Seattle
Office of Sustainability
& Environment

BEPS Stakeholder Engagement Summary

May 30, 2023 Update

Contents

Introduction

OSE is responsible for developing a building emissions performance standard policy with community input for the Mayor's and City Council's consideration. This **document summarizes the more than 125 stakeholder meeting**s, advisory group meetings, and webinars between late 2021 to May 2023. In addition, OSE has received both comment and support letters, and more than 100 comments or questions were emailed to OSE or conveyed by phone during this timeframe.

The BPS stakeholder engagement has been conducted in two broad phases:

- **Phase 1 – Stakeholder Engagement Prior to Policy Proposal:** This phase, through June 2022, included OSE's two online open houses attended by **about 550 people in total**, six technical advisory group meetings, and six meetings of the Housing Development Consortium's affordable housing task force. OSE also met with climate advocates, labor organizations, building owners, building professionals, government partners, and utilities. This included equity focused engagement with non-profit owners, community-based organizations, and engaging residential tenants.
- **Phase 2 – Focused Stakeholder Engagement to Refine Draft Policy:** This phase, from July through Mid-May 2023, included two online webinars, **attended by about 330 people in total** that shared details about the draft greenhouse gas intensity targets and an overview of the proposed policy. OSE also reached out to stakeholders on specific aspects of the draft policy for feedback. This feedback has led to updates that will be incorporated in the final policy draft.

The following broad themes emerged from the stakeholder process:

- **Timing** – communicate targets now to provide long lead time for owners to plan and the labor workforce to grow and transition.
- **Flexibility** – create a streamlined but flexible policy to allow for diversity of compliance needs by ownership and building types.
- **Support** – increased financial incentives, lower interest financing and robust technical help are critical for all types of owners and buildings – and to successful BEPS policy implementation.

Phase 1 - Engagement Prior to Policy Proposal (Late 2021 - July 2022)

Open Houses

Online Open House – April 5, 2022

OSE's event was **attended by about 350 people** and OSE received about 80 comments and questions, most for more details about the policy, or questions on how to reduce emissions, and available incentives or support. Seattle City Light staff participated to address questions about the electric grid and their programs. *More details:*

- Open House Recording and Slide Deck
- Summary of Questions and Answers

Online Open House – June 16, 2022

This 2nd open house, **attended by about 200 people**, provided a brief policy background and update on work to date and shared highlights of stakeholder feedback received on developing a BPS policy. OSE also shared the Draft Seattle BPS policy framework for the regulations, the updated policy timeline, and took comments and questions on the draft policy framework.

- Open House Recording and Slide Deck
- Summary of Questions and Answers

Advisory Group Meetings

Technical Advisory Group (TAG)

The 16-member TAG (view member roster) was primarily comprised of buildings owners/managers in the private, institutional, and multifamily sectors (affordable and market rate), as well as service providers and engineers. The TAG also includes representatives from the MLK Labor Council, Seattle City Light, NW Energy Coalition and Northwest Energy Efficiency Council. *Top takeaways:*

- *Clarity and avoidance of regulatory overlap:* Keep the Seattle BPS clear and certain. Energy efficiency is important, but don't duplicate state's energy mandate. Focus on onsite fossil fuel use and district systems and include energy targets only where not covered at State level. Clean Energy Transformation Act will ensure carbon neutral electric utilities statewide. Avoid regulatory overlap for refrigerants and indoor air quality, but recognize they both can be addressed through implementation, support, or training.
- *Timing:* Owners want to know the targets soon to allow for long term planning.
- *Support:* Provide strong support – both technical and financial, especially for smaller buildings and affordable housing. Avoid costs trickling down to tenants. Reinvest fines towards incentives. Consider opportunities for solar.
- *Technical highlights:*
    - Create emissions targets by building type that get stronger every five years (five-year compliance cycles), but also allow an alternative path to compliance for buildings to have customized targets.
    - Emissions targets should account for occupancy density of buildings, especially for affordable housing (more people per square foot).
    - Allow owners of multiple buildings, especially public and nonprofit entities, to comply at a portfolio scale.
    - With the right resources, multifamily and smaller nonresidential (<50K SF) can be included in the first compliance interval in 2026-2030, after the largest buildings. Pushing out the first compliance date until 2031-2035 compresses the time to upgrade.
    - Extensions for uses like food service and life science/labs or for specific technologies are important and should be considered during rulemaking. Historic buildings too.
    - Consider a smaller emissions reduction increment for first compliance interval (2026-2030).
    - Keep planning / reporting requirements concise but useful to OSE and owners – informative, not exhaustive.
- *Other*: Don't ignore smaller buildings, including single-family / townhomes, where there are significant emissions reduction opportunities.
- TAG meeting slides and detailed notes from each meeting are on OSE's BPS policy webpage.

Affordable Housing Advisory Task Force (led by Housing Development Consortium - HDC)

HDC's 25-member BPS Advisory Task Force was comprised of nonprofit subsidized housing owners and developers, engineers and financers, and representatives from Seattle Office of Sustainability and the Environment (OSE) and Office of Housing (OH),and Seattle Housing Authority (SHA). OSE was part of the Strategy Team that develops agendas for the meetings. In addition to the monthly convenings, research included building audits on 15 low-income housing buildings across different mechanical system typologies to determine opportunities and barriers to electrification and decarbonization that can inform policy recommendations. HDC reported its policy recommendations to OSE in September.

Top takeaways:

- *Commitment:* The affordable housing community is committed to a net zero carbon portfolio to meet climate goals and mitigate its impacts that affect low-income communities first and worst, but policies should not financially or operationally burden providers. Energy efficiency is essential to keep costs low and the sector should share in the benefits of efficient and cleaner buildings.
- *Draft policy and program recommendations (prioritized as most critical by HDC Advisory Task Force members in a recent survey)*
    - Funding for upgrades through grants:
        - Electrical system upgrades, building shell upgrades and environmental remediation, and historic preservation.
    - Technical assistance and planning assessments:
        - Create a city-run roster of providers for capital needs assessments and electrification planning, city-provided service to access funding and financing, and create a city-run roster of qualified energy service contractors.
    - Alternative compliance pathways:
        - Prescriptive path to compliance in lieu of emissions performance requirements; compliance aligned with timing of tax credit financing, and alternative compliance for historic buildings.

Phase 1 Stakeholder Meetings

Equity Engagement

OSE's policy development is created through an equity lens and stakeholder engagement that includes meetings with community-based organizations (CBOs), nonprofit building owners (including affordable housing), and outreach to multifamily residential tenants. To minimize duplicative community outreach, OSE leaned on existing research and outreach by OSE and other City departments, as well as community-led research by Puget Sound Sage This was especially important since CBOs expressed their limited capacity to engage. Our strong engagement with nonprofit building representatives included a tour of the Low Income Housing Institute's (LIHI) Frye Apartments to learn about their unique challenges with a recently renovated historic building. *Top takeaways:*

- Displacement and cost impacts on tenants are key concerns. Support should be prioritized for those who need it most (e.g., loans due when property sold and incentives to make upgrades cost neutral, needs assessments, and education).
- *Nonprofit owners told us* that metering issues need correction for accurate tracking of energy use/emissions, they need more in-house facilities staff with energy expertise, donations don't

necessarily align with energy/emissions reduction, and that it's hard to get non-profit boards/executives behind the mission of reducing emissions.

- *Nonprofit owners* are also very concerned about the cost of upgrades potentially taking away from budgets dedicated to helping community owners in need – grants to cover upgrades were suggested as a remedy.
- *Nonprofit affordable housing developers* have projects just breaking ground that are incorporating gas use due to upfront funding, and electric capacity, constraints. They need support now to change plans to all-electric or financing/flexibility to upgrade later.
- Frye apartments is a good example of challenges in historic and older multifamily buildings – electric capacity and space constraints, difficulty insulating existing walls and maintaining historic windows, etc.
- Results from a multifamily tenant research study conducted by the Smart Energy Consumer Collaborative (SECC, October 26, 2021) indicate the top two upgrade priorities are weatherization and energy-efficient appliances.

Labor Organizations

Since decarbonizing buildings will mean a transition, over decades, away from natural gas-oriented jobs such as gas pipefitters and more work for electricians and HVAC-refrigerant workers, OSE has been meeting with labor organizations to ensure they are engaged and that their feedback and input help inform policy development. This includes meetings with organizations such as: MLK Labor, UA Local 32 Plumbers, Pipefitters and HVAC-refrigeration workers; IBEW Local 46 (electrical workers); LiUNA Local 242 (Laborers); and Insulators Local 7. *Top takeaways:*

- There are some labor organizations, including UA Local 32 and LiUNA that oppose a policy focused solely on electrification – and prefer a policy that includes alternative fuels such as synthetics, biofuels, renewable natural gas (RNG), and green hydrogen.
- *The UA Local 32* is concerned about the impact of this policy on existing gas pipefitter jobs, which is estimated to be about 1,000. However, given this policy's transition timing, they've indicated that a reskilling pathway program could be developed to support gas pipefitter workers to acquire HVAC refrigerant piping certifications, while still retaining their union benefits. A transitional pathway will require more detailed planning and coordination with the UA. Additionally, Local 32 is already incorporating HVAC-refrigerant training in their gas piping apprenticeship program to ensure new gas pipefitters have the needed skills in a transition to a decarbonized economy.
- *UA Local 32 HVAC-R* workers are installing more and more heat pumps, but the union is concerned about the high global warming potential of refrigerants given that they are used for heat pumps. They are interested in better refrigerant certification and permitting enforcement, leakage prevention and monitoring. The passage of House Bill 1050 last year will require the state to develop a refrigerant management program in the next year as well as require lower climate-impacting refrigerants, which should mostly ease these concerns. Like many building trades, they also cited workforce shortages as a concern.

Climate Advocates

Seattle's climate advocates are broadly on-board with the urgent need to reduce emissions from buildings and the NW Energy Coalition (NWEC) has been engaging groups like Climate Solutions, Sierra Club, 43rd District Democrats, Shift Zero, People for Climate Action, Physicians for Social Responsibility and 350 Seattle to demonstrate support. *Top takeaways to date:*

- Supportive of work to reduce emissions, especially if there is an equity focus, like helping low-income folks get heat pumps and avoiding cost burdens to under-resourced owners and tenants.
- Concerns about ability of grid to handle an electric increase in electric load and support for energy efficiency.
- Interested in gas restrictions as other cities have done, but concern about State law prohibitions.

Nonresidential Building Owners

To date OSE staff have convened more than a dozen meetings and targeted focus groups for owners of midsize nonresidential buildings, whom we know through our experience implementing benchmarking and tune-ups have more challenges when complying with City requirements. In general, most we met with are supportive of the need to reduce emissions for climate and equity, but have concerns about implementation, especially cost, regulatory burden, and technical constraints. *Top takeaways:*

- Align Seattle carbon-based BPS with State energy requirements to streamline reporting needs and regulatory overlap.
- Concerns about cost, especially in older buildings that are difficult to electrify, either due to equipment or electric capacity needs (transformers, vault space), or difficult to fully get to net-zero (e.g., the last 20% of emissions may be extremely costly).
- Newer commercial buildings have gas systems installed in last decade – retiring them early would be a financial loss. This was also a concern of newer market rate multifamily development.
- Suggested ways to mitigate costs include cost limits to required work, opportunity to use offsets for emissions savings elsewhere, renewable natural gas (RNG), and alignment with other Environmental & Social Governance reporting requirements.
- Incentives for electric equipment *and* for upgrades to electric service or vaults are critical. Incentives for this are especially important for owners of mid-size (class B/C) buildings.
- *Owners of mid-size (class B/C) buildings* also cited concerns with rapidly escalating equipment costs on recent bids, likely due to inflation and supply chain issues. Support with matchmaking to service providers and evaluating bids for reasonable cost and scope could help them.
- For *University of Washington* on campus buildings, the BPS timeline under consideration aligns well with UW's timeline to reduce campus emissions 45% by 2030 and 95% by 2045 via building updates and converting their aging gas-fired district steam system to hot water with electric HP heating.
- For *Hotels*, they are still in the red since Covid impacts on bookings. Inflation and staffing costs are current impacts.
- *Facility Managers* are an aging workforce with many retiring – workforce development is needed in this sector to grow, diversify and train in how to operate high performance buildings.
- Of note, OSE received a compliment from the President of BOMA, Rod Kauffman who noted he *appreciates OSE listening, is 'favorite' City department, and will help to get their members involved in this process.*

Multifamily Housing Building Owners

In addition to the HDC task force, OSE has engaged with market rate owners through the TAG and by meeting with ownership groups. OSE also toured the LIHI's Frye apartments to hear about their unique challenges with a recently renovated historic building. *Top takeaways:*

- Smaller “mom/pop” owners do not like city regulations, are distrustful of City and many are selling properties due to challenges owning here. They will take incentives, but not one with rent control of any kind attached. This is an issue because buildings in this ownership category (as opposed to large corporate ownership) are most often the source of more affordable unsubsidized units.
- Residential condominium owners will have unique challenges due to the private ownership of units and association budgets for upgrades – some condos are the only “affordable” single family homes.
- Newer multifamily buildings have gas systems installed in last decade – retiring them early would be a financial loss and there are concerns around electrical upgrades needed and vault space.

Building Professionals

The BPS TAG included service providers and engineers, and that group is largely supportive of emissions reduction and energy efficiency policies, assuming they can help their customers implement a clear policy with available incentives or technical support. Further engagement will take place in rulemaking. Other key groups include architects on the forefront designing or retrofitting net zero emission buildings and historic preservation professionals. *Top takeaways:*

- *Architects* desire efficient electric but see need to focus on emissions reduction and suggest also considering embodied carbon of energy production and retrofits. Need support for owners to understand pathways to electrification – city could have a decarbonization planning requirement. Carbon offsets OK in short term if tied to fund to help owners upgrade.
- *Historic preservationists* indicated a desire to support emissions reduction broadly and the value of existing buildings, as a sustainability measure, is important. They noted only select cases of issues with historic aesthetics of interiors as a barrier to electrification or emissions reduction. Pioneer Square historic district was designed to be district steam, making for difficult changes to on-site systems. Greater cost for owners of historic properties to make upgrades that maintain historic integrity may be opportunity for incentives.

City of Seattle Departments (including Seattle City Light) and Other Government

As “One Seattle” all departments are working to achieve climate justice, whether through economic development, transitioning off fossil fuels or building resilient communities. Working as “One Seattle” starts with internal coordination and OSE excels at this work. *Top takeaways:*

- *Seattle City Light* is our primary city collaborator in this work to date. They are highly engaged and supportive with an interest in total cost / financing, so that City Light might know what to contribute.
- For *Office of Housing* – also a key collaborator - costs to meet requirement may conflict with their funding priorities towards creating new units. Concerns with work that could trigger building code substantial alteration requirements.
- *For SCDI*, the number of unreinforced masonry (URM - seismic risk) overlap buildings is not of concern. There may be opportunities to reconsider substantial alteration triggers if related to energy equipment upgrades.
- *Multiple departments* expressed interest and support for City-supported financing and early adopter programs.
- *The RRIO program* had specific advice to avoid things that could trigger displacement and tenant relocation beyond just temporary interruptions (72 hours). Common tenant complaints to consider addressing through BPS: need for air conditioning, broken boilers (no hot water or heat), utility costs,

old windows, and mold. These tenant priorities are reinforced from similar information from the multifamily tenant survey reference earlier.

- *WA State Dept of Commerce* is supportive and has no concerns. Offered to reconnect on areas of policy overlap.

District Thermal Energy

CenTrio is a private, investor-owned thermal energy (steam and closed loop hot water/chilled water) provider to approximately 200 commercial buildings in Seattle's downtown, First Hill, and Pioneer Square neighborhoods. District steam is generated by burning fossil gas in large boilers and it is distributed through a network of pipes. CenTrio has an opportunity to reduce emissions at the source, thereby greatly reducing the investment and technical challenges facing their individual customers to reduce building emissions. *Top takeaways:*

- CenTrio is interested in how the policy will factor in emission reductions from generation and distribution improvements. Currently, CenTrio loses approximately 30% of energy generated, through leaky distribution lines. They are working on measures like transitioning buildings from steam to closed loop hot water/chilled water, capturing waste heat in buildings like data centers, and potentially using renewable natural gas (RNG) and biodiesel, pending on the outcome of an RNG/biofuels study.
- CenTrio has indicated that they are committed to reducing climate pollution and being in alignment with the City's Climate Action Plan and climate goals. OSE staff participate in CenTrio's quarterly Clean Energy Roadmap stakeholder group meetings.

Phase 2 – Focused Stakeholder Engagement to Refine Draft Policy (July 2022 – May 2023)

Open Houses

Webinar: Draft Emissions Targets for Seattle BPS - October 25, 2002

At this technical webinar **attended by nearly 200 people**, OSE and SBW Consulting shared the draft greenhouse gas intensity targets and the analysis conducted to inform the targets. A brief overview of the proposed policy and the updated policy timeline was also shared.

- View the slide deck (PDF)
- View the recording

Webinar: Estimating Your Building's Emissions and Draft Targets for the Proposed Seattle Building Emissions Performance Standards (BEPS) - March 23, 2023

This webinar **attended by about 130 people** provided a brief overview of the proposed policy. It then provided basic instructions, suitable for beginners, to learn how to quickly estimate and track a building's current greenhouse gas emissions and estimate BEPS proposed targets. It also showed how to retrieve energy data from Portfolio Manager.

