

DC'S NEW BUILDING ENERGY PERFORMANCE STANDARDS

Monthly Update
February 25, 2021



AGENDA

- Updates on the timeline of program implementation
- Present the basic framework of BEPS
- DC Green Bank presentation
- Q&A

BEPS RULEMAKING



- <https://www.dcregs.dc.gov/Common/NoticeDetail.aspx?NoticeId=N100436>
- Extended public comment period – due EOD **March 4, 2021**
- See DC Register link for instructions to submit comments (through USPS mail or email at info.beps@dc.gov).
- December 15 and January 28 Presentations and Q&A available here: <https://doee.dc.gov/node/1436881>

BEPS PROGRAM TIMELINE



- Standards effective January 1, 2021
- Public comments on BEPS rulemaking due **March 4, 2021**
- For buildings that do not meet the Standard, the first action of selecting a Compliance Pathway (according to proposed rules) is not due until February 1, 2023. Please refer to BEPS proposed rulemaking for more information.
- Task Force meetings are now every 4 weeks, next is **March 2:**
<https://doee.dc.gov/node/1436891>
- Will continue monthly update webinars until rules are final

2023 CONSTRUCTION CODE DEVELOPMENT

- Construction Codes Coordinating Board is **commencing a new code development cycle** (goal is 2023 adoption)
- **Proposed changes** to model codes in the box are requested **by March 29, 2021**
- Information on how to participate is available in the DC Register posting at <https://www.dcregs.dc.gov/Common/NoticeDetail.aspx?NoticeId=N103202>

- 2021 International Code Council (ICC) suite: (including **2021 IECC for Residential Energy Code**)
- 2020 National Electrical Code
- **ASHRAE 90.1-2019 for Commercial Energy Code**
- 2021 IgCC has not been released yet, so development of the DC Green Construction Code has not commenced yet


BENCHMARKING 101

Clean and Affordable Energy Act of 2008 requires all private and DC-owned buildings to report their calendar year (CY) energy and water use to the DOEE for public disclosure by **April 1** annually.

DOEE hosted a webinar on Feb. 23 on adjusting your property use details for 2020. Recording link: <https://youtu.be/oSjqPHOl2xk>

Covered Building List

- ❑ CY2009 and on – DC-owned buildings > 10,000 sq. ft.
- ❑ CY2013 and on – Private buildings > 50,000 sq. ft.
- ❑ **CY2021 and on – Private buildings > 25,000 sq. ft.**
- ❑ CY2024 and on – Private buildings > 10,000 sq. ft.



DOEE offering additional assistance to buildings 10-50K if they voluntarily benchmark early!

Third Party Data Verification Required

- ❑ Beginning CY2023 and every three (3) years etc.

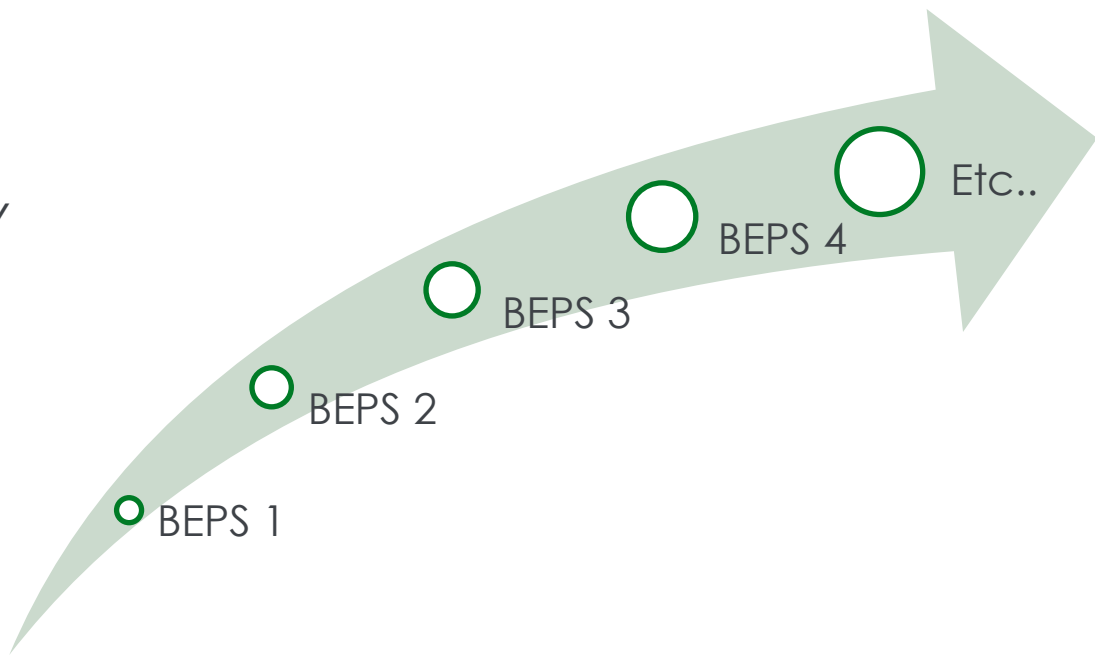
WHAT ARE BEPS?

