


Green Building Task Force

Existing Building Committee Policy Review


Peter Erickson, Cascadia Consulting Group
 Amanda Eichel, Seattle Office of Sustainability & Environment

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Voluntary or Mandatory Disclosure

Historical Energy Use	Owners report utility data for a specified time frame
Building Energy Performance Checklist	Properties could be subject to a prescriptive checklist rating to determine their overall energy performance. Properties would be rated according to the number of cost-effective measures present at time of disclosure
Building Energy Performance Rating/Label	Residential owners would conduct a home energy audit and provide results as an energy performance label or score. Non-residential owners would use a benchmarking or performance tool such as EPA's Portfolio Manager.



Single Family Residential

- o Energy performance rating would provide greatest value for homeowners and buyers
- o Standardization in terms of rating, application, & education is key to success
- o Differing levels of support for voluntary and/or mandatory disclosure
- o Inspection might be the most appropriate place to integrate disclosure / energy audit
- o Must be low cost and easy to implement
- o Consider workforce implications

Multi Family Residential

- Prescriptive checklist approach makes the most sense for multi-family residences
- Disclosure at every point in a lease, to monitor ongoing performance
- Cost of disclosure should be borne by the owner, rather than tenants
- Consider where 2-4 unit buildings fit – condos may fit better with single family
- Could be a specific requirement for boiler tune-ups tied to annual safety inspections

Commercial/Institutional

- Measurement/disclosure is important first step
- Performance rating provides the highest value of information to owners and prospective buyers
- Utilities should be required to provide data in a format compatible with reporting (e.g. CA's AB 1103)
- Rating must be regularly updated to encourage continuous improvement
- Must be way to recognize early actors and establish baselines for different building types

Funding Sources

Low Interest Loans	Establish a partnership with local lenders to provide low-interest loans to residential and/or commercial property owners for targeted efficiency upgrades
Private Financing Pool	A pool of capital established by private investors to provide loan funds for energy efficiency projects
Energy Efficient Mortgages	Owners would be guaranteed better terms in exchange for investment in energy efficiency improvements
Energy Efficiency LIDs	One model for a public financing pool: publicly issued assessment revenue bonds to provide low interest and assignable financing streams for energy efficiency upgrades
Bond Issue	Another model for a public financing pool: city revenue or general obligation bond issue to finance energy efficiency upgrades

Is Lack of Financing a Barrier?

- Financing is truly a barrier in the residential sector
- In non-residential sector, both "free money" and "cheap money" are needed.
- Cheap money is becoming increasingly scarce
- Mechanisms must consider the "split incentive" such that costs and benefits are borne by the same entity
- Biggest challenge is that energy costs (rates) are too low to create real incentive for investment in conservation

Other Financial Incentives

Energy Efficiency Tax Credits	Owners who complete some designated level of energy efficiency upgrade would be eligible for a tax credit for the "lifetime" of the measure(s)
Energy Efficiency Fee-bate	A "fee-bate" could be tied to either prescriptive or performance efficiency requirements, such that those falling below the minimum would pay a fee, the fee would be waived for those meeting the minimum threshold, and those owners exceeding minimum requirements would receive a rebate.

Incentives – Application and Alternatives

- Modified Feebate: system benefits charge used to fund efficiency upgrades
- Should apply not only to electricity but also gas, oil and steam
- Any incentive will need to cover capital side of owner's obligation
- Public Utility Tax provides most direct link to behavior attempting to incentivize
- Alternatives:
 - Holiday from Code as Baseline: 2-year holiday on code as a baseline for assessing incentives
 - Focus on appliances and lighting

Innovative Repayment Mechanisms

Add-on to Property Taxes	Financing for energy efficiency upgrades could be paid back as a special assessment on the owner's property tax bill. This repayment mechanism ensures that the loan repayment remains with the building, not the property owner
On-Bill Financing	City Light (or potentially PSE) could facilitate the repayment of loans for efficiency upgrades on utility bills

Possible Repayment Mechanisms

- May be more fair to renters to attach repayment to property taxes
- Treating repayment as a lien on property might further increase fairness
- On-bill financing could be complicated if building is served by more than one entity
- On-bill financing does have a direct link to energy use of a structure

Voluntary or Mandatory Upgrades

Prescriptive Requirements	Properties would be required to achieve a list of energy efficiency upgrades established so as to achieve a minimum level of cost effective energy efficiency comparable to the 20% target.
Performance-based Requirements	Owners would be required to meet a minimum level of energy performance based on a chosen rating/labeling system (e.g., 20% better than baseline, ENERGY STAR, etc.)