- View the slide deck (PDF)
- View the recording

Phase 2 Stakeholder Meetings

This includes one-on-one meetings on specific aspects of the draft policy and general updates to groups as OSE was invited. OSE also convened a seventh meeting for members of the Technical Advisory Group to review the first policy draft in August. About 70 meetings or events in total were conducted.

Affordable Housing

OSE continued to engage with this community primarily through the Housing Development Consortium. Key feedback:

- *Include criteria in legislation that exempts these buildings if available funding not adequate or if work is infeasible.*
- Concern about unsubsidized affordable housing not clearly defined in BEPS. (OSE with help from OH added a definition to include this owner group).
- **Stakeholder letters:** HDC also shared specific comments on the draft proposal (see record of letters of comment and/or support).

Equity Engagement

OSE updated the Green New Deal Oversight Board (GNDOB) on the policy during this time period. Key feedback:

- GNDOB is generally supportive of the BEPS policy.
- Some concerns with idea for alternative compliance payment, in which owners can pay to not comply. However, appreciated the timing constraints described.
- Important to have dedicated, committed, resources for priority buildings as part of policy.
- Important for GNDOB to continue to monitor that there is enough funding for low-income owners and tenants to make the transition.

Building Professionals

OSE presented on BEPS at the Smart Buildings Exchange and to architects at a forum hosted by the firm EHDD.

- General interest and support for BEPS conveyed with various technical implementation questions.
- **Stakeholder letters:** Eight building professional firms and/or representatives have sent letters in support of the proposed BEPS policy (see record of letters of comment and/or support).

Labor Organizations

OSE continued to hear concern about the transition, over decades, away from natural gas-oriented jobs such as gas pipefitters and BEPS influencing more work for electricians and HVAC-refrigerant workers. Key feedback:

- Some concern about SCL's electricity supply and impact to the grid during periods of peak demand.
- Interest in ensuring that labor agreements are attached to incentives/grants from the City.
- **Stakeholder letters:** MLK Labor passed a resolution in support of the proposed BEPS policy in February 2023 (see record of letters of comment and/or support).

Climate Advocates

OSE continued its engagement with climate advocates and presented at a Lunch Learn Presentation hosted by Shift Zero. Several meetings were also conducted with Climate Solutions, Sierra Club, 350 Seattle, NW Energy

Coalition, Shift Zero, RMI, WA Physicians for Social Responsibility, People for Climate Action, UW Institute for Climate Action, and 43rd Dems Environmental Caucus. Key feedback:

- Overall supportive of City pursuing a BEPS but have concerns about strength of policy.
- *Disallow the use of renewable natural gas or hydrogen for building decarbonization.*
- *Include provisions to exempt energy use specifically for charging electric vehicles from the policy*
- *Remove the exemption for compliance by entities covered by the statewide Climate Commitment Act (CCA)*
- *Increase the amount and frequency of noncompliance penalties to incentivize compliance.*
- *Remove the alternative compliance pathways that allow building owners to make payments through 2035 in lieu of carbon reductions.*
- *Require that any replacements of fossil fuel equipment made by covered building owners must be free of fossil fuels beginning immediately.*
- *Timeline with net-zero by 2050 is too slow – Achieve greater greenhouse gas emissions in the short-term by providing a shorter timeline for compliance overall, and by increasing the carbon reductions required in earlier compliance periods.*
- **Stakeholder letters:** Six letters have been sent by climate advocate groups in support of a stronger BEPS policy and/or making specific policy recommendations. This includes letters from the 43rd Democrats Environmental Caucus, NW Energy Coalition, Climate Solutions, RMI, Sierra Club, and South Seattle Climate Action Network (see record of letters of comment and/or support).

Building Owners

OSE continued its engagement with building owners about the proposed BEPS policy. While the majority of feedback was from private sector commercial real estate and life science, it also included owners of large downtown market-rate multifamily. Other sectors also had detailed feedback. These other sectors included higher education (University of WA, Seattle University, Seattle Pacific University and Seattle Colleges) and healthcare institutions convened through Healthcare without Harm (Providence, Children's, Virginia Mason, Fred Hutch, Swedish). OSE also engaged with the Seattle Hotel Association, and the Seattle Restaurant Alliance. Key feedback:

- Allow higher education to focus investments and effort to reduce carbon pollution in district energy plants because it is the most effective and cost-efficient way to achieve results in multiple buildings.
- Higher education needs time to secure funding, the public university biennial budgets, 2023-25 have already been submitted, we cannot secure additional State funding until the 25-27 biennial budget.
- BEPS decarbonization goal is consistent w/ where hospitals are headed and Seattle is showing leadership needed to decarbonize and looking at reasonable solutions and trying to understand how buildings operate.
- Hospitals need "backup" exemption expanded to include heating energy for space conditioning (not just power generation). Would allow gas heating assets to get put in back-up position, which would help make their decarb transition more manageable for health and safety.
- Interest in adding owner provided common area gas grills used by residential tenants to commercial cooking exemptions.

- Restaurants need incentives and technical support. Would like to see an all-electric retrofit or pilot of an existing kitchen. Restaurants are concerned about owners passing on costs to them as tenants and can't get owners to supply more electric power to their spaces.
- Restaurants generally have an interest in electrification as relates to climate, but electric capacity, costs of panel upgrades, code updates needed when moving to new exhaust hoods are big barriers. Less of an electric equipment issue and more of a design planning issue.
- Restaurants noted that certain cultural foods – like smoke jerk foods – can't be replicated with electric. Woks and others equipment are starting to come out, but costly.
- Life science owners recommend adding a specific hardship exemption to the BEPS policy for life science owners or tenants whose science and research would be negatively impacted or threatened by the electrification or building upgrades required to achieve the BEPS targets, and that the BEPS policy should exempt all lab mechanical and electrical equipment and load that serves the lab spaces that typically make up 50-60% of a given life science floor with the balance being office use.
- **Stakeholder letters:** OSE received comment letters from the WA Healthcare Climate Alliance, NAIOP and Alexandria Real Estate, as well as a list of specific requests from a group of downtown building owners (see record of letters of comment and/or support).

Residential Condo Owners

In addition to the concerns expressed by owners of large downtown multifamily buildings, OSE heard significant feedback from a group of residential condominium owners.

- *Concern with complexity of managing improvements under individual ownership structure of residential condominium buildings.*
- Cost impact on condo owners – many of the units are the most affordable home ownership option in the City now. Cost of both common equipment and cost to upgrade in-unit gas stoves and supply 240V electric to each unit.
- Space constraints in older buildings to accommodate extra space needed for heat pump water tanks, and electric upgrades.
- Desire for support understanding process and costs to upgrade condos – wants support from OSE for a case study of a representative building.
- Certain condo owners have expressed strong support for upgrading their units to reduce emissions.

City of Seattle Departments (including Seattle City Light) and Other Government

OSE continued to meet with City Departments to inform the departments about the proposal and align the policy with other city policies and initiatives. This included Office of Housing, Office of Planning and Community Development, Seattle Department of Construction and Inspections, Seattle City Light, Department of Neighborhoods, Green New Deal – City of Seattle Interdepartmental Team. We also engaged with WA Dept of Commerce on areas of policy alignment with the State energy performance standards.

District Thermal Energy

OSE continued to meet with CenTrio to inform them of policy developments and get feedback. CenTrio is the private, investor-owned thermal energy (steam and closed loop hot water/chilled water which is fueled by gas) provider to approximately 200 commercial buildings in Seattle's downtown, First Hill, and Pioneer Square neighborhoods. Key feedback:

- CenTrio has indicated they are committed to reducing emissions in Seattle and serving as a model thermal energy provider for their other plants across the country. They have communicated their intention to develop and implement a decarbonization plan for their operations, in response to the Climate Commitment Act, BEPS and requests from their customers to reduce emissions at the source.
- They are concerned with BEPS impacting their customers and their viability as a company and wish to have time to decarbonize their system. OSE and SCL continue to engage with them about this potential.

Record of stakeholder meetings

OSE engaged in more than 125 stakeholder meetings from late 2021 through mid-May 2023 to develop the proposed BEPS policy.

Date Met	Stakeholder Meeting Organization Name or Event
11/9/2021	Sierra Club + Environmental Coalition
12/1/2021 (& earlier in 2021)	IBEW Local 46, UA Local 32, Teamsters Local 176, Blue Green Alliance, LiUNA, WSLC, MLK Labor
12/2/2021	Green New Deal Oversight Board (presentation only, no input provided)
12/2/2021	American Institute of Architects (AIA) Seattle
12/14/2021	Seattle 2030 District
12/22/2021	Green Buildings Now
1/4/2022	Seattle City Light
1/13/2022	People for Climate Action
2/3/2022	WA Dept of Commerce (implementer of WA Clean Buildings Standards)
2/8/2022	Seattle Office of Housing
2/10/2022	Seattle Dept. of Construction & Inspections (SCDI)
2/15/2022	CenTrio
2/23/2022	Building Owners and Managers Association (BOMA - Seattle/King County)
3/1/2022	Labor Organizations Roundtable Meeting 1 (Seattle Building Trades, UA Local 32, Insulators Local 7, LiUNA)
3/14/2022	CenTrio
3/16/2022	Shift Zero
3/18/2022	UA Local 32
3/21/2022	City Cross-departmental Meeting (OSE, DON, OH, SCL, SCDI, OPCD, SPU)
3/23/2022	NW Energy Coalition (NWEC) BPS Lunch and Learn
3/30/2022	Commercial Real Estate Development Association (NAIOP) WA State Chapter
4/6/2022	Puget Sound Sage
4/6/2022	SDCI - Rental Housing Registration & Inspection Ordinance (RRIO)
4/7/2022	Labor Organizations Roundtable Meeting 2 (UA Local 32, LiUNA)
4/7/2022	International Facility Managers Association (IFMA) Seattle Chapter
4/11/2022	Urban Land Institute (ULI) NW
4/12/2022	Beacon Hill Council
4/13/2022	BOMA - Lunch and Learn Webinar – 33 attendees
4/13/2022	Historic Seattle and WA Trust for Historic Preservation

Date Met	Stakeholder Meeting Organization Name or Event
4/19/2022	Rental Housing Association (RHA) of WA
4/25/2022	Survey to multifamily tenants – understanding tenant priorities around energy efficiency, comfort, and health (30 surveys complete to date)
4/27/2022	Low Income Housing Institute (LIHI) – Tour of Frye Apartments
5/3/2022	U. Of Washington - Facilities and Sustainability Staff
5/4/2022	WA Hospitality Association (Seattle Hotels)
5/5/2022	Nonprofit-Owned Buildings Cohort (Wing Luke Museum, United Way, Space Needle + Chihuly Holy Names Academy)
5/5/2022	Samis Land Company (Pioneer Square Building Owner)
5/6/2022	Africatown Land Trust
5/10/2022	Nonprofit-Owned Buildings Cohort 2 (Temple De Hirsch, Salvation Army)
5/10/2022	Small/Midsize Commercial Buildings Cohort
5/10/2022	Midsize Nonresidential Buildings Cohort
5/11/2022	Hospitals Cohort (Kaiser, Swedish and Fred Hutch)
5/12/2022	WA State Community Associations Institute (WSCAI) - Condos
5/16/2022	Chief Seattle Club
5/19/2022	WA Multifamily Housing Association (WMFHA)
5/23/2022	IBEW Local 46
5/24/2022	Children's Hospital
5/26/2022	Labor Organizations Roundtable Meeting 3
5/27/2022	International Facility Managers Association (IFMA) – Facility Manager Roundtable
6/2/2022	UA Local 32
6/7/2022	Urban Land Institute (ULI) – Multifamily Product Council
6/8/2022	Seattle 2030 District – Webinar for quarterly meeting
7/28/2022	Office of Housing
7/28/2022	Office of Planning and Community Development
7/28/2022	Seattle Department of Construction and Inspections
8/18/2022	Shift Zero - Lunch Learn Presentation
8/18/2022	Building Owners & Managers Association (BOMA)
8/18/2022	Seattle 2030 District
8/18/2022	TAG – additional meeting
8/22/2022	Housing Development Consortium
8/24/2022	Presentation @ Smart Buildings Exchange
8/25/2022	Climate Solutions
8/29/2022	WMFHA and ULI MF Product Council members
9/7/2022	WAHESC (Washington Higher Education Sustainability Coalition) - UW, Seattle U, SPU, Seattle Colleges
9/7/2022	Puget Sound Energy
9/9/2022	WA Dept of Commerce
9/12/2022	CenTrio
9/12/2022	Seattle Children's Hospital
9/14/2022	Seattle Hotel Association

Date Met	Stakeholder Meeting Organization Name or Event
9/19/2022	Green New Deal Oversight Board presentation
9/20/2022	Labor - IBEW
9/23/2022	Vulcan
9/27/2022	Housing Development Consortium
9/28/2022	Labor - UA 32
10/5/2022	Seattle Renters Commission
10/12/2022	WAHESC (Washington Higher Education Sustainability Coalition) - UW, SU, SPU, Seattle Colleges
10/13/2022	Seattle Hotel Association – Presentation to annual member meeting
10/13/2022	NAIOP public affairs consultants
10/24/2022	Seattle City Light
10/24/2022	NW Energy Coalition (NWEC)
10/25/2022	CenTrio
10/26/2022	Green New Deal – City of Seattle Interdepartmental Team
10/26/2022	Department of Neighborhoods
10/26/2022	Seattle Department of Construction and Inspections
10/26/2022	WAHESC (Washington Higher Education Sustainability Coalition) - UW, Seattle U, SPU, Seattle Colleges
10/27/2022	Housing Development Consortium BPS Task Force
10/27/2022	UMC (University Mechanical)
10/31/2022	Office of Housing
11/7/2022	Seattle City Light
11/14/2022	Healthcare w/o Harm (rec. by Children's Hospital)
11/17/2022	Housing Development Consortium BPS Task Force
11/17/2022	Building Owners and Managers Association (BOMA) / Seattle 2030 District
11/17/2022	Alexandria Real Estate
11/23/2022	WAHESC (Washington Higher Education Sustainability Coalition) - UW, Seattle U, SPU, Seattle Colleges
11/29/2022	City Depts: OH, SDCI-RRIO, OPCD
12/2/2022	Hospitals (Providence, Children’s, Virginia Mason, Fred Hutch, Swedish) and Healthcare w/o Harm
12/12/2022	MLK Labor / IBEW
12/16/2022	Puget Sound Energy
1/10/2023	Alexandria Real Estate
1/10/2023	NAIOP
1/11/2023	Vulcan
1/19/2023	CenTrio
1/24/2023	BOMA
1/26/2023	EHDD (Architect + Design)
1/26/2023	Downtown/SLU Building Owners
1/30/2023	NAIOP
1/30/2023	Healthcare w/o Harm
2/1/2023	Seattle Restaurant Alliance (SRA) Membership Meeting
2/7/2023	Climate Solutions, 350.Org, NW Energy Coalition

Date Met	Stakeholder Meeting Organization Name or Event
2/7/2023	Condo owners
2/15/2023	Condo owners
2/16/2023	Condo owners
2/27/2023	Green New Deal Oversight Board
2/28/2023	Downtown/SLU Building Owners (various)
3/16/2023	Housing Development Consortium
3/16/2023	Condo owners
3/20/2023	Dunn and Hobbes
3/21/2023	Seattle City Light - Electrification Division
3/22/2023	Alexandria RE (Life Sciences)
3/23/2023	Downtown/SLU Building Owners (various)
3/23/2023	JLL Sustainability
3/29/2023	BOMA Seminar - Presentation
4/7/2023	Downtown/SLU Building Owners (various)
4/21/2023	King County Facilities Management Division
4/18/2023	Building Owners meeting with SDCI
4/25/2023	Climate Solutions, Sierra Club, 350 Seattle, NWEC, Shift Zero (Build Electric WA Coalition), RMI, 43rd Dems Environmental Caucus, UW Institute for Climate Action
4/27/2023	Seattle 2030 District and BOMA
4/28/2023	CenTrio
4/28/2023	Building Owners meeting with Seattle City Light
5/1/2023	Condo owners
5/8/2023	Downtown/SLU Building Owners
5/12/2023	Climate Solutions, Shift Zero
5/15/2023	Green New Deal Oversight Board
5/15/2023	MLK Labor
5/18/2023	350 Seattle
5/31/2023	Healthcare without Harm (sched.)

Record of organizations sending questions or comments by email or phone

More than 100 comments or questions have been sent to OSE, primarily to the cleanbuildings@seattle.gov email address. Calls are also listed in the table below. OSE incorporated input into revisions to the proposed policy and responded to all inquiries with more information or references to other City department leads as applicable.