On January 1, 2021, DOEE established building energy performance standards, a minimum threshold of energy performance that is “no lower than” the local median ENERGY STAR Score (or Source EUI) by property type.

BEPS 1:

Private buildings >50,000 sq. ft.
and DC-owned >10,000 sq. ft.

Standards are set
every 6 years

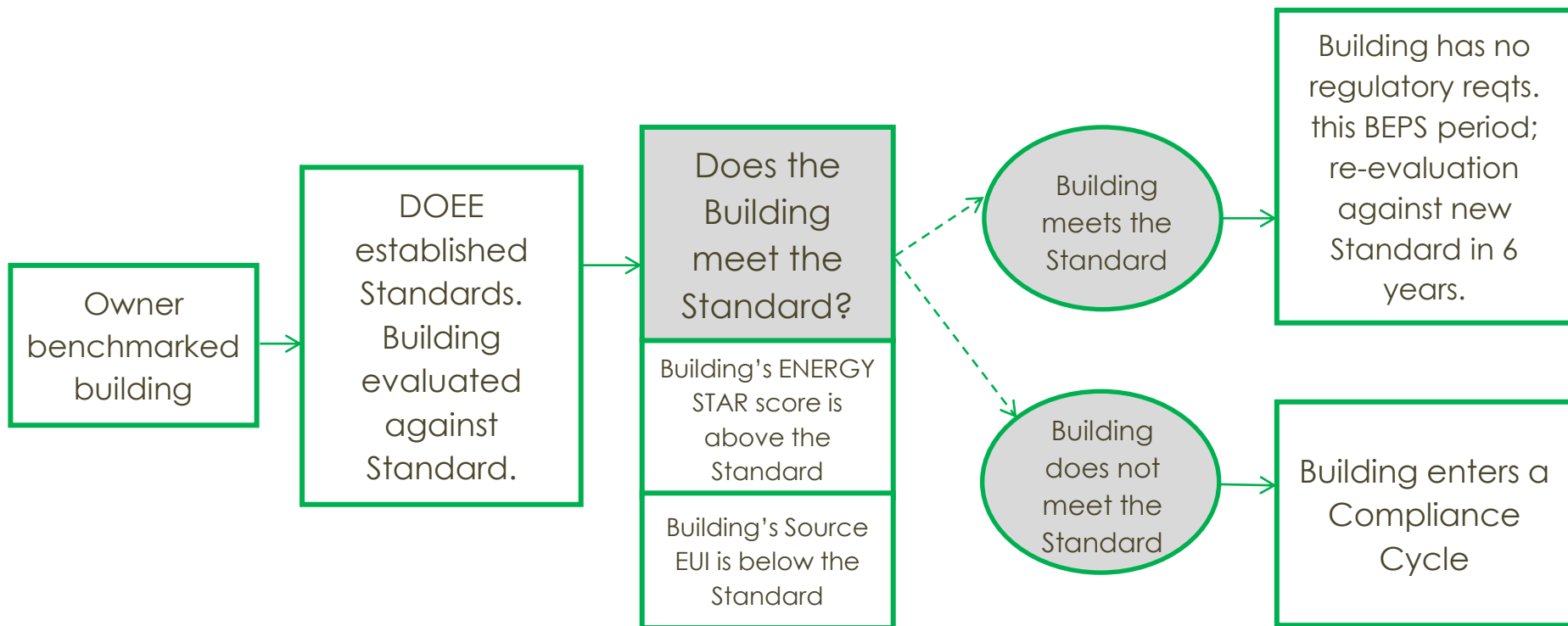


STANDARDS TABLE SAMPLING

The bolded property types account for more than 80% of DC's buildings over 50K

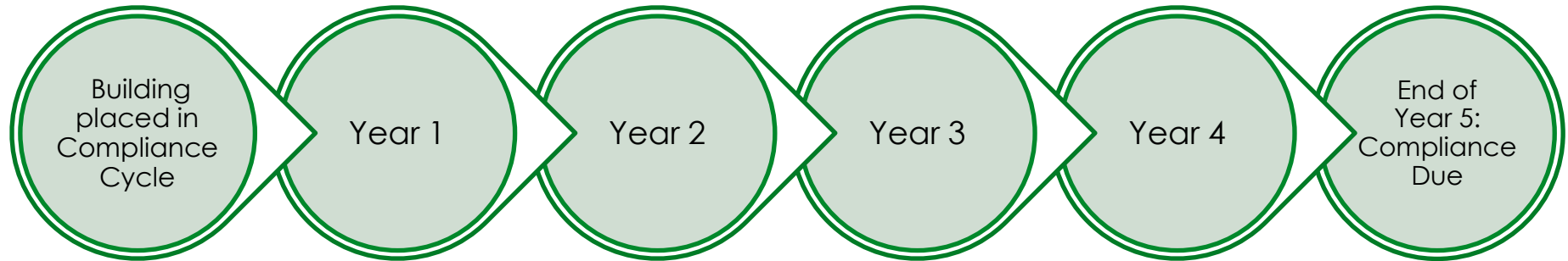
Property Type	Metric	Standard Level	Standard
Multifamily Housing	ENERGY STAR Score	Local Median	66
Office	ENERGY STAR Score	Local Median	71
K-12 School	ENERGY STAR Score	Local Median	36
Hotel	ENERGY STAR Score	Local Median	54
Other - Public Services	Source EUI	Local Median	229.4
Residence Hall/Dormitory	ENERGY STAR Score	Local Median	56
Non-Refrigerated Warehouse	ENERGY STAR Score	Local Median	19
Retail Store	ENERGY STAR Score	Local Median	64
Self-Storage Facility	Source EUI	Local Median	21.2
Worship Facility	ENERGY STAR Score	Local Median	17
Medical Office	ENERGY STAR Score	National Median	62
Fitness Center/Health Club/Gym	Source EUI	National Median	206.6
Hospitals	ENERGY STAR Score	National Median	50

