

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Energy and Environment



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

TF Attendees: Matt Praske, Jen Croft, Asa Foss, Marshall Duer-Balkind, Dave Good, Joe Reilly, Adrian Gross, Anica Landreneau, Patti Boyd, Reshma Holla, Jessica Jones, Katie Bergfeld, Jay Wilson, Todd Nedwick

1. Administrative Items

- a. Swearing in of Task Force Members - MOTA unable to attend today, will follow-up on email about email address
- b. Review Decision points from last week

Task Force Decision: Save all current decision points until after Feb 4 meeting

- c. Cost/Benefit Study - RFA released Jan 31. Link included [here](#).
- d. Creating sub-committees
 - i. Public sector – Creating sub-committee;
 1. Will discuss equivalent metric (applies to 50% of DGS portfolio) and situation where District owns 10%% of a property type group.
 2. If your company would bid on the SEMP later in 2020, do not attend this group.

Task Force Decision: Jen Croft to take lead on sub-committee and will reach out to several client agencies to add additional non-TF members.

- ii. Vacancy – Creating sub-committee;
 1. Definition of what is a vacancy when it comes to BEPS compared to benchmarking (at least 1 FTE is in building during the 12 months).
- iii. 5% issues (equivalent metric and custom property type groupings)

Task Force Decision: Waiting on results of public building sub-committee to see if this group is necessary.

- iv. Others? None at this time

Task Force Decision: Decided to form Public sector and Vacancy subcommittees. Will discuss offline to coordinate meetings

2. Penalties and Enforcement

a. Reviewed Working Group feedback

- i. Working groups preferred fines based on square footage - Discussion about monetary fines using per sq. ft. (versus) % of assessed value (versus) per BTU.
- ii. Most building owners look at metrics on a per-square foot basis. Multifamily uses "per unit" more often.
- iii. Group likes fines based on square footage and equity issues – square footage not necessarily a fair representation – tie fine to assessed value of building?
- iv. Utility budget or BTU difference?
- v. DOEE has ability to settle or reduce fines after assessment, on a case-by-case basis.
- vi. Maybe calculation is assessed value but then translated to owner by square foot.
- vii. Use square footage as defined in ENERGY STAR portfolio manager report or based on OTR data?
- viii. Working groups preferred distance from standard in EUI terms to determine fine – TF liked distance from the goal or "how close you got to your target."

b. Reviewed NHT/HAND affordable housing recommendations

- i. Consider robust appeals process from St. Louis BEPS
- ii. Examine how to remove barriers rather than penalize non-compliance
- iii. Examine ideas for all non-profits or single building owners that have restrictive capital resources

c. Reviewed NYC case study (\$268/ton over cap)

- i. Problem with fine structure of audit law was that building owners were just paying fine instead of getting audit done.
- ii. Fine was sometimes cheaper for larger buildings.

d. Reviewed fine structure from other benchmarking + cities -

Washington State up to \$1/sq.ft. (scale and incentive for newly constructed buildings for have low EUI);

- i. will have a \$0.85/sq.ft. incentive for buildings that exceed the target
- e. Reviewed Non-financial ideas
 - i. Idea presented of not being able to receive funding from DC programs? (DC's Clean Hands database)
- f. Notes
 - i. Set up building owners for success in next compliance round; have it be an incentive rather than a punitive feeling
 - ii. NYC has different levels of fines; if you don't report = level one fine; if you report inaccurately = level two fine; if you don't comply = level three fine
 - iii. DC utility costs around \$2-3/sqft
 - iv. Concern about buildings spending money on upgrades and still not meeting the standard so they have to pay some type of fine anyway
 - v. Needs to be further discussion on what to do with tenant / owner relationship and who the responsibility should be placed on
 - vi. Need to discuss tenant pass-through (language to use for penalties so landlord can possibly pass through fines). Many commercial groups can have capital costs passed through to tenants. Tenants of buildings (especially those in existing leases) do not participate in the reductions even though sometimes they are solely in charge of energy in space
 - vii. Decision point – timing (one-time fee at the end of compliance period)

Task Force Discussion: Further research requested – build case study scenarios with per/sq.ft, distance from goal, etc.

3. Exemption Criteria and Process
 - a. Review of NHT/HAND affordable housing recommendations
 - b. Review Existing exemptions with Green Building Act (GBA)
 - i. Mostly unique cases so that buildings/projects can be looked at a case by case basis, potentially by a separate body (similar to Green Building Advisory Council)
 - ii. Do not usually completely exempt entire building but agree upon an alternate compliance pathway so that they somehow meet the law

- iii. Would need to be a transparent and fair process
- iv. Delays for compliance/exemptions may be considered
- c. Review exemption structure from other benchmarking + cities

Task Force Discussion: Further research requested – St. Louis’s proposed structure

- 4. Next Meeting Topic Review (Feb 18)
 - a. Possible Decision points
 - i. Penalty Structure? Look at different scenarios based on different metrics – use a couple of example buildings from benchmarking data – look at NYC cost/ton as reference – say in 2021 (this could be your fine if you do nothing) – idea around 2nd cycle being a higher fine if the building paid the fine in the 1st cycle.
 - ii. Non-financial penalties?
 - iii. Exemption criteria?
 - b. Will be revisiting previous topics
 - i. Performance pathway
 - ii. Alternative compliance pathways
 - iii. Standard setting for low performing groups
- 5. Bike Rack review
 - a. Add occupancy threshold for BEPS (creating sub-committee)
- 6. Announcements
 - a. Feb 11 events – IFMA/USGBC event sold out; AIA/GHT event almost full
 - b. IMT communications associate [position](#) open
 - c. DCSEU has multiple positions [open](#)
 - d. DOEE Benchmarking/BEPS Database RFP still [open](#)