Date of Email (or call)	Organization / Entity Sending Comment or Question
11/18/2021	Seattle Public Schools
12/21/2021	Equity Residential
1/5/2022	Deutsche Pfandbriefbank AG
2/10/2022	O'Brien 360

Date of Email (or call)	Organization / Entity Sending Comment or Question
3/8/2022	Boulder-Xcel Energy Advisory Council
3/10/2022	Metropolitan Homes
3/11/2022	Hart Crowser, a division of Haley & Aldrich
3/11/2022	Local resident
3/14/2022	Park Vista Coop
3/15/2022	Local resident
3/16/2022	MEETS Coalition
3/18/2022	Local resident
3/28/2022	Homestead Community Land Trust
4/5/2022	Motif Seattle
4/6/2022	Local resident
4/6/2022	Local resident
4/6/2022	Low Income Housing Institute
4/6/2022	Local resident
4/14/2022	Local resident
4/18/2022	Local resident
5/11/2022	Salvation Army NW Divisional HQ
5/11/2022	Temple de Hirsh
5/12/2022	Mott Holdings
5/20/2022	ME Engineers
5/25/2022	DBA Albireo Energy, LLC
6/1/2022	King County
6/2/2022	McKinstry
6/3/2022	MSRE Management LLC
6/12/2022	Seattle 20230D
6/14/2022	CBRE
6/16/2022	The Management Trust
6/17/2022	US EPA
6/21/2022	Hargis Engineers
6/23/2022	Seattle Public Schools
6/23/2022	First United Methodist Church
6/28/2022	Sustainable Strategies
7/5/2022	Energy Benchmarking Services
7/13/2022	Seattle Pacific University
7/20/2022	Seattle Pacific University
7/22/2022	Local resident
7/29/2022	46th District Environmental Caucus
8/10/2022	Pike Place Market
8/12/2022	Seattle University
8/15/2022	Seattle Pacific University

Date of Email (or call)	Organization / Entity Sending Comment or Question
8/17/2022	Energy Benchmarking Services
8/20/2022	Seattle Public Schools
8/23/2022	NW Energy Coalition
9/1/2022	Local resident
9/7/2022	Local resident
9/8/2022	Housing Development Consortium (HDC)
9/9/2022	Seattle Children's
9/16/2022	Rocky Mountain Institute, South Seattle Climate Action Network, Climate Solutions, Sierra Club
9/26/2022	Unico Properties LLC
9/26/2022	Children's
9/28/2022	UA Local 32
10/14/2022	Port of Seattle
10/17/2022	NAIOP Washington State
10/18/2022	McKinstry
10/19/2022	Port of Seattle
10/26/2022	Glumac
10/28/2022	PSR Mechanical
11/6/2022	Energy Benchmarking Services LLC
11/15/2022	BNB Builders
11/15/2022	CenTrio
11/18/2022	WA Healthcare Climate Alliance
11/21/2022	Rocky Mountain Institute, Climate Solutions, Sierra Club
12/3/2022	Alexandria Real Estate
12/30/2022	Energy Benchmarking Services LLC
1/9/2023	RMI
1/17/2023	Thompson Hotels
1/20/2023	Ceis Bane East Strategic
1/20/2023	Whitney Jennings
1/20/2023	Whitney Jennings
1/27/2023	Alexandria Real Estate
1/27/2023	Avalon Bay Communities
1/30/2023	Condo Connection
1/31/2023	Seattle 20230D
2/1/2023	Affiliated Engineers
2/1/2023	Sustainable Strategies
2/3/2023	Canlis
2/6/2023	UW Medicine
2/6/2023	Avalon Bay Communities
2/8/2023	MacDonald Miller
2/13/2023	Climate Solutions

Date of Email (or call)	Organization / Entity Sending Comment or Question
2/14/2023	Seattle Pacific University
2/16/2023	Sustainable Strategies
2/16/2023	Condo owner, retired building architect
2/22/2023	Condo Connection
2/23/2023	Seattle condo residents
2/24/2023	Residential Condo Owner
3/13/2023	Amazon
3/13/2023	Condo Connection
3/14/2023	MoPop
3/15/2023	CBRE
3/19/2023	Residential Condo Owner
3/21/2023	Sierra Club
3/25/2023	Avalon Bay
3/26/2023	Ovus Partners
3/27/2023	Climate Advocates HUB Seattle King Co
3/27/2023	Steinhauer Properties
3/28/2023	Rooted Media
3/30/2023	Condo owner & retired architect
4/17/2023	UMC
4/21/2023	MSRE Management LLC
4/27/2023	Integrity Energy Services, Co
4/27/2023	Climate Solutions
4/28/2023	RMI

Record of letters of comment and/or support

The following pages include letters of support for BEPS or comment letters making specific recommendations sent to OSE that were otherwise not included in comments received at meetings. In addition, OSE was informed that the Mayor's office directly received 325 emails expressing support for a stronger BEPS policy. One example is attached.

Emerald Cities Collaborative
Response to Draft BPS Policy for Seattle
September 8, 2022

Policy Draft: Comments attached in draft.

Policy Impact:

- Naturally Occurring Affordable Housing (NOAH) should also be "affordable housing" - can there be wording that requires the maintenance of "affordable" status throughout the compliance period to qualify for the 5 year delay, incentives and technical assistance. This would help limit gentrification.
- Greenhouse Gas Emissions Intensity Target - should be adjusted for affordable housing and other multi-family housing based on number of bedrooms/residents. Gross floor area also gives advantages to luxury multi-family buildings with gyms, party rooms, etc. Need alternative to GHGIT for multi-family. Is this under occupancy density for the reference table? Should be spelled out for multi-family housing.
- Who pays for third party verification of benchmarking? What would it cost? Doesn't OSE already do this?
- Who pays for Seattle Greenhouse Gas Emissions Report? Would be best to combine with state requirements.
- Building Portfolio Compliance - will not know if this benefits affordable housing until the standards are published. If the ultimate goal is zero emissions - then in the long run, this will not help.
- Seattle Climate Investment Fund - glad that these funds are directed into the items listed, but there should be a floor for all of these activities that is backstopped with other funds from the city or other sources. This is not assured funding - but these uses need assured funding.
- What about mixed-use buildings? Multi-family with a restaurant especially?
- The extended timeline for affordable housing is beneficial only if the owners have the capacity and technical expertise to plan for the transition. There needs to be a firm commitment of support for technical assistance.

Review of HDC Recommendations and areas where the draft policy falls short:

- Prescriptive measures are offered as alternative compliance - they should be in the policy for affordable housing - and maybe all multi-family housing. All-electric buildings are exempt - 22H - is this effectively a prescriptive path? What about a pathway to an all electric building over the course of the compliance period as requested in the prescriptive path?
- Code compliance flexibility is not addressed - fear that upgrading systems will require additional building upgrades to comply with "substantial alteration".
- Concern about cost of electrical upgrades - capacity of building and building infrastructure. Need funding or alignment with SCL or other funding.
- Need commitment to providing technical assistance and funding for - capital needs assessments, audits, modeling, access to programs, construction management, environmental remediation, historic preservation, electrical infrastructure.

- Loan programs for affordable at below market rates. City investment in loan loss reserve. Work with WSHFC to extend their loan program to longer than 10 years.

Economic Inclusion:

- We applaud efforts to date for clean energy workforce development - City needs commitment to long-term development of diverse workforce - GND?
- Call for development of a Community Benefits Agreement (CBA) to align community needs with BPS policy, city investments and other climate policies
- Don't see a call for a "program support hub" that can help building owners but also provide for a clear pathway for minority contractors to get referrals -
- In our experience there is a lack of expertise and experience in the building electrification realm - We think that the City should foster a Center of Excellence for this knowledge and that could provide specific opportunities for WMBE engineering, auditing, and contracting firms to learn and become experts in this area.
- Need a contractor development program to ensure access to WMBE firms for the work generated by BPS

September 15th, 2022

Dear City of Seattle Office of Sustainability and Environment Buildings Team:

The undersigned groups thank the City of Seattle ("The City") staff for the opportunity to comment on the draft carbon-based building performance standard (BPS) ordinance. We are excited about this policy concept in general and see it as a very important and necessary step to address greenhouse gas emissions from existing buildings. However, we do have some suggestions on how to improve the draft language and recommendations on how it might be implemented. These recommendations will hopefully increase the effectiveness of the policy, while ensuring that it does not have unintended consequences.

In general, we recommend the City make modest changes to the proposed language to ensure that there are not unintended consequences of this BPS, particularly on low-income and BIPOC Communities. Specifically, we suggest that the City consider the following recommendations:

- The policy should be drafted to include guardrails for low-income and BIPOC communities who are living in multifamily units that will be impacted by this code. The effect of these guardrails will ensure that this policy will not financially, legally, or operationally burden low income renters, homeowners and affordable housing providers. Emphasis that these guardrails shouldn't be used primarily as an exemption for low-income owners and providers, rather that adequate funding needs to be available to allow for these low income residents and providers to comply with the BPS. The BPS implementation could include compliance flexibility, funding and technical assistance for these communities. Further, the BPS implementation plan should ensure robust protections for low-income tenants living in non-rent restricted affordable housing and include anti-displacement strategies. In developing these protections, the City should prioritize input from low-income residents, tenants, and community-based organizations, as well as resources like Strategic Actions for a Just Economy's report on the potential tenant impacts of building decarbonization. This report recommends guardrails that could be incorporated into the BPS implementation plan or pursued in parallel, including banning the pass-through of costs to low-income tenants, strategically directing public investments for decarbonizing low-income housing, and applying tenant protections when buildings are retrofitted.
- Consider public feedback received from affordable housing advocates during the stakeholder process and current draft comment period and share out information on how OSE incorporated

this feedback into the ordinance and implementation. During the rulemaking process and implementation phase of the BPS, we suggest the City develop an advisory board with members of the affordable housing, environmental justice and tenant justice community to help inform decisions and avoid inequitable outcomes.

- We recommend not using greenhouse gas emissions per square foot as a metric for multifamily buildings. Multifamily building energy use is often inversely proportional to the size of the units. In other words, smaller units mean more energy use per sf of area (think showers, cooking, laundry as major energy uses for a family of four that could be in an 800 sf unit or a 2,000 sf unit). This means that lower income folks, who often live in smaller apartments, are more affected by this rule than those with means that have fewer occupants per sf area. Using emissions/sf as the metric would fall along similar lines. This is not just about built-to-purpose affordable housing, but also naturally occurring affordable housing that we want to keep that way. A greenhouse gas emission per bedroom, with studio apartments counting as 1-bedroom units, might be a better metric for multifamily units.
- The transition required to reach these targets needs significant investment for those who cannot afford the transition and comply with this law. Requirements and penalties without significant incentives could exacerbate high housing prices and inequities, especially at the smaller end of the building scale. So far, it's unclear what funding amount is associated with the Seattle Climate Investment Fund, and whether the City plans to leverage other funding sources, such as the Inflation Reduction Act, to aid compliance. Note that municipal funding schemes that rely on a specific new taxation, fine, or fee scheme have proven unreliable in the recent past (example), suggesting additional funding sources may be necessary to provide equitable compliance assistance.

In addition to addressing affordability concerns, we also recommend the following improvements:

- **Ambition:** While the State of Washington is implementing a BPS, its level of required energy efficiency improvement and implied greenhouse gas emissions reductions is far lower, proportionately, than would be necessary to meet Seattle's climate action goals. In some cases, the statewide BPS may function as a standard of last resort, but we recommend the City design its own standard to avoid falling back to the relatively modest level of ambition reflected by the Washington standard.
- **Data Access**: The draft ordinance includes "Tenants shall allow building owners reasonable access to systems and utility information". This statement is vague and may infringe upon tenants' expectations of privacy. The process of data acquisition should either be clearly defined in the ordinance or deferred to rulemaking. Additionally, this section should refer to the benchmarking ordinance, since the data sources/processes are presumably the same. See other jurisdictions' language on utility provision of data (Colorado example) for ways to preserve privacy while avoiding putting the onus of data sharing on tenants.
- **Exemptions**: "exemptions of emissions" - from a climate alignment perspective, we would not recommend excluding commercial cooking equipment or any other end uses for which zero-emission alternatives are available.
- **Verification**: The criteria for *who* can perform benchmarking verification are either defined in the WA BPS or deferred to rulemaking, but *who pays* and otherwise how conflicts of interest are eliminated is unclear. Building owners should not pay verifiers directly.
- **Electricity Use**: Building owners should not be able to comply with the law by free-riding on continued electricity decarbonization. Not assuming compliance with the statewide BPS will prevent this outcome.

    - If the statewide BPS isn't effectively reducing energy usage, then set a floor on electricity use or emissions for all-electric buildings to avoid inefficient electrification (e.g., widespread resistance heating applications).
    - Consider options to allow building owners to benefit from the carbon value of demand flexibility and grid-connected efficient appliances, insofar as other actors, such as utilities, are not already counting those benefits toward their own decarbonization goals.
    - On-site renewables should influence GHG emission calculations from electricity use following the same logic as the Seattle City Light's net metering protocol, with the addition of an emissions floor of zero (i.e., no net negative emissions from on-site renewables). However, if the building owner transfers or sells renewable energy credits (RECs) from their on-site renewables, their site emissions should be calculated using the same emissions factor as grid-provided electricity. To avoid inadvertently allowing GHG emissions during and after the final compliance period, on-site renewables should not be permitted to cancel out GHG emissions from on-site fossil fuel combustion.
- **Alternative Fuels**: The use of alternative fuels such as "renewable natural gas, biofuels, [and] green hydrogen" referenced at page 8 should not be allowed or supported as a compliance pathway. These alternative fuels present numerous well-documented risks and drawbacks, including high costs, limited current and future availability, GHG leaks throughout the supply chain, risks of explosion, and environmental and public health harms associated with production and combustion of these fuels. For example, allowing the use of green hydrogen as a compliance pathway could encourage investments in hydrogen procurement that could help comply with the proposed BPS in the short term. But these investments would mean missed opportunities to pursue more viable long-term building decarbonization solutions like electrification. These investments would become increasingly untenable as we encounter limits to the level of hydrogen blending compatible with existing infrastructure and equipment, and competition from higher-priority uses drives up the cost of limited green hydrogen supply. To avoid risks like these, Seattle's BPS should discourage the use of alternative fuels in buildings, instead focusing on electrification and energy efficiency.
- **Fines**: Fines for violations should be designed (in amount, frequency, etc.) to encourage compliance. The draft ordinance appears to fine building owners only once per compliance period, and given the amounts in proportion to building sizes, the fines seem likely insufficient to encourage compliance. Options to improve this could be:
    - Charge the fine quarterly while the violation persists (encouraging late compliance rather than no compliance)
    - Defer determining the amounts of fines to rulemaking and set them in a manner likely to encourage compliance (e.g., in proportion to estimated or last known building greenhouse gas emissions (GHGE) or estimated gap between last known GHGE and target GHGE)

  Note also that the "mitigation hearing" appears to be the only current method for building owners to comply late. The time and coordination costs of attending such a hearing may make noncompliance more attractive than late compliance. The option set should be adjusted so late compliance is more attractive than total noncompliance.
- **Seattle Climate Investment Fund**: We support the allocation of revenue from fines, penalties, and alternative compliance payments to the Seattle Climate Investment Fund. These funds should be used to support affordable, equitable decarbonization for highly impacted communities, affordable housing, and LMI tenants. We recommend that the BPS ordinance specify a minimum percentage of these funds that must be allocated to programs directly

benefiting these communities, or that the ordinance identify priority programs directed at these communities that must be funded before funds are allocated to other uses. For example, the ordinance could specify that 40% of the funds be directed to highly impacted communities in line with the federal government's Justice 40 Initiative, although a significantly higher percentage may be appropriate in this context.

- Notwithstanding the above, every effort should be made to ensure women, persons of color and veteran-owned business owners and residential tenants (especially LMI tenants) are not made more legally vulnerable due to nonpayment of fines or failures to appear at hearings. For example, the City should prioritize the use of Climate Investment Fund money to help highly impacted and LMI communities decarbonize and comply with the proposed BPS, and it could waive LMI tenants' fines in cases where this has not yet been achieved. Additionally or alternatively, the City could send these groups additional evidence-based communications to reduce failures to appear and nonpayment of fines (example 1, example 2) and provide coaching or guidance both to improve compliance and to manage non-compliance for these groups.

Finally, we have the following questions about the BPS, which should be addressed either before the final version of the ordinance is complete or during the subsequent rulemaking process:

- Because the Climate Commitment Act ("CCA") regulates electricity at the point of generation and gas at the distribution company, what buildings are excluded from this ordinance due to the CCA? Are all polluting entities' office buildings exempt from the BPS according to the text? How can that loophole be closed?
- Why are *whole buildings* excluded due to manufacturing energy use? Would it be feasible to exclude only manufacturing floors and process energy?
- Why exclude fugitive emissions like refrigerants, industrial gasses, and fire suppression chemicals? These are GHG emissions from buildings even if they are not directly related to energy use. If they are excluded from the standard, how might the standard account for leakage resulting from their exclusion? (i.e., if buildings are intended to be net zero by a certain time but these emissions sources are unmanaged, can the City estimate their CO_{2E} and compensate by reducing GHGI targets during interim compliance cycles and requiring "below net zero" measures by 2050?)
- Will there be rulemaking around the "environmental attributes from renewable energy..." additionality issue at the top of page 12? How does that interact with CCA given that electricity and natural gas are both subject to it?
- Based on energy codes currently or soon to be implemented in the City, will new buildings immediately be compliant with the BPS once occupied? If, during the first compliance period, data suggests that new buildings are not immediately compliant, what corrective action can be taken?
- How will building owners be expected to calculate carbon emissions? How can building owner calculations be audited, reduced, or managed, such that owners will not fail to comply due to a miscalculation and without their knowledge?
- What is the assumed workload of "benchmarking verification" certified workers under this policy (e.g., how many buildings per day)? How will workload affect data integrity? What workforce development efforts will ensure sufficient availability of verification certified workers?
- How is Seattle planning to link any anti-displacement resources to implementation of this law?

