking report generally.

362

00:50:24.239 --> 00:50:29.369

The single building maximum penalty will be no greater than 7.5 Million dollars.

363

00:50:29.369 --> 00:50:39.510

If the building is huge and they're maximum fine based on the 10 dollars per square foot more than 7.5 Million, they will max out at 7.5 million.

364

00:50:39.510 --> 00:50:45.719

Colleges and university hospital campuses also have a maximum penalty of 7.5 Million dollars.

365

00:50:45.719 --> 00:50:55.380

All of these maximum penalties will be adjusted proportionally based on the actual performance relative to the buildings pathway target.

366

00:50:55.380 --> 00:50:59.550

For alternative compliance pathway options those penalties will be outlined in the decision letter and will be no less stringent than the principal pathways.

367

00:50:59.550 --> 00:51:06.150

368

00:51:06.150 --> 00:51:12.480

And I'll talk a bit about some examples of what this looks like when we talk about adjusting the penalty.

369

00:51:12.480 --> 00:51:18.239

So scenarios that, and the other thing that we want to call out here is there are several scenarios that would automatically result in a maximum penalty amount

370

00:51:18.239 --> 00:51:22.769

371

00:51:22.769 --> 00:51:34.650

The 1st, being that information has not been just submitted to DOEE to determine compliance. So the building, for example, is following the performance pathway and they don't submit their district benchmark report in 2026.

372

00:51:34.650 --> 00:51:39.690

DOEE will automatically assume that they're not compliant.

373

00:51:39.690 --> 00:51:47.309

Building owners will get the full penalty building for withholding information or submit inaccurate information to DOEE

374

00:51:47.309 --> 00:51:57.630

Or the building owner knowingly implements an energy efficiency measure that reduces indoor environmental quality, or poses a threat to the health and safety of the occupant or user.

375

00:51:57.630 --> 00:52:00.900

Again, if a building owner does any of these 3 things we will issue a full maximum penalty

376

00:52:00.900 --> 00:52:04.349

SLIDE 38

377

00:52:06.119 --> 00:52:12.659

So, just to give you an example of what it looks like, if a building was sort of, on the performance pathway.

378

00:52:12.659 --> 00:52:17.849

So, maximum penalty for a building is 74,000 square feet.

379

00:52:17.849 --> 00:52:24.090

Multiply that by 10 dollars per square foot, you get a maximum penalty of 740,000 dollars.

380

00:52:24.090 --> 00:52:32.219

The target for that building owner was to achieve a 20% site reduction by the end of the compliance pathway.

381

00:52:32.219 --> 00:52:41.760

The adjustment factor is calculating using the percentage of site reduction achieved by 20%.

382

00:52:41.760 --> 00:52:55.619

The final penalty for this in this case. So, let's say the building achieves a 10% reduction. So its penalty is then reduced by 10 over 20.

383

00:52:55.619 --> 00:53:01.619

Which is 50%, so they receive a penalty of 370,000 dollars.

SLIDE 39

384

00:53:04.440 --> 00:53:10.980

Talking about the standard target pathway. It's a little bit trickier, but we're doing our best here to describe it.

385

00:53:10.980 --> 00:53:15.900

let's talk about the same building 74,000 square foot building.

386

00:53:15.900 --> 00:53:19.019

Has the maximum penalty of 740,000 dollars.

387

00:53:19.019 --> 00:53:23.760

What we propose and the 2nd proposed rulemaking, and within the guidebook.

388

00:53:23.760 --> 00:53:28.320

Is that a building on the standard target pathway would get 2 adjustment factors.

389

00:53:28.320 --> 00:53:32.070

The first recognizing their performance as they came into the pathway

390

00:53:32.070 --> 00:53:39.360

391

00:53:39.360 --> 00:53:43.409

So, let's say they would require less than a 20%.

392

00:53:43.409 --> 00:53:48.690

Reduction in source eui to meet their standard, right?

393

00:53:48.690 --> 00:53:52.500

It would receive an adjustment for its initial performance relative to the fact that the building starts 10 points away from the BEPS

394

00:53:52.500 --> 00:54:01.949

So that required a 20% source reduction equivalent in this property type.