Single Family Residential

- Any requirements should be based on performance, rather than a prescriptive list, to allow greater flexibility
- Disclosure could be used to move the market without requiring upgrades
- Create incentives for early action and keep requirements simple
- Exemptions or special considerations for low-income owners, historic buildings, and "energy hogs"
- Consider impacts on affordability of Seattle housing market

Commercial / Institutional

- Mandates might be difficult to administer
- Consider priming the market with incentives – let the market decide what upgrades should be required
- Voluntary measures may not achieve target – could there be a way of phasing in requirements?
- Mandate for public buildings might be a good place to start – City should lead by example

POLICIES	ASSESSMENT CRITERIA			
	Energy Efficiency Potential	Economic Benefit	Cost of Policy Implementation	Administrative Feasibility
DISCLOSURE				
Historical Energy Use	★	★	★★★	★★★★
Performance Rating/Label	★★★★	★★★★	★★★	★★
Performance Checklist	★★★	★★★★	★★★	★★★★
FINANCING				
Low-interest Loans	★★	★★	★★	★★★★
Private Financing Pool	★★	★★	★★★★	★★
Public Financing Pool - LID	★★	★★	★★★★	★★
Public Financing Pool - Bond Sale	★★	★★	★★★★	★★★
Energy Efficiency Mortgages	★★★	★★★	★★★★	★★
INCENTIVES				
Energy Efficiency Tax Credit	★★★	★★★★	★★	★★
Energy Efficiency Feebate	★★★★	★★★★	★★★	★★
Add-on to Property Taxes	★★★	★★	★★★★	★★★★
On-bill Financing	★★	★★	★	★★
UPGRADES				
Prescriptive Requirement	★★★★	★★★★	★★★	★★
Performance Requirement	★★★★★	★★★★★	★★★	★★

Existing Buildings Committee - Policy Preferences

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	SINGLE-FAMILY	MULTI-FAMILY	COMMERCIAL
Disclosure Historical Energy Use Performance Rating Performance Checklist	Maximum Conservation Potential Performance Rating Performance Checklist Easiest to Implement Performance Checklist Historical Energy Disclosure Stakeholders' Preference Performance Rating	Maximum Conservation Potential Performance Rating Easiest to Implement Historical Energy Disclosure Stakeholders' Preference Performance Checklist	Maximum Conservation Potential Performance Rating Easiest to Implement Historical Energy Disclosure Stakeholders' Preference Performance Rating
Financing Low-interest Loans Private Financing Pool Public Financing Pool - LID Public Financing Pool - Bond Sale Energy Efficiency Mortgages	Maximum Conservation Potential Energy Efficiency Mortgages Easiest to Implement Low-interest Loans (but expensive) Bond Sale Stakeholders' Preference All, especially Low-interest Loans and Mortgages	Maximum Conservation Potential [All Similarly Beneficial] Easiest to Implement Low-interest Loans (but expensive) Bond Sale Stakeholders' Preference All	Maximum Conservation Potential [All Similarly Beneficial] Easiest to Implement Low-interest Loans (but expensive) Bond Sale Stakeholders' Preference All, especially Private Financing
Incentives Energy Efficiency Tax Credit Energy Efficiency Fee-bate Add-on to Property Taxes On-bill Financing	Maximum Conservation Potential Energy Efficiency Fee-bate Easiest to Implement Add-on to Property Taxes Stakeholders' Preference On-bill Financing Energy Efficiency Tax Credit	Maximum Conservation Potential Energy Efficiency Fee-bate Easiest to Implement Add-on to Property Taxes Stakeholders' Preference Energy Efficiency Tax Credit Add-on to Property Taxes	Maximum Conservation Potential Energy Efficiency Fee-bate Easiest to Implement Add-on to Property Taxes Stakeholders' Preference Energy Efficiency Tax Credit Modified Efficiency Fee-bate
Upgrades Performance Requirement Prescriptive Requirement	Maximum Conservation Potential Performance Requirement Prescriptive Requirement Easiest to Implement Prescriptive Requirement Stakeholders' Preference [None - general (but not universal) opposition]	Maximum Conservation Potential Performance Requirement Easiest to Implement Performance Requirement Stakeholders' Preference [None - general (but not universal) opposition]	Maximum Conservation Potential Performance Requirement Easiest to Implement Performance Requirement Stakeholders' Preference [None - general (but not universal) opposition]