Undersigned Organizations:

Jonny Kocher
Senior Associate
RMI

Amy Wheeless
Senior Policy Associate
NW Energy Coalition

Erin Sherman
Senior Associate
RMI

Kelly Hall
Washington Director
Climate Solutions

Anne Miller
Outreach Coordinator
South Seattle Climate Action Network

Jim Dennison
Associate Attorney
Sierra Club

NAIOP
COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION
WASHINGTON STATE CHAPTER

October 17, 2022

City of Seattle Office of Sustainability and Environment
c/o Director Jessyn Farrell, Nicole Ballinger
Seattle Municipal Tower
700 5th Avenue
#1868
Seattle, WA 98104

Dear Director Farrell and Ms. Ballinger,

Thank you again for your time last week to discuss the Office of Sustainability and Environment's (OSE) proposed Building Performance Standards. Today's letter comments on the current legislation direction on behalf of NAIOP Washington State, the Commercial Real Estate Development Association Washington State (NAIOP) and our more than 1,000 members.

Emitter Equity

We are concerned that commercial and multifamily buildings continue to bear the brunt of meeting our sustainability goals, while the city's largest emitters are not equitably taken into consideration. For example, transportation represents the largest share of Seattle emissions (around 60%) and while buildings make up 37% of total emissions, single-family homes make up nearly half of that.

Seattle's building code is already roughly 15-17% above the state building code and adds millions of dollars to the total cost of office and residential construction. These costs are passed on to our small businesses and renters, while Seattle homeowners are not required to help offset their sizable impact.

We believe that meeting our city's sustainability goals should be a shared, equitable commitment from all emitters.

City Electrical Capacity

As the city considers converting more buildings to electric, we strongly encourage the city to work closely with Seattle City Light to ensure the infrastructure and capacity is in place to support these changes. Data must be readily available that shows energy use projections versus capacity for this legislation, as well as overlaid with other future electrical consumption (electric vehicles, etc.).

Gas Conversion

We believe the city's desire for buildings to convert from gas to electric must include flexibility. This should not be a one-size-fits-all approach. Here's why:

- Restaurants will need more time to convert to different energy sources, as very few have access to expensive non-gas fired equipment like induction cooking. Gas is also preferred by most in the culinary world and electric technology is this area is not interchangeable. Forcing these changes too quickly will harm Seattle's small business community and discourage restaurant leasing. Consideration should be given for restaurant exceptions or appropriate time to convert when technology has caught up.
- Property owners and managers are only one part of the equation. Legislation must build in flexibility for tenant-operator agreements, as well as tenants' individual behaviors and preferences.
- Many building back-up systems run on gas, even if the primary system is electrical. Legislation must acknowledge that targets will not pertain to back-up systems.

Older Buildings / Historic Buildings

Older buildings and some uses will require significant upgrades or mechanical equipment replacements to meet emission targets. What resources will be available for financial support and financing?

Incentives

We strongly encourage OSE to look at ways to incentivize participation in any new environmental regulations on new or existing buildings. This will help offset costs for the owner / developer and increase more carbon-offset sooner.

Phasing

We appreciate the proposed phasing-in of any possible new regulation on multifamily buildings in 2036. This allows for more time to address some of the concerns mentioned above and hopefully lessen the impact on housing affordability.

We look forward to continuing this conversation with you and appreciate the opportunity to comment.

Sincerely,

Danielle Duvall
Acting Executive Director, NAIOP Washington State

November 18, 2022

Nicole Ballinger
Buildings and Energy Strategic Advisor
Office of Sustainability & Environment
City of Seattle
Submitted via email

RE: Seattle decarbonization draft ordinance

Dear Nicole,

On behalf of the Seattle cohort of the Washington Health Care Climate Alliance, thank you for the opportunity to submit feedback on the proposed decarbonization ordinance.

On Earth Day 2022, the U.S. Department of Health and Human Services launched the Health Sector Climate pledge, a voluntary commitment to reduce emissions which includes cutting greenhouse gas (GHG) emissions by 50 percent by 2030 and achieving net zero emissions by 2050. 102 organizations have signed the pledge and almost all hospitals represented by our cohort are included in that list.

Health systems experience the effects of climate change daily as we treat the health impacts climate change has on our communities. We also recognize an unfortunate cycle incumbent to our industry: climate change is causing harm, our work calls us to treat the harm, and health care contributes to that harm by emitting greenhouse gases as we deliver care to our patients and communities. We have also seen how the impact of climate change has highlighted the health inequities within our communities. This serves as a reminder that health equity and the health of our planet are linked. Reversing climate change is healthcare and will lead to improved health in our communities.

Many hospitals have implemented reduction measures and timelines based on the technology available and what is realistic and feasible based on our industry needs. Overall, we support the goal of this proposed ordinance but have a few concerns with the base language that we would like to see amended:

Alternative compliance: In Section 22.925.070C, we recommend that hospital district campus buildings be added to the list of building owners who can demonstrate that extenuating circumstances would create significant hardship in complying with the compliance timeline and as such would be permitted to submit a customized compliance plan for achieving net zero emissions. Our justification for this request follows:

- Hospital district campus buildings require the capability for emergency heating to ensure patient safety (as seen in Section 22.925.080F). To provide backup heating capability, the ***same district system*** must be capable of operating from two separate sources of energy. It is not feasible to maintain completely independent, redundant central heating

systems to serve these emergency heating requirements. Currently these systems typically use natural gas and stored on-site fuel oil supply to continuously operate dual – fuel boilers. In a future net zero carbon district system the low carbon energy source (such as electricity or hydrogen) would need to be capable of operating on an alternate backup source in the loss of the primary source (such as battery, microgrid or locally produced hydrogen). These backup heating energy source technologies are uncertain as to adoption timelines. Allowing hospital district campus buildings to develop and adhere to a customized compliance plan for achieving net zero greenhouse gas emissions by 2041 – 2045 would address this need to maintain emergency heating systems and provide the planning flexibility to accommodate future technologies while also meeting the net zero emissions target.

- Hospital district campus buildings by their design (a single energy plant) will need to be upgraded to net zero energy sources in one large closely coordinated project (over a period of several years during one or two compliance periods) involving both the district energy plant as well as upgrades to the buildings served on the campus. This approach to modernizing for a net zero carbon future does not lend itself to incremental carbon reduction improvement as provided for in the BPS ordinance. An incremental approach to compliance would likely require hospital district campus to abandon the central system concept and segment their district systems into separate, smaller (say 25%) systems – a radical departure from current design and likely a less efficient, more costly approach.

- This policy approach of allowing hospital campus buildings to create a customized compliance plan is consistent with similar agreements between the hospital campus sector and the City of Portland in development of their Climate and Health Standards Proposal for Existing Buildings.

Financial support for compliance: Currently, there is a financial premium to electrify mechanical equipment to move away from the use of natural gas, the largest emission block of buildings and Scope 1 emissions. The path to electrification and carbon net-zero is difficult without additional financial support. The legislation offers financial & technical support for building owners, but we would like to offer points to consider for the legislation.

- To help fill the gap between like replacement and electrification premium, provide grants, low interest loans or other financial incentives from the Clean Buildings Investment Fund as well as the from the Seattle Clean Buildings Accelerator program.
- Consider an even mix of penalties and support as a method to distribute funds based upon cost for compliance rather than a flat fee penalty which would help owners meet the targets more readily.
- It is unclear how OSE decided on the fine of $5 per square foot for failure of the building owner to meet the targets and we request the dollar amount be removed from the language and determined as part of rulemaking with stakeholder engagement.

Define Net Zero Emissions: We recommend defining net zero emissions in the ordinance since there could be confusion on what net zero emissions means in this context. We understand your intent is to focus on building energy only, so we recommend the following definition, along with other clarifying definitions:

- (Achieving*) Building Energy Net Zero Emissions* means the fuel sources used to heat or cool a building will emit no new greenhouse gas emissions by the year 2045.
- Consider addressing different *fossil fuel offset types* that could be used to achieve building energy net zero emissions.
    - Examples of fossil fuel offset types**:** *renewable natural gas and renewable energy power purchase agreements* (PPA's) outside the city of Seattle.
- Consider addressing and adopting *carbon capture technology* as a means to reduce greenhouse gas emissions.

Thank you for the opportunity to provide feedback. We recognize that many details specific to alternative compliance plans may be dealt with as part of rulemaking but believe the above concerns should be addressed in the base language. We look forward to continuing to partner with OSE and the City as this legislation moves forward. Please do not hesitate to contact Keith Edgerton if you have questions or would like to discuss directly.

Sincerely,

The Seattle cohort of the Washington Health Care Climate Alliance

November 21st, 2022

Dear City of Seattle Office of Sustainability and Environment Buildings Team:

The undersigned groups thank the City of Seattle ("The City") staff for the opportunity to comment on the updated draft of the carbon-based building performance standard (BPS) ordinance. We submit the following brief comments on the updated draft that we hope you will consider before releasing the final version.

WHEREAS statements (pp. 1-5)

1. We have some concerns about the mentioning of renewable natural gas (RNG), biofuels, and green hydrogen as "less GHG emissions-intensive fuels". In our experience, these alternative fuels should not be used for buildings and instead reserved for hard-to-decarbonize sectors, for the following reasons:
    a. **Electrification is a more cost-effective solution for buildings than either RNG and hydrogen.** Washington's 2021 State Energy Strategy[1] concluded that we need to essentially zero out the use of gas in homes and buildings over the next two to three decades through widespread electrification and efficiency, not through alternative fuels, to achieve our climate goals.
    b. **Electrification is better for our health and climate.** RNG, as with fossil gas, is still primarily methane and does not reduce harmful air pollution when combusted indoors, making it less viable as an option for cleaning up our built environment. Using RNG does not solve for potentially huge climate and air pollution harms of methane leaks along the supply chain and in homes and buildings, nor the combustion of harmful air and climate pollutants like NOx indoors and outdoors.
    c. **Supplies of alternative fuels like RNG and green hydrogen will not be sufficient for buildings to decarbonize.** RNG is very limited in supply, and we will not be able to replace more than a small percentage of the current levels of gas usage with RNG. Similarly, hydrogen can only be used as a substitute for a small percentage of fossil gas in existing infrastructure. Hydrogen is a lighter

[1] Washington State Department of Commerce, "Washington 2021 State Energy Strategy: Transitioning to an Equitable Clean Energy Future," December 2020, https://www.commerce.wa.gov/growing-the-economy/energy/2021-state-energy-strategy/

physical molecule than methane and it has shown to be highly explosive, leak more through plastic pipes, and corrode metal-based pipes and pipelines. Only low levels of hydrogen (5-20% by volume, up to 7% by energy delivered) can be blended into existing gas systems without requiring pipeline upgrades and end-use appliance replacements.

2. Attend to what advocacy comments say about the affordability “WHEREAS”es

22.925.020 Definitions

3. “Affordable multifamily housing” and “low incoming housing”: is naturally-occurring affordable housing not covered? How will this potentially impact tenants?

4. “Carbon dioxide equivalents” or “CO2e” – on what timescale is this calculated? (Refs to WA state?)

5. “Multifamily building” - *“A building shall use the multifamily building compliance schedule if 50% or more of its occupancy is multifamily use”:* What does “proportion of occupancy” mean? Proportion of square feet used for multifamily?
    a. The same issue exists with “nonresidential building” definition – should use consistent and defined language, probably sqft

6. “Weather normalized”: What is going to count as a “typical weather year”? What will the effect be – in other words will weather normalization make compliance easier or harder? Will it cause “illusory compliance”?

22.925.040 Greenhouse gas emissions intensity targets

7. Table A: typo, which footnote 2 notation is intended to refer to footnote 3?

8. Section D, Part 4: renewable fuels attestation: Standards for this calculation? What happens if a building uses a “renewable” fuel but has no attestation – is it assumed equivalent to the non-renewable analog?

22.925.050 Greenhouse gas emissions reduction & reporting obligations

9. Section B: *“Unless otherwise restricted by state or city regulations or contract, tenants shall allow building owners access to mechanical systems and utility information, such as energy consumption data or meter numbers, if necessary to comply with the terms of this Chapter 22.925.”* -> when is it otherwise restricted? What happens when it is? Tenant advocate flags for privacy or other risks?

22.925.070 Alternative compliance

10. Some parts of the language suggest multifamily buildings can't use alternative compliance paths and some suggest they can; which is it?

22.925.080 Exemptions and exclusions

11. Section D - exemption for buildings that have been foreclosed/are owned by a financial institution: Why are these buildings exempt?

12. Section E, Part 4 - exemption for *"nonresidential buildings that are owned by a registered nonprofit organization or leased to registered nonprofit organization(s) in 50% or more of the building, whose primary organizational mission aligns with the Seattle City Council Green New Deal Resolution 31895 to broadly prioritize communities historically most harmed by economic, racial, and environmental injustice, for compliance intervals 2026-2030 or 2031-2035 only":* How will it be determined that a nonprofit's mission aligns with the Green New Deal Resolution?

13. Section F, Part 1 - re allowing exclusions of combustion equipment "permitted under 2018 energy code": At minimum, need clarification: literally permitted under the code I.e. the permit was pulled for the equipment while that code was live? Or any equipment that would have met the code at that time? The second is definitely unacceptable; the first is still not great but at least sort of understandable

14. Still troubled by tenant penalty possibilities. Enforcement action language e.g. around hearings does a poor job of covering what happens to accused tenants (as opposed to building owners)

Undersigned Organizations:

Jonny Kocher
Senior Associate
RMI

Deepa Sivarajan
Washington Clean Buildings Policy Manager
Climate Solutions

Erin Sherman
Senior Associate
RMI

Kelly Hall
Washington Director
Climate Solutions

Dylan Plummer
Senior Campaign Representative
Sierra Club

ALEXANDRIA.

11/30/2022

Jessyn Farrell, Director
Nicole Ballinger, Buildings & Energy Strategic Advisor
Office of Sustainability & Environment
PO Box 94729
Seattle, WA 98124-4729

Re: Alexandria Real Estate Comments to Proposed OSE Building Emission Standard Ordinance

Dear Jessyn and Nicole,

Thank you for taking time to discuss our feedback regarding the current draft of Seattle Building Emissions Performance (BEP) Standards Ordinance. Alexandria is deeply committed to tracking and actively reducing our portfolio's GHG emissions as part of our national sustainable strategy. As we discussed in our call before Thanksgiving, Alexandria's sustainable commitments align with the overarching goals of the BEP Ordinance, and we are committed to working collaboratively with the Office of Sustainability and the Environment (OSE) to ensure the BEP Ordinance accurately accounts for the complexity of life science buildings and intense energy use necessary for science and innovation to thrive.

As the largest owner and operator of mission critical life science buildings in Seattle, Alexandria has a unique perspective on how to effectively reduce GHG emissions within individual life science buildings of various vintages. As you know, life science buildings make up small fraction of the built environment covered by the Ordinance when compared to traditional office buildings. In addition, life science buildings are also substantially more complex than office buildings, with typically more than 50% of their space dedicated to laboratory space and more robust mechanical and electrical equipment. This equipment is required for lab buildings to run constantly to ensure the safety, security and ultimate success of life-saving scientific research housed within.

Though we are still analyzing the BEP standard with our technical teams, as a foundational matter, we are concerned that the BEP Ordinance Green House Gas Intensity Targets (GHGITs) for lab buildings cannot be feasibly achieved without major disruptions to the science conducted therein and to the Seattle life science sector as a whole. We also remain concerned about the ability of the current Seattle City Light electrical grid to accommodate the desired level of building electrification without substantial upgrades to enhance needed capacity, particularly in life sciences buildings.

As such, we believe that OSE should seriously consider the creation of an alternate GHGIT compliance pathway specifically tailored for lab/life science buildings, beyond what is currently included in the BEP Ordinance. A specific life science-focused approach will ensure measured, achievable GHG reduction progress over set intervals, without jeopardizing the critical research conducted in labs, threatening the continued growth of the life science sector in Seattle or forcing lab building owners to simply pay fines in lieu of performance.

Specifically, within a life science alternate compliance approach, we ask that OSE consider revisiting the proposed GHGIT targets and timelines for lab/life science building compliance, including extending the alternate GHGI reduction against the baseline GHGI beyond the first compliance interval.

In addition, OSE should exclude all lab-related energy used from the GHGIT total emissions calculation, by exempting all equipment needed for lab/life science functions (e.g., heating, cooling, air changes, and other core functions) in addition to what is currently exempted or excluded in the Ordinance. This approach would normalize the building's use for more achievable reduction targets without massive tenant disruption resulting from full building retrofits required to hit the existing GHGIT lab metrics.

A life science alternate compliance pathway could also expand the definition of exempted process load to include all lab related mechanical and electrical equipment, beyond process load from equipment found at the lab bench.

Finally, in determining compliance, OSE could include the use of life cycle/feasibility analyses during energy audits for life science owners developing capital plans to achieve GHG reductions.

These are just a few examples of the technical requirements to continue to allow the life sciences sector to thrive and grow in our region. We would be very happy to work with you and your office to further refine these ideas and explore others.

As a key stakeholder, we look forward to continuing the conversation with OSE on the evolution of the BEP Standards and partnering with the city on the creation of a lab/life science alternate compliance pathway that allows the City and Alexandria to achieve our GHG reduction goals.

Thanks again. Please contact me if you have any questions.

Best Regards,

Christian Gunter
Senior Vice President – Development

cc: Hart Cole, Alexandria Real Estate Equities, Inc.
John Cox, Alexandria Real Estate Equities, Inc.
WA Legal

From: Katie Garrow
Sent: Wednesday, February 22, 2023 8:01 AM
To: Farrell, Jessyn <Jessyn.Farrell@seattle.gov>
Subject: Labor Council Resolution on Seattle's Building Emissions Performance Standards

Jessyn,

At our most recent delegate meeting, we voted to pass a resolution to support the Seattle Office of Sustainability and Environment proposal to enact BEPS and transition Seattle buildings to lower carbon emissions in the next 2-3 decades. We also support implementing the fastest possible timeline within the policy.