395

00:54:01.949 --> 00:54:14.159

That would be 15 points away from the BEPS. Okay. That's just in the first factor.

396

00:54:14.159 --> 00:54:19.829

397

00:54:19.829 --> 00:54:27.869

So, they get an adjustment that's 33%. So they automatically get a 33% reduction.

398

00:54:27.869 --> 00:54:36.239

Then the 2nd, adjustment is sort of the savings achieved at the end of the compliance cycle divided by the savings required to meet the.

399

00:54:36.239 --> 00:54:40.530

So, for example, the building was required to get 10 point to meet the BEPS.

400

00:54:40.530 --> 00:54:48.300

They got 4 so then they get a further reduction of 4 out of 10, which is 40%.

401

00:54:48.300 --> 00:54:51.719

So, they got a 33% reduction and a 40% reduction on top of that

402

00:54:51.719 --> 00:54:56.190

Which brings the final penalty to 297,000 dollars.

SLIDE 40

403

00:54:56.190 --> 00:55:05.340

Talking about the prescriptive halfway. So again, we're looking at 74,000 square foot building.

404

00:55:05.340 --> 00:55:16.980

With a max penalty of 740,000 dollars. Their target is 25 points. If you don't know what I'm talking about. Please go read chapter 3 where we talked about the prescriptive pathway.

405

00:55:16.980 --> 00:55:26.519

The adjustment factor will be based on the number of points earned divided by the total needed.

406

00:55:26.519 --> 00:55:31.739

So, with this building, they completed 15 points worth of measures.

407

00:55:31.739 --> 00:55:38.460

408

00:55:38.460 --> 00:55:47.400

And so if penalty is reduced by 15 over 25, which is 60%, so they went from 740,000 dollars to 296,000 dollars.

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409

00:55:50.369 --> 00:56:04.074

Moving on from that this is a look at what we're talking about civil infractions. So you all can see at the very beginning of the compliance cycle. There is a requirement to select a compliance pathway.

410

00:56:04.434 --> 00:56:06.085

A building owner does not do that they will receive a 1000 dollar fine from DOEE

411

00:56:06.389 --> 00:56:13.949

I'll let you all review this not going to read through all of these.

412

00:56:13.949 --> 00:56:22.949

But essentially, these are sort of the reporting of verification requirements that building owners will have to do along the way, depending on what pathway you're on.

413

00:56:22.949 --> 00:56:26.880

Some of them on the right-hand side, you'll see apply to all pathways.

414

00:56:26.880 --> 00:56:31.139

And some of them are very specific to either the prescriptive pathway or the performance.

415

00:56:31.139 --> 00:56:37.650

416

00:56:37.650 --> 00:56:41.130

SLIDE 42

417

00:56:41.130 --> 00:56:46.860

So that goes through chapter 6 essentially, there are some appendices that are noted within the guidebook, which are A, B, C, D, and E.

418

00:56:46.860 --> 00:56:53.130

419

00:56:53.130 --> 00:56:56.250

Which spell out the compliance process flowchart.

420

00:56:56.250 --> 00:57:00.360

Occupancy thresholds as noted before our listed in appendix B.

421

00:57:00.360 --> 00:57:06.030

There's a couple of delay of complaints impact examples in appendix C.

422

00:57:06.030 --> 00:57:15.570

Appendix D, provides useful links for the building owner our whoever's reading the guidebook and then E is the list of definitions which align with the regulations.

SLIDE 43

423

00:57:35.159 --> 00:57:45.420

All of you can access all the things that we've released thus far.

SLIDE 44

424

00:57:46.590 --> 00:57:49.590

We also have a list of best practice links.

425

00:57:49.590 --> 00:57:56.190

So these are included here I think they're also included in the guidebook as well.

426

00:57:56.190 --> 00:58:02.429

And so these are sort of some of the best practices that we are trying to point people to so that they can understand how to meet our requirements

SLIDE 45

427

00:58:02.429 --> 00:58:13.469

There's also some partner links included to the building innovation hub the DC Green Bank, the DC sustainable energy utility.