STANDARD EVALUATION



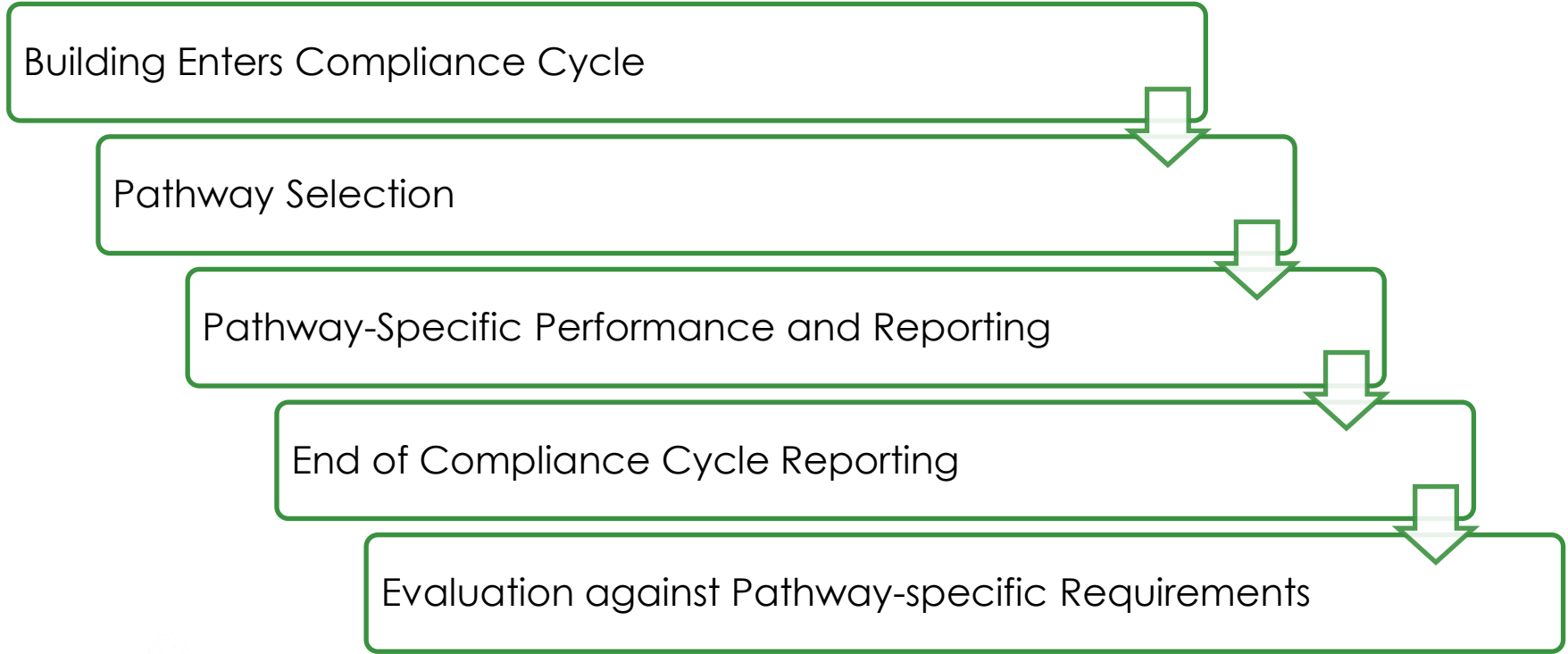
COMPLIANCE CYCLES

Buildings that do not meet the Standard for a BEPS Period will be placed in a 5-year compliance cycle. The building owner has until the end of the cycle to bring their building into compliance.