I've attached the resolution in full and pasted it at the bottom of this email.

Please let me know if you have any questions.

Thank you

Katie Garrow
MLK Labor
Executive Secretary-Treasurer

--

Resolution on Seattle's Building Emissions Performance Standards

FEBRUARY 16, 2023

WHEREAS, Buildings are responsible for more than one-third of Seattle's carbon emissions and must be part of the solution to climate change- both by reducing carbon emissions, and keeping people comfortable and healthy during heat waves and wildfire smoke,

WHEREAS, Seattle's Building Emissions Performance Standards policy is projected to reduce building emissions by 27 percent by 2050, making it the most impactful climate action Seattle can take now.

WHEREAS, The proposed BEPS policy is forecasted to create 150 to 270 new well-paying jobs annually, benefitting Seattle area workers, and our local economy, and expanding career opportunities and pathways for women and people

of color.

THEREFORE, BE IT RESOLVED, that MLK Labor supports the proposal developed by the Seattle Office of Sustainability and Environment under the leadership of Director Jessyn Farrell to enact BEPS and transition Seattle buildings to lower carbon emissions in the next 2-3 decades.

BE IT FURTHER RESOLVED that MLK Labor supports implementing the fastest possible timeline for lowering building emissions within the policy.

Resolution on Seattle's Building Emissions Performance Standards

FEBRUARY 16, 2023

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WHEREAS, Seattle's Building Emissions Performance Standards policy is projected to reduce building emissions by 27 percent by 2050, making it the most impactful climate action Seattle can take now.

WHEREAS, The proposed BEPS policy is forecasted to create 150 to 270 new well-paying jobs annually, benefitting Seattle area workers, and our local economy, and expanding career opportunities and pathways for women and people of color.

THEREFORE, BE IT RESOLVED, that MLK Labor supports the proposal developed by the Seattle Office of Sustainability and Environment under the leadership of Director Jessyn Farrell to enact BEPS and transition Seattle buildings to lower carbon emissions in the next 2-3 decades.

BE IT FURTHER RESOLVED that MLK Labor supports implementing the fastest possible timeline for lowering building emissions within the policy.

From: Robin Briggs
Sent: Sunday, March 5, 2023 12:28 PM
To: Harrell, Bruce <Bruce.Harrell@seattle.gov>
Cc: Farrell, Jessyn <Jessyn.Farrell@seattle.gov>; Tim Gould
Subject: Building Emission Performance Standards amendment needed

We really appreciate your past support for reducing greenhouse gas emissions from Seattle's new commercial buildings and your signing of the Mayoral Climate Pledge. The time is now to follow through on this commitment by standing firm on the new performance standard for existing commercial buildings. Existing buildings are the second largest contributor to GHG (Greenhouse House Gases) in the city and we need to act now to reduce this pollution to fight climate change and meet the city's climate goals.

Over the last year, the Office of Sustainability and Environment has worked hard to get community input and put together a GHG emissions standard for large commercial buildings to meet the city's climate goals. We fully support this effort**.**

We have concerns that the new timelines are not short enough to meet the City's goals and that the penalties are not enough to deter building owners from shirking their duty. In addition, RNG (Renewable Natural Gas), should not be allowed because it leaks methane, potent greenhouse gas. We look forward to hearing back from you on this.

Thank you for everything you do to ensure that our citizens, especially those that are the most vulnerable. are protected from health and economic disasters.

Robin Briggs on behalf of the 43rd Environmental Caucus

Date: March 21, 2023
To: Director Jessyn Farrell
CC: Lylianna Allala, Christine Bunch, Sandra Mallory, and Nicole Sanders
Subject: Requested revisions from Seattle Office of Sustainability and Environment on Building Energy Performance Standard policy

Director Jessyn Farrell,

I am writing on behalf of the Sierra Club and our thousands of members and supporters in Seattle, and across the State. We urge you to make revisions to the proposed Building Energy Performance Standard (BEPS) policy that the Office of Sustainability and Environment has been developing in order to ensure that the policy is aligned with the City of Seattle's aggressive decarbonization goals as set in the 2019 Green New Deal Resolution, and to ensure it doesn't provide carve outs for dangerous and polluting alternative fuels like "renewable natural gas" (RNG) and green hydrogen.

Buildings are one of the largest and fastest growing sources of emissions in the region, primarily due to the use of fossil fuels for space and water heating. In Seattle, buildings produce over one third of existing emissions, and building emissions continue to rise year over year even as Seattle has made progress with other sectors like transportation. The City's 2018 Climate Action Strategy calls for a 40% emissions reduction by 2030, and the 2019 Green New Deal Resolution calls for a complete transition off of climate-polluting fuels by 2030.

Burning fossil fuels in buildings also emits dangerous air pollutants like nitrogen oxide (NOx) and particulate matter (PM2.5). Data from a study from the Harvard T.H. Chan School of Public Health indicates that air pollution from fossil fuel use in buildings is responsible for dozens of early deaths and hundreds of millions of dollars' worth of annual health impacts in Washington. These impacts are disproportionately being borne by People of Color.

While recent changes to the Washington state energy codes and market trends have almost completely halted the construction of new buildings using fossil fuels for space and water heating, existing buildings continue to pose a significant barrier to reaching net zero emissions. In order to meet the City's goals to reduce polluting emissions and protect public health and safety, Seattle must rapidly transition its existing buildings off of fossil fuels and to clean, renewable electricity.

Areas for Improvement:
While the Sierra Club broadly support the policy's framework, there are a few items that we hope to see change before the policy is passed:

No New Gas Equipment: In order to meet decarbonization goals, it will be critical to ensure that as buildings regulated under this policy naturally replace fossil fuel-fired equipment in the future, these are being substituted with high efficiency all-electric alternatives at time of replacement, disallowing the installation of any new fossil fuel equipment - including all equipment that currently uses fossil fuels, even if it building owners believe it could use green hydrogen or RNG in the future. As commercial heating equipment generally lasts between 25-30 years, allowing new fossil fuel-fired equipment to be installed in Seattle will lead to stranded assets for building owners as they are required to comply with the BEPS targets. We strongly encourage OSE to include provisions to ensure that, as building owners strive for compliance, there are requirements to take advantage of the significant federal incentives for electric alternatives under the Inflation Reduction Act and substitute these alternatives any time building owners are replacing fossil fuel-fired equipment.

Need for More Ambitious Timelines: Decarbonizing Seattle's buildings over 20,000 square feet will result in lowering Seattle's building emissions by 27%. While this is significant, we need to achieve these reductions as soon as possible for them to be meaningful, and to allow time to address residential emissions in the future. We agree with the MLK Labor Council's resolution and support more ambitious timelines for this policy in order to meet the City's climate targets, which call for a complete transition off of fossil fuels by 2030. Specifically, we support requiring all publicly owned buildings to be fossil free by 2030, and for more stringent timelines for privately owned buildings to require complete decarbonization by 2035 with targeted exemptions to protect hospitals and affordable housing. Moreover, all buildings need to start planning for compliance -- project plan outlines including financing as well as timing of equipment replacement should be in place for all building types by 2025, and the city should budget and staff for ample planning assistance, particularly for affordable housing providers.

Prioritizing an electrification pathway over alternative fuels: Washington's 2021 State Energy Strategy found that electrification of all sectors is the most cost-effective way to meet our statutory climate targets. Electric heat pumps, heat pump water heaters, and induction cooking appliances are proven technologies for Seattle's climate. Meanwhile, alternative fuels like RNG and green hydrogen are only available in limited quantities and should be reserved for sectors that are currently difficult to decarbonize, such as some specific transportation and industrial uses where electrification is not yet technologically or financially feasible. Green hydrogen and RNG also have the following health issues:

> Hydrogen:
> Recent studies have found that blending hydrogen with methane dramatically increases NOx emissions of gas appliances, and the associated health impacts. Additionally, a comprehensive risk assessment conducted by Hy4Heat evaluating a theoretical methane-hydrogen blend predicted that the number of explosions per year and the risk of injuries from in-home explosions would be four times higher with a 20 percent blend of hydrogen compared to methane alone.

RNG:
Chemically identical to conventional "natural" methane gas, RNG adoption does nothing to mitigate the significant health impacts associated with gas burning appliances detailed above. Additionally, according to a report by California Climate and Agriculture Network, increasing demand for RNG likely increases localized pollution, disproportionately impacting low income and BIPOC communities.

We urge the City to remove the use of alternative fuels as a compliance pathway. If these fuels are included, we encourage the policy to require electrification as the primary pathway for compliance with the BEPS, and to only consider alternative fuels like RNG and green hydrogen as an alternative compliance pathway when a building owner has filed a hardship claim. We would also like to see building owners answer the following questions when requesting to use RNG or green hydrogen:

- How will building owners guarantee that 100% RNG is used directly on-site, rather than through purchasing Renewable Thermal Credits (RTCs) that may not originate locally?
- How will building owners mitigate the air quality impacts of combusting RNG or green hydrogen, both of which can emit high levels of air toxics like nitrogen oxides (NOx)?
- Why is electrification not feasible for the covered buildings?
- Has any cost-effectiveness calculations done by building owners included the social cost of greenhouse gasses?
- How will building owners account for upstream emissions from pipeline leaks, or from gas appliances like gas stoves that have been proven to leak methane even when turned off?

Fines: We believe that fines for violations should be designed (in amount, frequency, etc.) to encourage compliance. Currently, the fines system in the draft ordinance seems likely insufficient to encourage compliance, and are not comparable to the compliance fees that have been instituted by other cities across the country with carbon-based building performance standards:

- Boston's updated Building Energy Reporting and Disclosure (BERDO) law charges building owners between $300-$1,000 (depending on building type and size) *per day* for failure to comply with emissions standards, and a fee of between $1,000-$,5000 for failure to report accurate information.
- Washington D.C.'s BEPS charges an alternative compliance penalty of up to $10/sq ft of gross floor area, not to exceed $7.5 million.
- Vancouver, Canada's Annual Greenhouse Gas and Energy Limits By-law charges a penalty of $350C per ton of CO2e for the GHG emissions that exceed the annual limit set by the policy

Options to improve Seattle's compliance fee include:

- At minimum, including a fee equal to or greater than the examples listed above
- Charge the fine quarterly while the violation persists (encouraging late compliance rather than no compliance)

- Defer determining the amounts of fines to rulemaking and set them in a manner likely to encourage compliance

Seattle Climate Investment Fund: We support the allocation of revenue from fines, penalties, and alternative compliance payments to the Seattle Climate Investment Fund. These funds should be used to support affordable, equitable decarbonization for highly impacted communities, affordable housing, and low- and moderate-income (LMI) tenants. We recommend that the BEPS ordinance specify a minimum percentage of these funds that must be allocated to programs directly benefiting these communities, or that the ordinance identify priority programs directed at these communities that must be funded before funds are allocated to other uses.

For example, the ordinance could specify that 40% of the funds be directed to highly impacted communities in line with the federal government's Justice 40 Initiative, although a significantly higher percentage may be appropriate in this context.

Climate Commitment Act (CCA) Exemption
The current draft BEPS exempts any entity that is covered by CCA, the state's cap-and-invest program, from complying with the Seattle BEPS. There is no legal reason for this exemption - CCA does preempt local jurisdictions from passing policies that levy a tax or charge on greenhouse gas emissions, but the BEPS is not a carbon price. Entities that are covered by CCA should not be exempted from the Seattle BEPS as this sets a dangerous precedent that any local law aimed at reducing greenhouse gas emissions would be preempted by CCA, which is not in the spirit *or* letter of the law.

These are our broad must-haves for a sound BEPS policy. We look forward to working with you on details of the final legislation to make sure it doesn't have undue loopholes, exemptions, or other risks to a stable climate.

Thank you for your consideration, and for your work to reduce emissions in line with what is called for by the best available climate science.

Signed,

Dylan Plummer, Senior Campaign Representative, Sierra Club

ArchEcology

04/11/2023

Mayor Bruce Harrell
City of Seattle
600 4th Ave
7th Floor
Seattle, WA 98104

Dear Mayor Harrell,

ArchEcology is writing to voice our support for the City of Seattle's Building Emissions Performance Standards (BEPS) policy that the Office of Sustainability and Environment has been developing. As members of the sustainable building industry, we know that building retrofits require planning and investment, and a strong BEPS for the City's largest buildings is needed to support the transition to clean, efficient electric heating and hot water systems in our buildings.

The City's 2018 Climate Action Strategy calls for a 40% emissions reduction by 2030, and the 2019 Green New Deal Resolution calls for a complete transition off of climate-polluting fuels by 2030. To meet the City's goals to reduce polluting emissions and protect public health and safety, Seattle must rapidly transition its existing buildings off fossil fuels and to clean, renewable electricity. The proposed BEPS policy will put in place a timeline to ensure that large commercial and multifamily buildings make the transition in the coming years to protect our climate, while expanding access to high efficiency heat pumps which provide life-saving cooling in the face of extreme heat events and wildfire smoke.

Highly efficient all-electric buildings typically cost less to operate once built, while also helping to avert public health and climate costs. All-electric, energy-efficient buildings are more resilient in the face of climate change. Under extreme weather conditions, a highly insulated building will do a far better job at maintaining habitable temperatures. Plus, more efficient buildings will have lower energy costs.

A strong BEPS is needed now, to encourage Seattle building owners to access key funding for clean energy retrofits from the federal Inflation Reduction Act, which are only available this decade. Without a policy pathway and support, many building owners may not be aware of these investments, nor of the potential cost-savings associated with fuel-switching and retrofitting earlier rather than decades down the line.

Thank you, Mayor Harrell, for joining the National BPS Coalition, and we encourage you to follow through on this commitment and pass a strong, equitable BEPS here in Seattle. Thank you for your consideration, and for your continued work on impactful climate action policies.

Sincerely,

Nancy Henderson, AIA, LEED AP BD+C
Managing Member, ArchEcology, LLC

cc: Deputy Mayor, Greg Wong; OSE Director, Jessyn Farrell

901 Hiawatha Pl S, Unit 100
Seattle, WA 98144
Phone: 206 860-2904
Website: ArchEcology.com

From: Patricia Heye
Sent: Tuesday, April 11, 2023 4:54 PM
To: Harrell, Bruce <Bruce.Harrell@seattle.gov>
Cc: Wong, Greg <Greg.Wong@seattle.gov>; Farrell, Jessyn <Jessyn.Farrell@seattle.gov>; Brad Jacobson; Christopher Patano; Jack Rusk
Subject: Please Pass Seattle's Building Emissions Performance Standards Policy (BEPS)

Date: 04/11/2023
To: Mayor Harrell
CC: OSE Director Jessyn Farrell, Deputy Mayor Greg Wong
Subject: Support for Building Emissions Performance Standards

Mayor Harrell,

EHDD is writing to voice our support for the city of Seattle's Building Emissions Performance Standards (BEPS) policy that the Office of Sustainability and Environment has been developing. As architects, designers, and members of the Seattle community, we know that building retrofits require planning and investment, and a strong BEPS for the City's largest buildings is needed to support the transition to clean, efficient electric heating and hot water systems in our buildings.

Buildings are one of the largest and fastest growing sources of emissions in the region, primarily due to the use of fossil fuels for space and water heating. In Seattle, buildings produce over one third of existing emissions, and building emissions continue to rise year over year even as Seattle has made progress with other sectors like transportation. While recent changes to the Washington state energy codes and market trends have almost completely halted the construction of new buildings using fossil fuels for space and water heating, existing buildings continue to pose a significant barrier to reaching net zero emissions.

In order to meet the City's goals to reduce polluting emissions and protect public health and safety, Seattle must rapidly transition its existing buildings off of fossil fuels and to clean, renewable electricity. The proposed BEPS policy will put in place a timeline to ensure that large commercial and multifamily buildings make the transition in the coming years to protect our climate, while expanding access to high efficiency heat pumps which provide life-saving cooling in the face of extreme heat events and wildfire smoke.

A strong BEPS is needed now, to encourage Seattle building owners to access key funding for clean energy retrofits from the federal Inflation Reduction Act, which are only available this decade. Without a policy pathway and support, many building owners may not be aware of these investments, nor of the potential cost-savings associated with fuel-switching and retrofitting earlier rather than decades down the line. Other major cities have already

passed similar policies, including Washington D.C., New York City, and Boston. Let's ensure that Seattle maintains its position as a climate leader, and join other major cities in passing one of these policies to transition large buildings off of polluting fossil fuels.

Thank you, Mayor Harrell, for joining the National BPS Coalition, and we encourage you to follow through on this commitment and pass a strong, equitable BEPS here in Seattle. Thank you for your consideration, and for your continued work on impactful climate action policies.

Sincerely,

Patricia Heye on behalf of EHDD

Patricia Heye AIA, LEED® BD+C
Architect

1101 Alaskan Way - Pier 55, Suite 203
Seattle, WA 98101
+1 206-649-3646

[OSE Editorial Note: This list of recommendations is from a group of downtown building owners (primarily commercial real estate, life science and market rate multifamily). It was sent on 04/12/23 by John C. McCullough, MCCULLOUGH HILL PLLC via email.]