SLIDE 46

428

00:58:13.469 --> 00:58:19.230

And then that's it, that's my presentation. I think we got a couple of questions.

Q&A

Question: are [the baseline adjustment examples] only applicable to those on the alternative pathway?

Answer: These are alternative compliance pathways - but they are an adjustment to one of the other pathways. For example, if you're on the performance pathway and need a baseline adjustment, the building would be placed on the ACP that will look very similar to the performance pathway with an adjusted baseline. In most cases these apply to performance based pathways but there are some situations (like previously completed EEMs) that might be applicable to the prescriptive pathway.

Question: Is the applicant supposed to propose a baseline adjustment calculation or will DOEE?

Answer: The building owner should propose the adjustment following the guidance issued by DOEE. There are two types of baseline adjustment: baseline year shifts and EUI modifications. The applicant will need to propose the type of adjustment, and in the case of baseline EUI modification, also propose the modified EUI and calculation for it.

Question: what is the timeline to pay if buildings are assessed penalties?

Answer: This has not been established yet.

Question: What about another pandemic, say three years from now - would this qualify as eligible circumstance justifying a delay in compliance?

Answer: The specific delay related to the pandemic is only in regards to the current public health emergency. We assume other delay criteria will cover most circumstances, however we will always continue to assess and listen to the concerns of the building community

Question: For properties that were exempt from benchmarking in 2019-2020, but have been deemed subject to BEPS, how do they seek the one year PHE extension?

Answer: They should email DOEE to demonstrate that they consumed energy during the public health emergency

Question: Has an extension been granted for Comments on the Guidebook?

Answer: Based on feedback from stakeholders (BEPS TF chairs), we have proposed a 30-day extension to the comment period, to total 60 days.

Question: For these same properties, how does 4.3 make sense? They do not have a baseline, so how can you choose a pathway? If you need to wait a few years for the baseline EUI to be established, then does that property still get 5-6 years to achieve compliance?

Answer: The Standard Target Pathway does not have a baseline so these buildings just need to meet the standard.

Question: Why are these properties not exempt, but properties that complete C&S renovations during the cycle are exempt? Seems like completing the improvements during the benchmarking period should be viewed in the same way.

Answer: There is no provision of the CEDC Act that allows DOEE to exempt these properties.

Question: Why are office buildings and market rate multifamily excluded from EDER? (4.2.2)

Answer: If they were in financial distress during the public health emergency then they can apply to us this pathway

Question: Why is a \$1,000 fine necessary for the failure to select? Why not just default non-responders to the Performance Pathway?

Answer: DOEE proposes a penalty for failure to select on a timely basis. Please file any comments.

Question: How does a building owner get an independent review of an assessed penalty or fine?

Answer: If the penalties and fines go to enforcement, they can be appealed to the Office of Administrative Hearings.

Question: 2.7 "All buildings that are issued a new building core and shell certificate of occupancy from DCRA b/w 1/2/21 - 12/31/26 are not subject to BEPS" So am I confused if I think this makes those buildings exempt?

Answer: This exempts again any new construction property with a core and shell certificate of occupancy issued after the BEPS establishment. All buildings issued one beforehand are subject to the BEPS.

Question: Is the campus pathway considered an ACP?

Answer: The campus pathway is covered by the standard target pathway or the EDER ACP Option

Question: has there been any further clarification on mixed use multifamily properties? As to what their standard will be? E.g. if a condominium has a few commercial tenants, are they still required to hit an ES of 66 on the standard target?

Answer: The standards for buildings meeting the Portfolio Manager definitions for Mixed Use and Multifamily Housing have already been set. So to your example, yes. Building owners who have buildings where no single property use type makes up more than fifty-percent (50%) of the overall building gross floor area] should submit a variance request form by Jan 1, 2022.

Question: Guidebook page 15, footnote 16 - references DCMR 3520.5(d). I do not think that 3520.5(d) exists. Do you know what this footnote meant to reference?

Answer: It should be 3530.5(d)

Question: can you restate where to find details on the variance request?

Answer: Variances are laid out in the BEPS Establishment regs., 3530. Also <https://doee.dc.gov/node/1538821>

CLOSE OF MEETING