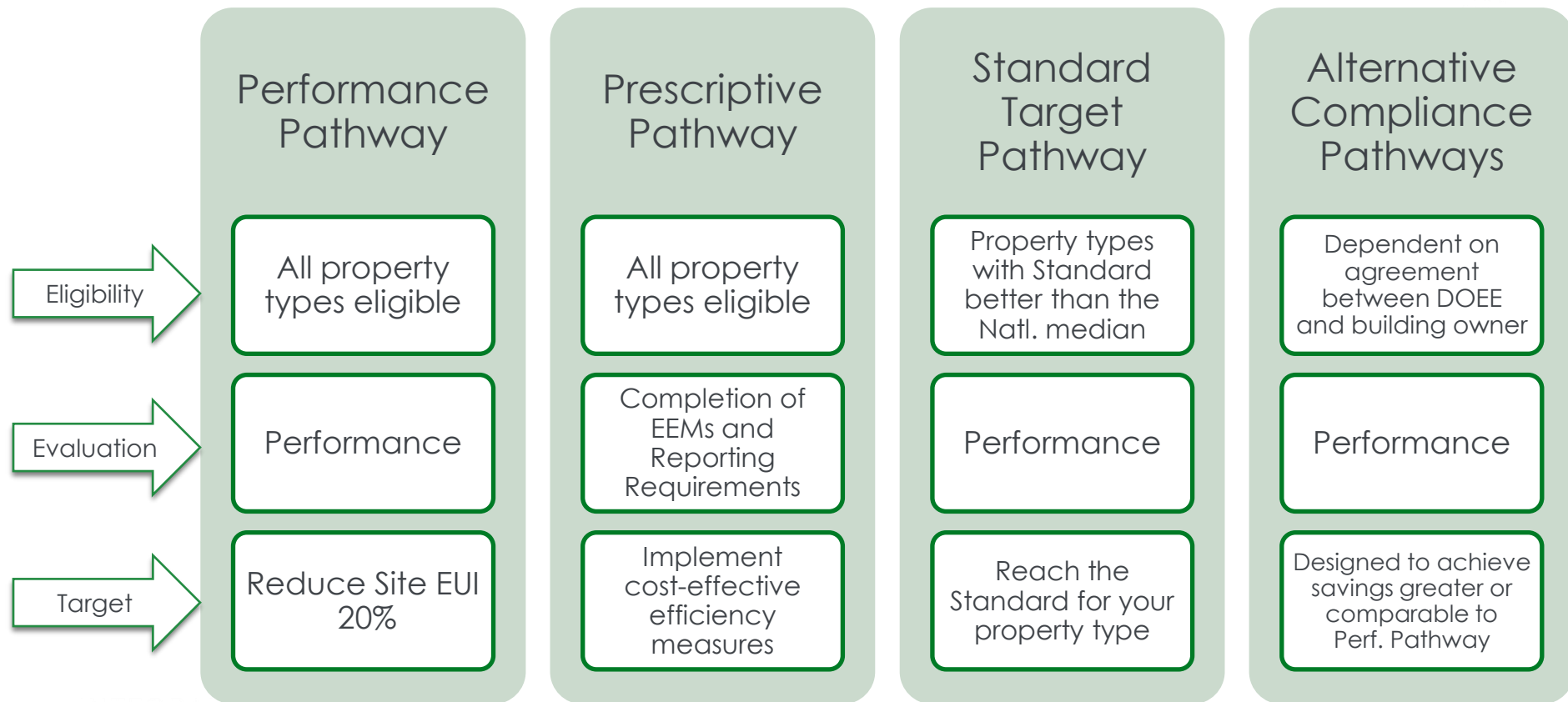


* Proposed COVID-19 PHE adjustment – automatic delay of the BEPS compliance requirement one year ★

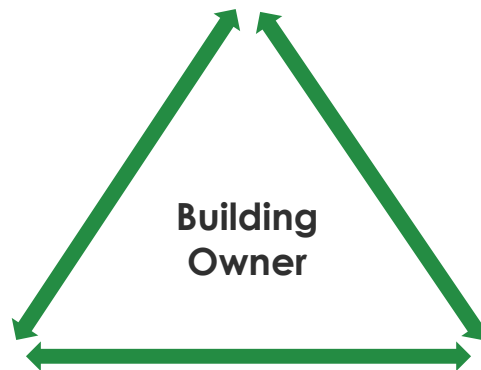
COMPLIANCE PROCESS



COMPLIANCE PATHWAYS



ALIGNMENT: ASSISTANCE, INCENTIVES, FINANCING





DCGB and BEPS

2.25.2021

DC Green Bank Origin Story

- DC Set Its Goal to Cut Greenhouse Gas Emissions by 50% by 2032, Through Reduced Energy Use and Increasing Renewable Energy
- DC Green Bank was Launched in 2018 Under the Leadership of Mayor Bowser and the DC City Council
- DC Green Bank Fills Financing and Information Gaps and Accelerates Impact by Deploying Capital to Sustain a Just Transition to a Clean Economy



Vision, Mission, and Values

Vision: A Thriving Clean Economy for All DC

Mission: Providing Access to Capital, Growing the Clean Economy to Develop a More Equitable, Resilient, and Sustainable DC



Sustainability



Clean Economy



Inclusive Prosperity

DC Green Bank Focus Areas



Financial Products

- Solar Development and Construction Loans
- Commercial Loan for Energy Efficiency and Renewables (CLEER)
- DC PACE
- Pre-Development Loans
- Green Affordable Multifamily Housing
- Pilot and Structured Products



Accelerating Solar Deployment



Considerations for Corporate Market Offtake

The Challenge:

- Corporate offtakers looking to procure 100% renewables AND make a local impact / inclusive prosperity
- Developers and traditional SREC brokers wary of too much new-build that could affect the price of SRECs
- Potential partnership would link long-term off-takers with developers/investors/operators by agreeing to a bundled energy/SREC long-term purchase agreement

Potential Benefits:

- Support for 100% renewable energy, growing local solar as a component
- Increased jobs for local contractors and developers
- Increased revenue for local property owners (incl. non-profits and affordable housing)
- Ramp-up of CREF program
- Ability to achieve climate impact without affecting projected SREC curve

Solar For All 2020

Partnership with Flywheel Development, a DC-based Sustainable Development Company