BEPS Oversight Group Recommendations

Our preliminary list of recommended modifications to the program includes the following:

1. Defer Non-Residential Compliance. Defer non-residential compliance dates to be consistent with the residential compliance dates.
2. Expand the Categories of Uses. Establish separate compliance standards, timetables and metrics for lab, hospital, datacenter, research & development and life science uses that address the unique characteristics and requirements of such uses.
3. District Energy. Allow decarbonization of district steam systems (in compliance with WA Climate Commitment Act) to qualify as compliance for customer buildings.
4. Landmark Buildings. Establish performance exemptions for landmark buildings.
5. Older Buildings. Create a separate extended compliance path for non-steam, non-landmark buildings built before 1930.
6. Final Compliance Target. Reduce final compliance target below 100% and/or extend final compliance timetable.
7. Equipment Life-Cycle Allowance. Adopt life-cycle allowances and timetables for existing equipment replacement, similar to the State's CBPS investment criteria performance metric.
8. Financial Hardship Allowance. BEPS should adopt criteria for extension of compliance dates and/or modification of compliance standards in cases where the cost of BEPS compliance will deprive the building owner of a demonstrated current return.
9. Non-Interruptible Uses. BEPS regulations must accommodate a special compliance path for uses not subject to interruption, such as research, life science and datacenter uses.
10. Site Access Issues. Lease agreements and other property restrictions (e.g., lender covenants) may restrict the timing and manner of access to certain building areas, which will impact the timing of BEPS compliance. BEPS regulations should account for these unavoidable limitations.
11. Alternative Compliance Paths/Physical & Financial Infeasibility. BEPS should include a process to validate cases where full compliance is infeasible due to physical limitations and offer alternative paths to offset carbon emissions in such hardship cases (and in cases of financial hardship as noted in #8 above), such as off-site/non-Seattle based solar power purchase programs or electric vehicle subsidies for residents.
12. SCL Program Benchmarking. BEPS compliance timetable should be benchmarked against demonstrated capacity in SCL network and service delivery. Loss of

hydropower resources, significant power needs for EV charging and long timelines for network and building service upgrades will affect the compliance schedule. A process should be in place to adjust compliance dates based on these issues. SCL network and service capacity should be certified at least 18 months prior to each compliance date, or the compliance date extended accordingly.

13. Land Use & Building Code Flexibility. The Land Use Code should be amended to create a range of code departures associated with BEPS compliance. Similarly, the Building Code should exempt all BEPS compliance work from substantial alteration review.
14. Permit Assistance. SCL and SDCI should have a staff team committed to supporting permitting for BEPS compliance, including expedited permitting and abatement of permit fees.
15. Use of Penalties. Use proceeds of any penalty payments to fund single-family house upgrades (e.g., heat pump installation).
16. Campus & Portfolio Compliance. Establish campus-wide and portfolio-wide solutions for compliance.
17. Projects in Progress. Buildings now in the permit process may not be delivered for several years, only to face imminent BEPS retrofit requirements. In addition to the life-cycle allowances noted above, provide an extended compliance date for such new buildings.
18. Building Conversion. Create incentivized compliance pathways to promote office-to-residential/hotel building change of use.
19. Incentives. Create incentives for early compliance (e.g., state program for property tax abatement).
20. Peaking Exceptions. Provide allowances for back-up power, peaking needs, special uses.
21. Affordable Housing Exception. Establish exceptions and/or extended compliance dates for low-income housing & shelters.
22. Technical Working Group & Rulemaking. Establish a Technical Working Group to provide consultation to OSE in the rulemaking process.
23. Program Evaluation. Require evaluation of BEPS based on compliance results, cost issues and secondary effects every 5 years, to determine if the program should be adjusted.

April 14, 2023

To: Mayor Bruce Harrell: Bruce.Harrell@seattle.gov
CC: Deputy Mayor Greg Wong: Greg.Wong@seattle.gov
OSE Director Jessyn Farrell: jessyn.farrell@seattle.gov

Re: Support for Seattle Building Emissions Performance Standards

Dear Mayor Harrell,

McKinstry is writing to state our support for the City of Seattle Building Emissions Performance Standards (BEPS) and to recommend additional market engagement before compliance requirements are finalized.

We applaud the city's leadership toward a clean energy economy. Seattle's goal of net-zero emissions (by 2041-2045 for nonresidential buildings, 2046-2050 for multifamily buildings) is necessary and urgent. McKinstry fully supports decarbonization of the built environment to mitigate environmental damage and to enable building owners to provide the market with buildings that are resilient, healthy, and differentiated to attract tenants and investors. Thirty U.S. cities or local authorities are developing regulations similar to BEPS and New York City's Local Law 97 in the next two years, and research indicates that policymakers and building owners have a common goal in effective decarbonization policies that lead to better buildings and better environmental and social outcomes.

McKinstry is a national leader in the decarbonization and electrification of buildings and infrastructure, and we have unique perspective on compliance with regulations and codes. We support building owners, developers, builders, and operators in planning, designing, constructing, and optimizing buildings across vertical markets in both private and public sectors. Our engineering services include planning, feasibility, and project development, and we conduct studies for buildings and portfolios on behalf of owners pursuing decarbonization goals and in several jurisdictions with progressive policies, including Seattle and Denver. We navigate the technical and financial realities of decarbonization on most of our projects.

While we unambiguously support the push to net-zero emissions, we also encourage the City of Seattle to take all possible steps to evaluate feasibility across all affected building types, to tailor requirements based on use cases, and to define specific city commitments to help building owner's transition. BEPS and similar legislation force a new way of evaluating real estate value and planning for investments. Our experience with supporting compliance with the Washington Commercial Clean Buildings Performance Standard (CBPS) indicates that considerable technical and financial support will be necessary to ensure equitable application of performance goals. We believe that the ultimate goal of net-zero emissions by 2045 will only be better enabled through refinement of the draft compliance requirements, and we are committed to supporting this effort through technical and financial analysis.

Thank you, Mayor Harrell, for remaining steadfast in the need to decarbonize our built environment through strong, equitable policy here in Seattle.

Sincerely,

Ash Awad | President & Chief Market Officer 206.832.8227 |

O'Brien360

Date: 4/13/2023

To: Mayor Harrell

CC: OSE Director Jessyn Farrell, Deputy Mayor Greg Wong

Subject: Support for Building Emissions Performance Standards

Mayor Harrell,

On behalf of O'Brien360, I am writing to voice our support for the city of Seattle's Building Emissions Performance Standard (BEPS) policy that the Office of Sustainability and Environment has been developing. As participants in the multifamily and commercial real estate industry in the Pacific Northwest, we know that building retrofits require planning and investment. A strong, predictable BEPS for Seattle's buildings is needed to catalyze market transformation and support the transition to clean, efficient electric heating and hot water systems in our buildings.

In order to meet the City's goals to reduce polluting emissions and protect public health and safety, Seattle must rapidly transition its existing buildings off of fossil fuels and to clean, renewable electricity. A strong BEPS is needed now, to encourage Seattle building owners to access key funding for clean energy retrofits from the federal Inflation Reduction Act, which are only available this decade. Without a policy pathway and support, many building owners may not be aware of these and other capital resources, nor of the potential cost-savings associated with fuel-switching and retrofitting earlier rather than decades down the line.

While the real estate industry might prefer to delay this inevitable transition to protect their near term returns, the social cost of that delay, largely born by those least able to afford it, is unacceptable. The BEPS will actually set the stage for a market transformation and will incentivize building owners to proactively transition their portfolios, improving competitiveness and avoiding spiralling operating cost increases associated with fossil fuel dependence.

Thank you, Mayor Harrell, for joining the National BPS Coalition, and we encourage you to follow through on this commitment and pass a strong, equitable BEPS here in Seattle. Thank you for your consideration, and for your continued work on impactful climate action policies.

Signed,

Alistair Jackson

Principal

710 Second Avenue, Suite 925 | Seattle, WA 98104 | 206.621.862

MILLER HULL

April 12, 2023

To: Mayor Harrell
CC: OSE Director Jessyn Farrell, Deputy Mayor Greg Wong
Subject: Support for Building Emissions Performance Standards

Mayor Harrell:

Miller Hull is writing to voice our support for the city of Seattle's Building Emissions Performance Standards (BEPS) policy that the Office of Sustainability and Environment has been developing. As architects who practice in this city, we know that building retrofits require planning and investment, and a strong BEPS for the City's largest buildings is needed to support the transition to clean, efficient electric heating and hot water systems in our buildings.

In order to meet the City's goals to reduce polluting emissions and protect public health and safety, Seattle must rapidly transition its existing buildings off of fossil fuels and to clean, renewable electricity. The proposed BEPS policy will put in place a timeline to ensure that large commercial and multifamily buildings make the transition in the coming years to protect our climate, while expanding access to high efficiency heat pumps which provide life-saving cooling in the face of extreme heat events and wildfire smoke.

A strong BEPS is needed now, to encourage Seattle building owners to access key funding for clean energy retrofits from the federal Inflation Reduction Act, which are only available this decade. Without a policy pathway and support, many building owners may not be aware of these investments, nor of the potential cost-savings associated with fuel-switching and retrofitting earlier rather than decades down the line.

Thank you, Mayor Harrell, for joining the National BPS Coalition, and we encourage you to follow through on this commitment and pass a strong, equitable BEPS here in Seattle. Thank you for your consideration, and for your continued work on impactful climate action policies.

Sincerely,

Robert Misel, AIA, Partner
The Miller Hull Partnership

The Miller Hull Partnership, LLP
www.millerhull.com

Seattle
Polson Building
71 Columbia Street, Sixth Floor
Seattle, WA 98104
Tel: 206.682.6837

San Diego
Point Loma Marina
4980 North Harbor Drive, Suite 100
San Diego, CA 92106
Tel: 619.220.0984

Date: 4/13/2023
To: Mayor Harrell
CC: OSE Director Jessyn Farrell, Deputy Mayor Greg Wong
Subject: Support for Building Emissions Performance Standards

Mayor Harrell,

I am writing on behalf of Cascade Built to voice our support for the city of Seattle's Building Emissions Performance Standards (BEPS) policy that the Office of Sustainability and Environment has been developing. As sustainable building developers, contractors and owners as well as members of the greater Seattle community, we know that building retrofits require planning and investment, and a strong BEPS for the City's largest buildings is needed to support the transition to clean, efficient electric heating and hot water systems in our buildings.

In order to meet the City's goals to reduce polluting emissions and protect public health and safety, Seattle must rapidly transition its existing buildings off of fossil fuels and to clean, renewable electricity. The proposed BEPS policy will put in place a timeline to ensure that large commercial and multifamily buildings make the transition in the coming years to protect our climate, while expanding access to high efficiency heat pumps which provide life-saving cooling in the face of extreme heat events and wildfire smoke.

A strong BEPS is needed now, to encourage Seattle building owners to access key funding for clean energy retrofits from the federal Inflation Reduction Act, which are only available this decade. Without a policy pathway and support, many building owners may not be aware of these investments, nor of the potential cost-savings associated with fuel-switching and retrofitting earlier rather than decades down the line.

Thank you, Mayor Harrell, for joining the National BPS Coalition, and we encourage you to follow through on this commitment and pass a strong, equitable BEPS here in Seattle. Thank you for your consideration, and for your continued work on impactful climate action policies.

Sincerely,

Sloan Ritchie

President
Cascade Built

From: Ben Wolk
Sent: Friday, April 14, 2023 9:40 AM
To: Harrell, Bruce <Bruce.Harrell@seattle.gov>
Cc: Wong, Greg <Greg.Wong@seattle.gov>; Farrell, Jessyn <Jessyn.Farrell@seattle.gov>
Subject: Support for Building Emissions Performance Standards

Mayor Harrell,

I am writing on behalf of myself as an architect and resident of Seattle to voice my support for the city of Seattle's Building Emissions Performance Standards (BEPS) policy that the Office of Sustainability and Environment has been developing. As a member of the building industry and member of the Seattle community, I know that building retrofits require planning and investment, and a strong BEPS for the City's largest buildings is needed to support the transition to clean, efficient electric heating and hot water systems in our buildings.

In order to meet the City's goals to reduce polluting emissions and protect public health and safety, Seattle must rapidly transition its existing buildings off of fossil fuels and to clean, renewable electricity. The proposed BEPS policy will put in place a timeline to ensure that large commercial and multifamily buildings make the transition in the coming years to protect our climate, while expanding access to high efficiency heat pumps which provide life-saving cooling in the face of extreme heat events and wildfire smoke.

A strong BEPS is needed now, to encourage Seattle building owners to access key funding for clean energy retrofits from the federal Inflation Reduction Act, which are only available this decade. Without a policy pathway and support, many building owners may not be aware of these investments, nor of the potential cost-savings associated with fuel-switching and retrofitting earlier rather than decades down the line. Not only are there cost savings associated with the operation of the buildings, this improves the indoor air quality for the inhabitants, which encourages them to extend their leases, thus reducing costs associated with turnover. It also will improve the health of the residents and the city as a whole, thus reducing external costs related to healthcare. Better buildings are better for all and we must look towards the long term and not be blinded by short term costs/challenges.

Developers and builders will complain about additional costs and claim that this makes housing unaffordable to build and own. This is a strawman argument and they are only looking at their own profits and short term issues. We should not reduce the

quality of our housing stock to placate developers who are afraid of change or putting effort into quality construction. The city has other levers to pull that have a significantly greater impact on construction costs and affordability. These include reducing the timeframe and costs for permitting, providing more incentives for affordable and green housing to lower permit fees and delays, and not putting the onus on developers/builders for improving infrastructure or the right of way. Infrastructure should be a cost borne by the city for smaller affordable projects, and a shared partnership for larger projects.

Thank you, Mayor Harrell, for joining the National BPS Coalition, and I encourage you to follow through on this commitment and pass a strong, equitable BEPS here in Seattle. Thank you for your consideration, and for your continued work on impactful climate action policies.

Signed,

Ben Wolk, RA, SHP, CPHC, NCARB

Additional Points to Note:

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-
- The City's
- 2018
- Climate Action Strategy
- calls for a 40% emissions reduction by 2030, and the 2019
- Green New Deal Resolution
- calls for a complete transition off of climate-polluting fuels by 2030.
-
-
-
- Buildings are one of the largest and
- fastest growing sources of emissions in the region, primarily due to the use of fossil fuels for space and water heating. In Seattle, buildings produce over one third of existing emissions, and building emissions continue to rise year over year even as Seattle
- has made progress with other sectors like transportation. While recent changes to the Washington state energy codes and market trends have almost completely halted the construction of new buildings using fossil fuels for space and water heating, existing buildings
- continue to pose a significant barrier to reaching net zero emissions.
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-
- Burning fossil fuels in buildings also
- emits dangerous air pollutants like nitrogen oxide (NOx) and particulate matter

(PM2.5). Data from a

- study
- from the Harvard T.H. Chan School of Public Health indicates that air pollution from fossil fuel use in buildings is responsible for dozens of early deaths and hundreds of millions of dollars' worth of annual health impacts in Washington. These impacts are
- disproportionately
- being borne by communities
- of color.
-
-
-
- Other major cities have already passed
- similar policies, including Washington D.C., New York City, and Boston. Let’s ensure that Seattle maintains its position as a climate leader, and join other major cities in passing one of these policies to transition large buildings off of polluting fossil
- fuels.
-
-
-
- Highly efficient all-electric buildings
- typically cost less to operate once built, while also helping to avert public health and climate costs. All-electric, energy-efficient buildings are more resilient in the face of climate change. Under extreme weather conditions, a highly insulated building
- will do a far better job at maintaining habitable temperatures. Plus, more efficient buildings will have lower energy costs.
-

Mayor Harrell,

The NW Energy Coalition (NWEC) is writing to voice our support for the city of Seattle's Building Emissions Performance Standards (BEPS) policy that the Office of Sustainability and Environment has been developing. As clean and affordable energy advocates in Seattle and the Pacific Northwest, we know that building retrofits require planning and investment, and a strong BEPS for the City's largest buildings is needed to support the transition to clean, efficient electric heating and hot water systems in our buildings.

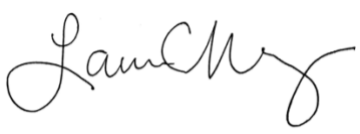
NWEC has supported the BEPS policy alongside many other stakeholders over the last three years. **We support many of the recommendations in the recent letter you received from Climate Solutions and RMI.**

The City's 2018 Climate Action Strategy calls for a 40% emissions reduction by 2030, and the 2019 Green New Deal Resolution calls for a complete transition off climate-polluting fuels by 2030. To meet these goals to reduce polluting emissions and protect public health and safety, **Seattle must rapidly transition its existing buildings off fossil fuels and to clean, renewable electricity**. The proposed BEPS policy will put a timeline in place to ensure that large commercial and multifamily buildings make the transition in the coming years to protect our climate, while expanding access to high efficiency heat pumps which provide heat and life-saving cooling in the face of extreme heat events and wildfire smoke.

A strong BEPS is needed now, to encourage Seattle building owners to access key funding for clean energy retrofits from the federal Inflation Reduction Act, which are only available this decade. Without a policy pathway and support, many building owners may not be aware of these investments, nor of the potential cost savings associated with fuel-switching and retrofitting earlier rather than decades down the line.

Seattle is a leader among cities in adopting aggressive policies to combat climate change and achieve an equitable energy transition. Thank you, Mayor Harrell, for joining the National BPS Coalition, and we encourage you to follow through on this commitment and pass a strong, equitable BEPS here in Seattle. Thank you for your consideration, and for your continued work on impactful climate action policies.

Sincerely,



Lauren McCloy, Policy Director
NW Energy Coalition

To: Seattle Office of Sustainability and Environment Director Jessyn Farrell
CC: Mayor Bruce Harrell, Deputy Mayor Greg Wong
From: Climate Solutions and RMI
Subject: Technical recommendations for Seattle's BEPS proposal
Date: Friday, April 14, 2023

RMI and Climate Solutions strongly support the implementation of a Building Emissions Performance Standard (BEPS) in Seattle that aims to reduce greenhouse gas (GHG) emissions from buildings over 20,000 square feet. Seattle's BEPS, when passed, is expected to be the strongest carbon-based building performance standard (BPS) in the country, reducing 27% of Seattle's building emissions overall and leading the way in tackling climate and air pollution. We applaud Seattle's Office of Sustainability and Environment for developing this policy and leading a robust stakeholder process, and we thank Mayor Harrell for signing onto the National BPS Coalition and making this commitment to building decarbonization.

We would love to see the policy implemented in its strongest possible form to reduce emissions and air pollution equitably and effectively, and to be enforced in a way that will achieve its climate targets as soon as feasible. **This memo is meant to serve as technical guidance and insight as the Seattle Office of Sustainability and Environment (OSE) revises the current draft of the city's BEPS ordinance.**

Our overall recommendations, described in more detail below, are that the BEPS policy should:

- Require that any replacements of fossil fuel equipment made by covered building owners must be free of fossil fuels beginning immediately
- Disallow the use of renewable natural gas or hydrogen for building decarbonization
- Achieve greater greenhouse gas emissions in the short-term by providing a shorter timeline for compliance overall, and by increasing the carbon reductions required in earlier compliance periods
- Remove the alternative compliance pathways that allow building owners to make payments through 2035 in lieu of carbon reductions
- Increase the amount and frequency of noncompliance penalties to incentivize compliance
- Include provisions to exempt energy use specifically for charging electric vehicles from the policy
- Remove the exemption for compliance by entities covered by the statewide Climate Commitment Act (CCA)

Phase out fossil fuel equipment replacements

The policy currently does not address or explicitly phase out the replacement of existing fossil fuel equipment. According to data collected by the Energy Information Administration (EIA), the useful life of different fossil fuel equipment ranges from 10 years for gas storage water heaters to nearly 30 years for large commercial gas-fired boilers.[1] This means that when existing boilers burn out, building owners that

[1] Guidehouse, "EIA – Technology Forecast Updates – Residential and Commercial Building Technologies – Reference Case," U.S. Energy Information Association (EIA) (2023): 119, 148. https://www.eia.gov/analysis/studies/buildings/equipcosts/pdf/appendix-a.pdf

replace them with new boilers will likely be required to tear them out before the end of their useful life in order to successfully reach the GHG emission targets.

Ideally, the requirement to replace fossil fuel appliances on burnout would be both a requirement in the building code and BEPS so that these policies could complement each other. The requirement does not currently exist in the BEPS, and the proposed 2021 Seattle Commercial Energy Code presents a loophole for existing buildings that will allow many buildings to continue to install gas equipment. This exemption allows buildings to replace their gas equipment with new gas equipment if electrification would otherwise trigger a utility transformer upgrade. Given the substantial increase in electrical panel demand from heating and water heating equipment when installed, this will be triggered in many buildings. These buildings cannot be left behind in the BEPS or existing building code process, and OSE has the opportunity to effectively address their decarbonization in both.

To further ensure that the BEPS is not allowing for new gas appliances to be installed, during each compliance period, OSE should analyze the overall gas usage of the building as a percentage of total energy use of the building. If the gas usage is more than 10% of the total energy usage of the building, OSE should assume they are still using gas for space and/or water heating, and OSE should have the building owner list out the boiler plate data for all gas equipment in the building. If found between one compliance period to another that the owner has replaced the old gas equipment with new gas equipment, then OSE should consider mandating the building owner sign a letter acknowledging that they will need to replace this equipment in future compliance periods if the gas grid is not decarbonized. If the owner refuses to sign, then they could be subject to a penalty.

If the owner is using a lot of gas (more than 40% of total energy usage) in an earlier compliance period, and the provided nameplate data that suggests that the gas equipment is past the end of its useful life (compared to the EIA estimates), then the owner should be warned by OSE that they will need to fuel switch the gas appliance by the next compliance period, or face penalties.

Disallow use of renewable natural gas and hydrogen

Renewable natural gas (RNG) is an inadequate solution that is limited in supply, very expensive, and does not lower emissions. For this reason, OSE should seek every opportunity possible to fuel-switch from gas to electricity and not rely on the gas grid's decarbonization as part of its strategy to decarbonize the building sector.

Research from the National Renewable Energy Laboratory (NREL) suggests there is only enough biomethane to decarbonize 5% of the nation's natural gas consumption.[2] This means that meeting the 2050 federal climate goals will require the use of power-to-gas technology to create the renewable fuels needed to heat buildings. A study from the American Geophysical Union on least-cost carbon-neutral pathways found that creating renewable fuels from electricity involves higher electrical usage than the

[2] National Renewable Energy Laboratory, "Energy Analysis: Biogas Potential in the United States," U.S. Department of Energy (2013): 1. https://www.nrel.gov/docs/fy14osti/60178.pdf

electrification scenario, and that creating renewable fuels will, in turn, drive up carbon emissions.[3] This is due to the high electrical demand needed to create renewable fuels and the low energy efficiency of space heating technologies that combust the gas. The American Gas Foundation's own data found that after two decades of ramping up supply, RNG could supply only 6 to 13% of the nation's total gas consumption.[4] RNG is also expected to cost 8 to 17 times more than the expected price trajectory of natural gas, according to research from the California Energy Commission.[5]

The vast majority of that small RNG supply is not carbon-negative nor even carbon-neutral, as industry often claims. The amount of carbon-negative biogas, which comes from capturing unintentionally-created waste methane that would normally be leaked to the atmosphere, is extremely limited and should not be considered as a significant resource. Recent research published in *Environmental Research Letters* found that less than 1% of the nation's total gas demand can be captured from unintentional waste methane. This indicates that RNG producers would need to intentionally produce methane to meet any sustainable amount of national gas demand. The research also found that "RNG from intentionally produced methane is always GHG-positive unless total system leakage is 0".[6] This means that only a small fraction of RNG can be used for building decarbonization, while all other RNG will still be contributing to climate change.

If a customer is going to use green hydrogen to comply, then they should have to prove they are installing devices that are capable of burning hydrogen.

Achieve greater greenhouse gas reductions in the short term

The timeline of expected greenhouse gas reductions from the current draft BEPS legislation does not align with the City of Seattle's stated climate goals. Seattle's Green New Deal resolution calls for Seattle to be carbon-free by 2030, citing the 2018 report by the Intergovernmental Panel on Climate Change (IPCC) that warns we only have until 2030 to limit global warming to 1.5 degrees Celsius and avoid climate catastrophe.[7] Even looking to 2050, we need to achieve greater greenhouse gas reductions in the short term to stay aligned with the limit of 1.5 degrees Celsius (Fig. 1).

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[3] James H. Williams , Ryan A. Jones, Ben Haley, Gabe Kwok, Jeremy Hargreaves, Jamil Farbes, and Margaret S. Torn, "Carbon-Neutral Pathways for the United States," *American Geophysical Union* (2020): 7. https://agupubs.onlinelibrary.wiley.com/doi/epdf/10.1029/2020AV000284

[4] Sasan Saadat, Matt Vespa, and Mark Kresowik, "Rhetoric Vs. Reality: The Myth of 'Renewable Natural Gas' for Building Decarbonization," Earthjustice and Sierra Club (2020): 11, 26. https://s3.documentcloud.org/documents/6988834/Rhetoric-vs-Reality-The-Myth-of-Renewable.pdf

[5] Dan Aas, Amber Mahone, Zack Subin, Michael Mac Kinnon, Blake Lane, and Snuller Price, "The Challenge of Retail Gas in California's Low-Carbon Future," California Energy Commission (2020): https://www.energy.ca.gov/sites/default/files/2021-06/CEC-500-2019-055-F.pdf

[6] Emily Grubert, "At scale, renewable natural gas systems could be climate intensive: the influence of methane feedstock and leakage rates," *Environmental Research Letters* (2020): 4, 5. https://iopscience.iop.org/article/10.1088/1748-9326/ab9335/pdf

[7] City of Seattle, "Resolution No. 31895: Green New Deal Resolution" (2019). http://seattle.legistar.com/ViewReport.ashx?M=R&N=Text&GID=393&ID=3611579&GUID=ADF51F71-1823-4D7B-B599-9ED04DFD8860&Title=Legislation+Text

The current draft BEPS, which will reduce Seattle's building emissions by 27%, will only achieve those reductions by 2050. Additionally, OSE's estimates for BEPS compliance show that only 41% of the nonresidential buildings covered by the policy would be required to make any reductions at all by 2030, and only 51% by 2035. The timeline is even longer for multifamily buildings, who do not have to begin reducing carbon until the 2031-2035 compliance period; even so, only 37% of multifamily buildings will be required to achieve reductions by 2035, and only 47% by 2040.

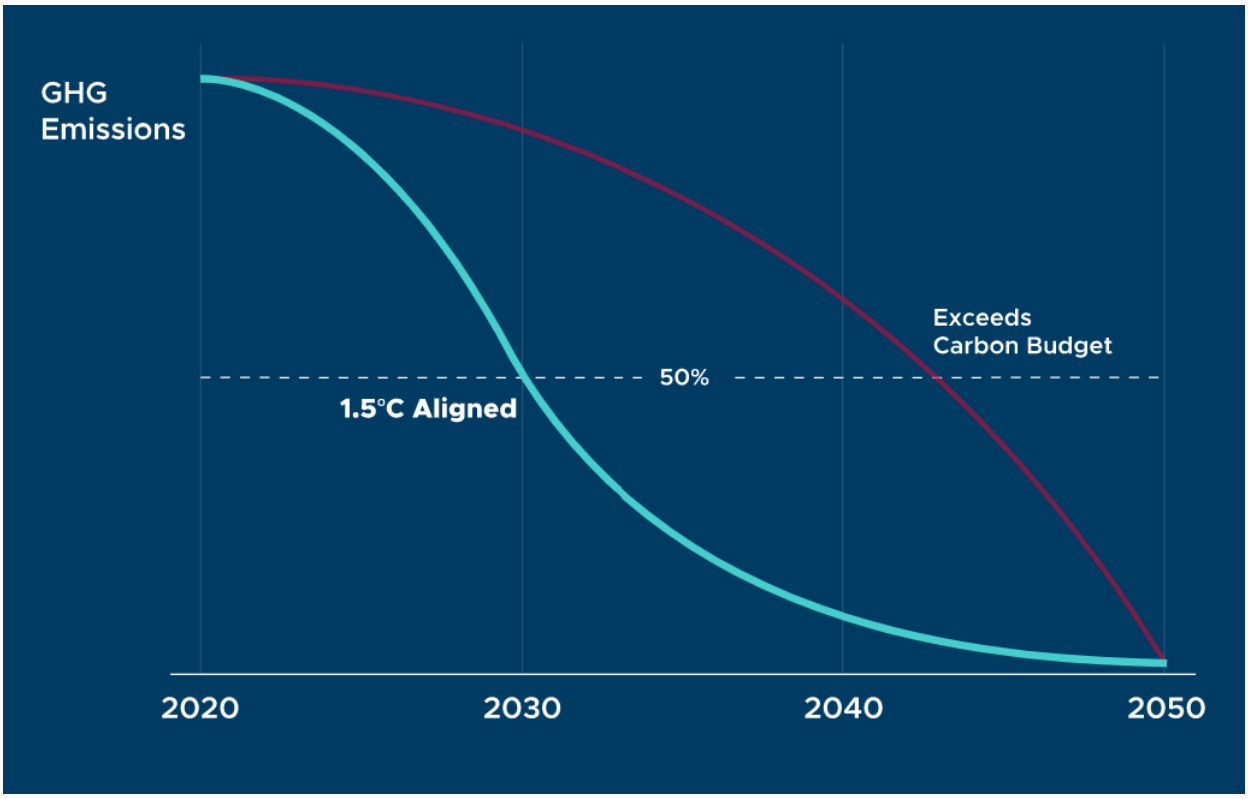

Figure 1: Carbon Budget[8]

To mitigate climate impacts in the shorter-term, reduce the risk of climate feedback loops, and require building owners to properly assess the reductions they can make now to save money in the long-term, OSE should shorten the overall timelines for compliance so that buildings must comply sooner, and increase the greenhouse gas intensity targets (GHGITs) in the earlier compliance periods. Currently, the policy does the opposite by allowing building owners to only reduce 10% of their total GHGs in a building's first compliance period. This trend should be reversed, with higher GHGITs "front-loaded" so that a greater number of buildings must achieve deeper reductions before 2030. We also recommend that affordable housing is exempted from these bolder targets to ensure equity and affordability for low-income tenants.

Currently, the draft legislation includes an alternative compliance pathway with prescriptive options for multifamily buildings to meet the BEPS within one compliance period by replacing existing fossil fuel

[8] RMI, "Our Work" (2023). https://rmi.org/

combustion service hot water or HVAC heating system equipment with electric heat pump systems. Given that the majority of fossil fuel use in all buildings goes to space heating, the prescriptive option for electrifying HVAC heating systems could be extended to all buildings covered by the BEPS. Additionally, if a building uses this prescriptive option for space heating before 2030, that building could be exempt from the following two compliance periods to incentivize early compliance.

Finally, in order to comply with the intent of the Seattle Green New Deal Resolution and to model equitable decarbonization practices for other building owners, the City of Seattle should decarbonize its own municipal building stock by 2030, instead of by 2035 as stated in the current draft legislation.

Remove alternate compliance pathways that allow payments instead of improvements

Section 22.925.100, part B of the draft legislation allows building owners to meet their compliance requirements for the 2027-2030 and 2031-2035 periods simply through payments. This does not serve the stated goal of reducing GHGs to prevent further climate catastrophe, nor are the payments high enough to encourage compliance. Given that less than half of covered buildings will even be required to reduce carbon at all in this time range, OSE should remove the option to comply purely through payments.

Increase amount and frequency of compliance penalties

To better enforce the BEPS and encourage compliance across all buildings subject to the standard, OSE should issue a compliance penalty system that increases the amount and frequency of fees. Cities with similar energy performance standards, including Boston and Washington D.C., charge higher penalties for noncompliance. For example, Washington D.C. charges a compliance penalty of up to $10 per square foot of gross floor area, with a cap of $7.5 million.[9]

Increasing the penalty amount will more likely stimulate compliance with the BEPS if the cost of noncompliance is high enough. In Boston, failure to comply with their emission standard could result in fees as high as $1,000 per day.[10] The state's 2019 Clean Buildings Act (CBA), which requires reductions in energy use, has been cited to justify a lower compliance fee in Seattle because compliant properties will be subject to both. However, the state's Penalties Calculator shows that penalties for buildings in noncompliance with the CBA are approximately $2-3 per square foot.[11] Adding Seattle's currently drafted $2.50 per square foot would be a total fee of about $4.50-$5.50 per square foot, which is only about half of Washington D.C.'s penalty. Setting a low penalty will result in low compliance rates in Seattle, which will reduce the overall impact of the BEPS.

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[9] "Building Energy Performance Standards (BEPS) Enforcement Guidebook for Compliance Cycle 1: Chapter 6 – Enforcement," District of Columbia Department of Energy and Environment (2023). https://dc.beam-portal.org/helpdesk/kb/BEPS_Guidebook/75/

[10] City of Boston, "Ordinance Amending City of Boston Code, Ordinances, Chapter VII, Sections 7-2.1 and 7-2.2, Building Energy Reporting and Disclosure (BERDO)" (2021). https://www.boston.gov/sites/default/files/file/2022/12/Final%20Amended%20Docket%200775%20BERDO%2020.pdf

[11] Clean Buildings Performance Standard Document Library, "015 – Penalties Estimator," Washington State Department of Commerce (2022). https://www.commerce.wa.gov/growing-the-economy/energy/buildings-archive-page/clean-buildings-performance-standard-document-library/

Additionally, the draft BEPS's compliance penalty is currently a one-time fee for the five-year period. Increasing the frequency of penalties throughout the five-year compliance timeframe will help ensure compliant properties are regularly reminded of their legal responsibility to abide by city policies. Daily penalty issuances, such as what Boston has instituted, can add more pressure on compliant properties and complement the CBA's daily penalty structure for administrative convenience, as long as these penalties are also significantly higher than the CBA's.

Include provisions to exempt energy use from electric vehicle charging

As it stands now, the draft BEPS does not consider the increase in energy consumption in buildings that provide charging to electric vehicles. We recommend that buildings in Seattle that choose to include or expand charging infrastructure for electric vehicles be allowed to deduct the energy consumption from Electric Vehicle Supply Equipment (EVSE), provided that the chargers are metered separately and can be tracked and reported accurately.

Buildings that choose to build EV charging infrastructure should not be penalized for higher energy consumption as a result of more electric vehicles using electricity at their sites. Given the city's transportation electrification efforts and the state's Clean Cars 2030 measure which both aim to accelerate vehicle electrification, the BEPS should not serve as an unintentional hindrance to the buildout of EV charging infrastructure.

The City of Boston's Building Energy Reporting and Disclosure (BERDO) Ordinance allows this exemption and can help inform language in Seattle's BEPS. The ordinance text says that building owners may "choose to deduct energy used by … Electrical Vehicle Supply Equipment (EVSE) from a Buildings' total Energy use" that is subject to the city's emissions standard provided that "ii. Electrical Vehicle Supply Equipment is separately metered or EVSE is capable of tracking and reporting accurate energy usage, and EVSE meets specifications as defined by Regulations… and iv. In the event that … EVSE serve or have the potential to serve, multiple Buildings in a Building Portfolio, the Energy use from such activities shall be allocated for individual Buildings in proportion to the square footage of each Building."[12] OSE could consider these requirements in the BEPS modeled after Boston's ordinance.