8 Sites for the Deployment of Solar

- The Flywheel portfolio will provide low-cost electricity to low and moderate income (LMI) households for the next 20 years
- This partnership was developed as part of the District's Solar for All Program
- Project's planned financing with commercial lenders was put on hold due to COVID-19
- The portfolio includes \$1.78 million in loans for rooftop solar production
- Created 28 full-time equivalent clean energy jobs during construction



Flywheel Portfolio at Walter Reed

Example: Abrams Hall Solar Installation

- 470 kW solar installation at the Abrams Hall Building, home to 130 seniors and formerly unhoused veterans
- Project's planned financing with commercial lenders was put on hold due to COVID-19
- Flywheel is a local DC company, ramping up its capacity to seek financing from conventional sources of capital
- DC Green Bank was able to support the deal to ensure that construction could proceed before rebate funds expired



CLEER: Commercial Loan for Energy Efficiency and Renewables

Key Terms	Eligible Borrowers	Eligible Projects	Use of Proceeds
Between \$10,000 and \$250,000, higher amounts considered on a case-by-case basis	Existing Commercial/Multifamily Buildings	Energy Efficiency Improvements including retrofits and renovations	Projected 15% or greater energy savings from current status and prescriptive measures
2 – 12 year terms	Commercial/Industrial Tenants	Renewable Energy Improvements	70% or greater for Energy Efficiency & Renewables costs
No prepayment penalties	Condos, Coops, HOAs	Work performed by an Authorized Contractor	30% of costs financed may be for related building upgrades
	Nonprofits		

To learn more, please visit us at www.dcgreenbank.org/cleer-financing

Why CLEER?

Fast Action

- Montgomery County Green Bank Cleared the Way and Supported Our Journey

Simplicity for District and Regional Contractors

- Given the Regional Overlap in Partners, CLEER Provides a Familiar Solution for Contractors and Lenders

Fit-for-Purpose to Support Building Energy Performance Standards (BEPS)

- BEPS Are a Key Piece of the District's Sustainability Plan and 2032 and 2050 Climate Goals



DC PACE: Property Assessed Clean Energy

Overview

- DC PACE is a financing product developed through a partnership between the District Department of Energy and the Environment (DOEE) and Urban Ingenuity.
- Property Assessed Clean Energy (PACE) is a mechanism that enables private lenders to finance building upgrades and new construction of high-performance buildings.
- Property owners can implement enhancements without large upfront costs, and typically repay them over 15 or 20 years along with the property tax bill.



Navigator Pre-Development Loan

Overview

- In partnership with Inclusive Prosperity Capital focused on commercial and multifamily properties. Supports well-designed energy savings projects, including:
 - Energy audits and benchmarking
 - Green charrettes
 - Engineering
 - Bidding work
 - Other energy-related design and financing costs
- Loans from \$10,000 - \$250,000 (higher on case-by-case basis) with a standard term of 24 months
- Interest rates range from 1.99% for affordable multifamily properties to 3.99% for market-rate properties



Community Engagement Pilot

Overview

- Community-based institutions serve a critical function across the District and we cannot leave them behind on the pathway to a clean energy and energy efficient future.
- DC Green Bank is engaging with District nonprofits, houses of worship, and other community-based organizations to develop tailored financial support to make necessary upgrades, improvements, and replacements.
- This flexibility may often be the difference between replacing failed equipment with the least cost alternative or transitioning to cleaner and more efficient systems.
- At present, we are engaged with more than 20 community institutions to assess this need and to build out templates for additional financing.



Open Request for Proposals

Overview

- DC Green Bank aims to meet the demand for clean energy and energy efficiency upgrades across the District within our four focus areas and in line with our core values.
- We welcome proposals through our Open RFP process that bring innovative ideas that may not be able to access our other financing products and initiatives.
- Specifically calling for proposals for larger projects, over \$250,000.
- For more information, visit dcgreenbank.org/open-request-for-proposals/





Thank You.

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LEARN MORE!

doee.dc.gov/service/BEPS
info.beps@dc.gov
info.benchmark@dc.gov

- Attend a BEPS Task Force meeting
- Attend a future education session (search DOEE in EventBrite)
- Submit public comments on the rules
- Check out the [Building Innovation Hub](#) and their events
- Join us for the next update on [March 25!](#)
- Tell your friends/coworkers/clients about BEPS