Remove exemption for entities covered by the Climate Commitment Act

The current draft BEPS legislation exempts any entity that is covered by the Climate Commitment Act (CCA), the state's cap-and-invest program regulating emissions from the state's largest polluters, from complying with the Seattle BEPS. However, we did not find any legal reason for this exemption – CCA does preempt local jurisdictions from passing policies that levy a tax or charge on greenhouse gas emissions, but the BEPS is not a tax or charge.

While CCA is a big win for climate, it is solely one tool to reduce greenhouse gas emissions and was not intended to stand completely alone – particularly because no provisions specifically for buildings have been outlined in the law. Entities that are covered by CCA should not be exempted from the Seattle BEPS

[12] City of Boston, "BERDO" (2021): 11 (Item J).

as this sets a dangerous precedent that any local law aimed at reducing greenhouse gas emissions would be preempted by CCA, which is not in the spirit or letter of the law.

If entities covered by CCA feel unduly burdened by compliance with the Seattle BEPS, they could instead apply for a hardship exemption or alternative compliance pathway, rather than setting the precedent that local governments cannot act on climate.

We appreciate your consideration of these recommendations for the current draft BEPS legislation. Thank you for ensuring that Seattle's BEPS will be equitable, enforceable, and effective to reach the City's climate targets and prevent further climate catastrophe.

Thank you,

Jonny Kocher
Manager
RMI

Deepa Sivarajan
Washington Local Policy Manager
Climate Solutions

Jasmine Chiu
Senior Associate
RMI & America is All In Coalition

To: Mayor Bruce Harrell
CC: OSE Director Jessyn Farrell, Deputy Mayor Greg Wong

April 17, 2023

Re: UMC, Inc, supports direction of Seattle's Building Emissions Performance Standard in partnership with building owners

Honorable Mayor Harrell,

Thank you for your leadership for Seattle's built environment and for the clean-economy careers that are achieving our City's climate goals.

UMC, Inc, is a Washington-based mechanical and energy services contractor, proud to be a union company since our founding in 1920. We serve private and public commercial-scale buildings across the Northwest, including substantially within the City of Seattle.

UMC supports the City's direction in framing a carbon-based Building Emissions Performance Standard in partnership with building owners. As a longtime leader on Seattle's Building TuneUps, UMC has now recently been glad to serve as a bridge-builder among our clients and City leaders developing the BEPS.

With ambitious but achievable emissions targets, established on timelines that align with building managers' capital planning obligations alongside their other market drivers, we believe there can be a shared success for the City's climate goals and for the building industry. A smart BEPS can facilitate meaningful momentum within commercial real estate, life sciences, and healthcare buildings, both to cut emissions outright as well as to showcase that progress as attractive to tenants and investors.

As long-tenured leaders in Washington's building industry, we know that building upgrades require time for facilities and investment planning, ideally accessing federal Inflation Reduction Act resources soon. From there, a phased Seattle BEPS can make good use of our clean electricity to curb local building emissions without pushing building leaders to facilities outside Seattle.

Finally, we hope that the BEPS clearly defines its implementation among the City's involved agencies: clear guidelines codifying responsibility among OSE, SDCI, SCL, and others will be essential for the policy's success.

Thank you for your hard work for Seattle's built environment and climate goals. UMC, Inc, is ready to put our hundreds of union jobs to work to help Seattle's buildings keep living up to the challenge. We support the BEPS policy's direction.

Bonnie Frye Hemphill
Director, Policy & Partnerships

SHIFT ZERO

ZERO CARBON BUILDING ALLIANCE

Member Organizations

A&R Solar
American Institute of Architects Seattle
American Institute of Architects Washington Council
ArchEcology
Balderston Associates, LLC
Bundle Design Studio
Carbon Innovations
Climate Solutions
Ecotope
Electrify Now
Emerald Cities Seattle
FSi Engineers
Housing Development Consortium of Seattle-King County
ILFI South Sound Collaborative
International Living Future Institute
The Miller Hull Partnership
LMN Architects
New Buildings Institute
Northwest EcoBuilding Guild
Northwest Energy Efficiency Council
Northwest Renewables
NW Energy Coalition
O'Brien360
Optimum Building Consultants, LLC
PAE Engineers
Passive House Accelerator
Passive House Institute of the United States
Passive House Northwest
RE Sources
Resource Media
RMI
Sierra Club - Washington State
South Seattle Climate Action Network
Spark Northwest
Stand.earth
Sustainable Connections
Thurston Climate Action Team
UMC
Washington Conservation Action
Washington Physicians for Social Responsibility
2050 Institute
350 Seattle
350 Spokane

www.shiftzero.org

April 18, 2023

Dear Mayor Harrell,

Shift Zero is an alliance of over 50 green building, energy efficiency, and climate action businesses, organizations, and certification programs, working together to promote the equitable adoption of zero carbon buildings at scale in Washington. We support solutions that meet the urgency of the climate crisis and increase access to healthy buildings and communities.

Shift Zero members are in strong support of the city of Seattle's Building Emissions Performance Standards (BEPS) policy that the Office of Sustainability and Environment has been developing. We know that building retrofits require planning and investment, and a strong BEPS for the City's largest buildings is needed to support the transition to clean, efficient electric heating and hot water systems in our buildings.

In order to meet the City's goals to reduce polluting emissions and protect public health and safety, Seattle must rapidly transition its existing buildings off of fossil fuels and to clean, renewable electricity. The proposed BEPS policy will put in place a timeline to ensure that large commercial and multifamily buildings make the transition in the coming years to protect our climate, while expanding access to high efficiency heat pumps which provide life-saving cooling in the face of extreme heat events and wildfire smoke.

A strong BEPS is needed now to encourage Seattle building owners to access key funding for clean energy retrofits from the federal Inflation Reduction Act, which are only available this decade. Without a policy pathway and support, many building owners may not be aware of these investments, nor of the potential cost-savings associated with fuel-switching and retrofitting earlier rather than decades down the line.

Thank you, Mayor Harrell, for joining the National BPS Coalition, and to the Office of Sustainability for the robust stakeholder process to develop this policy. We encourage you to follow through on this commitment and pass a strong, equitable BEPS here in Seattle.

Thank you for your consideration, and for your continued work on impactful climate action policies.

Sincerely,

Rachel Koller
Managing Director

[OSE Editorial Note: This is an example of one of the 325 letters shared with City of Seattle.]

-----Original Message-----
From: [email address redacted for privacy]
Sent: Tuesday, May 2, 2023 12:06 PM
To: Farrell, Jessyn <Jessyn.Farrell@seattle.gov>
Subject: Let's move Seattle's big buildings off fossil fuels this decade!

CAUTION: External Email

Dear Office of Sustainability & Environment Director Jessyn Farrell,

Dear Mayor Harrell, Deputy Mayor Greg Wong and OSE Director Jessyn Farrell,

I am writing today because I care about the health of my family, my community and our shared planet. Deadly heat waves, wildfire smoke and extreme winter weather are becoming Seattle's new normal, and it is just the tip of the iceberg of what we are in for if we don't get truly serious about the climate crisis.

I am glad to see your office working on a plan to move Seattle's big buildings off fossil fuels. A strong Building Emissions Performance Policy (BEPS) could tackle a major source of Seattle's climate pollution, create good green union jobs and bring life-saving cooling to homes across Seattle. This framework is an essential tool to end our city's climate pollution that should become law without delay.

However with too-little, too-late deadlines like 2050, pay to pollute schemes, and loopholes for false climate solutions like 'renewable natural gas', the current proposal is nowhere close to achieving our city's Green New Deal goals which are based on urgent warnings from the International Panel on Climate Change. Moreover, the current plan leaves millions of dollars in federal IRA funding (only available this decade) on the table - money that could create thousands of good green union jobs and kickstart Seattle's local clean energy economy.

I ask you to put the interests of ordinary Seattlites and the existential challenge of preventing catastrophic climate change before the financial interests of the wealthy corporations like Amazon who sit on the board of the Seattle Chamber of Commerce and Downtown Seattle Association and can afford to pay for necessary climate action.

I urge you to make the following changes in the proposed BEPS policy:

1. Align timelines with Seattle's Green New Deal goals: Require all buildings covered by the policy to achieve net-zero emissions by 2030, with targeted exemptions to meet the unique needs of hospitals and affordable housing.

2. No 'pay to pollute' incentives: Alternative Compliance Fees (ACPs) just encourage climate pollution. These should be removed from the Seattle BEPS. The non-compliance penalties should be increased from $2.5/ft2 to at least $10/ft2 (matching other cities that have passed building performance standards policies, like Washington D.C). Additionally, any revenue raised should be reinvested in programs directly supporting building decarbonization in environmental justice communities.

3. Reject false climate solutions like 'renewable natural gas': When burned in our homes and buildings, renewable natural gas releases the same amount of climate pollution as conventional natural gas. Moreover, the use of renewable natural gas in buildings puts public health at risk from associated indoor and outdoor air pollution. To meet our climate goals and protect the public, buildings must be powered and heated with clean energy and high-efficiency technology.

If your office cannot promptly make these changes, I urge you to send the policy to Seattle City Council with a broad SEPA checklist and without delay so they can improve it and pass it this summer.

Seattle can lead our region and the nation by passing a strong BEPS policy with timelines rooted in climate science and justice. Seattle can build out our local green economy while creating living-wage union jobs and economic opportunity for all. Seattle can protect the health of our communities and climate.

But only if our elected officials champion real climate action. Will you rise to the climate challenge and lead at the scale of the crisis?

I urge you to move a strong BEPS policy proposal to Seattle City Council without delay.

Sincerely,
[Name removed since representative
example]

May 9, 2023

Mayor Harrell
City of Seattle

Subject: Support for Building Emissions Performance Standards

Mayor Harrell,

PAE is writing to voice our support for the city of Seattle's Building Emissions Performance Standards (BEPS) policy that the Office of Sustainability and Environment has been developing. As members of the building industry, we know that building retrofits require planning and investment, and a strong BEPS for the City's largest buildings is needed to support the transition to clean, efficient electric heating and hot water systems in our buildings.

In order to meet the City's goals to reduce polluting emissions and protect public health and safety, Seattle must rapidly transition its existing buildings off of fossil fuels and to clean, renewable electricity. The proposed BEPS policy will put in place a timeline to ensure that large commercial and multifamily buildings make the transition in the coming years to protect our climate, while expanding access to high efficiency heat pumps which provide life-saving cooling in the face of extreme heat events and wildfire smoke.

A strong BEPS is needed now, to encourage Seattle building owners to access key funding for clean energy retrofits from the federal Inflation Reduction Act, which are only available this decade. Without a policy pathway and support, many building owners may not be aware of these investments, nor of the potential cost-savings associated with fuel-switching and retrofitting earlier rather than decades down the line.

Other major cities have already passed similar policies, including Washington D.C., New York City, and Boston. Let's ensure that Seattle maintains its position as a climate leader, and join other major cities in passing one of these policies to transition large buildings off of polluting fossil fuels.

Thank you, Mayor Harrell, for joining the National BPS Coalition, and we encourage you to follow through on this commitment and pass a strong, equitable BEPS here in Seattle. Thank you for your consideration, and for your continued work on impactful climate action policies.

Sincerely,

Allan Montpellier, P.E.
PAE

David Mead, AIA
PAE

Date: May 25, 2023

Mayor Harrell
Seattle City Council
Director of the Office of Sustainability and Environment Jessyn Farrell

Re: Green New Deal Oversight Board Comments on the draft BEPS legislation

Dear Mayor Harrell, Council Members, and Director Jessyn Farrell

A part of the role of the Green New Deal Oversight Board is to weigh in on new and existing policies to identify gaps or misalignments with the priorities set out in the Green New Deal Resolution, we felt it urgent to respond to the Building Emissions Performance Standards (BEPS) policy currently under development by the Office of Sustainability and Environment.

The BEPS policy is a tremendous opportunity to advance Seattle's Green New Deal by addressing the city's fastest-growing source of emissions while creating thousands of green union jobs and expanding access to cooling for people across Seattle. **However, the current BEPS policy is insufficient to achieve these Green New Deal goals. We urge you to amend the policy in the following ways.**

Summary Recommendations from the Green New Deal Oversight Board:

- Require all publicly owned buildings covered by the policy to achieve net-zero emissions by 2030.
- Require all privately owned buildings covered by the policy to achieve net-zero emissions by 2035, with targeted exemptions to meet the unique needs of hospitals and affordable housing.
- Any alternative fuels considered within the scope of the BEPS policy should be consistent with the Green New Deal Resolution's commitments to environmental and social justice, and a data-driven approach to reducing climate pollution.
- Increase ACP to align with the social cost of carbon defined in the best peer-reviewed science available.
- Specify a minimum percentage of the revenues generated to be allocated to programs directly supporting building decarbonization in environmental justice communities.

Align Timelines with Seattle's Green New Deal Goals

Seattle's 2019 Green New Deal legislation sets a goal of eliminating emissions citywide by 2030, while addressing environmental injustice and creating thousands of green union jobs.

The timelines in the draft BEPS legislation, however, are 20 years behind our Green New Deal goals. 2030 is an aggressive goal, but it is also one guided by the best available science. When the resolution was passed in 2019, global climate scientists agreed that rapidly reducing emissions is the best chance to keep global warming from exceeding 1.5°C, beyond which every

fraction of a degree puts millions more at risk. But, a 2022 report showed that we're reaching climate tipping points sooner than expected.

Our recommendation:

- Require all publicly owned buildings covered by the policy to achieve net-zero emissions by 2030.
- Require all privately owned buildings covered by the policy to achieve net-zero emissions by 2035, with targeted exemptions to meet the unique needs of hospitals and affordable housing.

While not explicitly a recommendation, Board members were also interested to know more about how embodied carbon impacts the ability of policies like BEPS to meet GND goals. Embodied carbon is the climate pollution released during the lifecycle of building materials, including extraction, manufacturing, transport, construction, and disposal; and it is currently not considered in the City's GHG emissions tracking or analysis. In support of data-driven policies going forward, we would like to see more detailed analysis including embodied carbon impacts.

Take a Critical Look at the Use of Natural Gas

While the proposed BEPS policy allows for the use of renewable natural gas for emissions reduction, this technology does not present a true climate solution that can help the city meet its Green New Deal goals.

Natural gas — methane by another name — is 25 times more powerful than carbon dioxide (CO_2) as a greenhouse gas. To arrive in Seattle's buildings, natural gas travels through aging pipelines, where leaks are estimated to release enough methane to make natural gas worse for the climate than coal. And, when burned in our homes and buildings, renewable natural gas releases the same amount of climate pollution as conventional natural gas. Moreover, the use of natural gas in buildings puts public health at risk from associated indoor and outdoor air pollution.

Even when derived from supposedly renewable sources, natural gas does not represent a true climate solution. However, by OSE's own admissions, the majority of natural gas in Puget Sound Energy's pipeline, the main supplier of natural gas in Seattle, is not renewable natural gas. PSE's natural gas instead originates from British Columbia, Alberta, and the Rocky Mountain states, almost all of which is derived from fracking: a destructive process with tremendous consequences for the environment and surrounding communities.

Many fracking sites and the natural gas pipelines they feed, especially those in British Columbia, are associated with violating the rights of Indigenous people and contributing to the crisis of Missing and Murdered Indigenous Women. The City of Seattle cannot consider itself committed to eliminating racial disparities when it supports the use of an extractive energy source that directly contributes to injustice.

To meet our climate goals, protect the public, and promote justice inside and outside of the city, our buildings must be powered and heated with clean energy and high-efficiency technology. While we recognize a shift away from natural gas may contribute to a decline in one area of work for pipefitters, we believe that Green New Deal investments in equitable transitions for workers can keep people employed in good-paying green careers. Our Board is guided by a Just

Transition framework where no workers or communities are left behind, and we will continue to advocate for local policies, programs, and investments which expand opportunities for fossil fuel workers to move into well-paying green union jobs.

Our recommendation:

- Any alternative fuels considered within the scope of the BEPS policy should be consistent with the Green New Deal Resolution's commitments to environmental and social justice, and a data-driven approach to reducing climate pollution.

Align Alternative Compliance Payments with the True social Cost of Carbon

While we support the allocation of revenue from fines, penalties, and alternative compliance payments (ACP) to the Seattle Climate Investment Fund to support decarbonizing affordable housing, the ACP must account for the true social cost of carbon.

The proposed cost of $94 and $100 per metric ton during the 2027-2030 and 2031-2035 compliance periods, respectively, is on par with cost of carbon adopted by Governor Inslee, but this falls far short of the $185 per metric ton cost determined by a 2022 study published in Nature. By aligning the social cost of carbon with the best science available, Seattle can raise the standard for the way carbon emissions are treated.

Our recommendations:

- Increase ACP to align with the social cost of carbon defined in the best peer-reviewed science available.
- Specify a minimum percentage of the revenues generated to be allocated to programs directly supporting building decarbonization in environmental justice communities.

The world stands at a critical juncture for making substantive climate interventions. Seattle needs the strongest BEPS policy possible to protect the health of its residents and its environment, and we believe the amendments proposed here can help Seattle cement its position as a global climate leader. We are eager to support you in this effort, and we await your response.

Respectfully,

Debolina Banerjee
Co-Chair

Peter Hasegawa
Co-Chair

Nina Olivier
Seattle Citywide Member-At-Large