

# Building Performance Standards

## Technical Advisory Group (TAG) Meeting #3 Summary

Thursday, March 3, 2022

### Attendees

- OSE: Sandra Mallory, Nicole Ballinger, Christine Bunch, Terry Sullivan, Rebecca Baker
- SBW team: Poppy Storm, Lucy DeBolt, SBW webinar facilitator
- TAG: Alistair Jackson, David Okada, Joe Malaspino, Dina Belon, Madeline Kostic, Peter Hasegawa, Ian Brown, Kerry Meade, Sarah Moore, Becky Becker, Amy Wheelless, Bobby Coleman

### Agenda Items & Notes

#### 1. Introduction and Welcome

- David Okada is no longer representing Unico but will still attend. We may get a new Unico representative.

#### 2. Recap of Meeting 2

- Staff gave an overview of the importance of metrics and targets.
- Menti metric results
  - TAG asked how to follow up in general after meetings? Email?
    - Send in additional thoughts by email to [cleanbuildings@seattle.gov](mailto:cleanbuildings@seattle.gov) email. Potentially a phone call. Some people had little time to review the notes and will likely give their feedback by email.

#### 3. Equity Discussion

- Staff discussed the city's Race and Social Justice Initiative and our approach in applying this lens to policy and program development. This includes:
  - Equity is not an option or a metric like (unintentionally) implied last time, rather it's an integral, essential part of the work. Meant to embody the Green New Deal: reduce emissions, create new jobs, improve health. Importance of inclusive engagement is important, such as multiple streams of input, communicating with leaders of BIPOC communities etc.
  - Consider this work with a racial equity lens but understand that the TAG group is not necessarily the experts on this. The city will be asking these questions of other groups as well. For example, within the BPS, ask questions like:
    - Will this action provide benefits for/improve the lives of BIPOC and low-income people?
    - Are we prioritizing those most harmed historically?
    - Does this ignore or worsen existing disparities or produce unintended consequences?

- Examples of equity approaches used by three other City BPS policies used for affordable housing were also shared.
- **TAG feedback/thoughts/questions:**
  - Sent an email on this topic as it related to the Clean Buildings Accelerator. Need to develop the capacity to do this work, but design and construction sector doesn't have the skill set to deliver those things to the right audiences in the right way. We don't have the skill set to figure that out (within this group). Need to build those relationships now because we don't have the translator/facilitator/partner to work with.
  - Does the Executive Order have specific equity goals? Staff feedback – yes - [Executive Order goals](#) referenced in chat:
    - *include equity-focused support services for low-resource building owners, particularly alleviating cost impacts on affordable housing and small businesses.*
    - *minimize the risk of displacement and ensure Seattle's Black, Indigenous, and people of color (BIPOC) communities benefit from healthier living and working spaces; and*
    - *provide clean energy career initiatives to maximize the economic benefits and opportunities of the generated economic activity for BIPOC and women.*
  - 2030 district round table discussion – people had a lot of interest and concern on the TAG for the BPS, how is equity going, what does representation look like at this TAG? Thinks there should be representatives of small owners. Don't know if it's possible mid-stream. How low should we go in terms of square footage? That's something that needs detailed study from an equity perspective. Carrot rather than stick as policy lever at some point. 20,000 SF is low. Should be an incentive rather than punishment.
    - Staff feedback – It was a struggle to form the TAG. Hard to get participation from smaller mom and pop places. We don't have many relationships and often they don't have the time/resources to join. Did offer stipends, but those don't help if someone doesn't have capacity. Through benchmarking have contacts for smaller owners and can plan some smaller, focused meetings (with compensation and facilitation). Welcome feedback on process & people to invite.
  - Would be nice to have data on smaller buildings, such as percentage of small ownership (as opposed to large LLC, corporate). Would rather see less exemptions than New York and Boston and more help instead. Don't want people to be able to buy their way out of this. Large scale small homes shouldn't be exempt. Perhaps use fines to pay for incentives.
  - Hard to anticipate potential ways to address equity.
  - There has been quite a bit community-based research in Seattle that is focused on emissions reduction from an equity perspective, those organizations have materials that could be helpful for this group. See what those communities are arguing for and prioritizing. Only addressing commercial and multifamily is inequitable by design.
  - Resources shared in chat:
    - A recent article on the efforts to develop a Portland BPS and the community drivers: <https://www.hcn.org/issues/54.3/north-energy-industry-portland-community-leaders-bring-the-heat-to-building-standards>

- Climate Executive order: <http://clerk.seattle.gov/search/clerk-files/322146>
  - Report referenced by Bobby: <https://www.pugetsoundsage.org/research/clean-healthy-environment/community-energy/>
  - Front and Centered website and report: <https://frontandcentered.org/accelerating-a-just-transition-in-wa-state/>
- Staff - thanks for input, send us emails with more

#### 4. Metrics Breakout Discussion Topics (breakout feedback combined for readability)

##### A. Carbon Metrics

- **Questions:** What should the metric regulate? Total Energy? Include emissions from electricity? How to think about district energy?
- **TAG feedback/thoughts/questions:**
  - *Electricity / On-Site emissions:*
    - Metrics should regulate on-site emissions only because building owners can control that. Intrigued by district energy orientation.
    - If we look at total energy building owners don't have total control but improvements to the grid help improve building owners standing in a more "palatable way" because it's not all on them. Pros and cons for building owners.
    - Electric - Shouldn't include electricity since SCL is so clean and have state law driving this additionally. Should be onsite fossil fuels
    - Electric - It's effectively 0 anyway so doesn't matter much
    - SCL is legally committed to zero emission long term and net-zero in short term
    - Seems like some dirtier electricity at peak times but state policy drives this down over time
    - Some value in including emissions rate in terms of optics and making it seem fair, but institute for market transformation approach – focusing on direct emissions as well as district energy is probably the best approach overall.
    - Question about marginal capacity
    - If we externalize it, we might drive wrong decision making.
    - Might be good to include electricity, noting needs to be included at other locations since grids are dirtier there.
    - Has a range of labor interest on this perspective... so might have some seemingly different comments. Green energy – if we exclude electricity and assume no emissions, might not drive enough solar. Some of his members are interested in solar.
    - Goal is carbon emissions, but if you have an all-electric resistance building then can drive energy reductions more so they aren't hogging the clean electricity
    - Asking about how SCL emissions are calculated.
  - *Steam:*
    - What he saw at (building example) – they just brought some buildings on to Seattle steam recently, which is very carbon intensive. May be good to be able to save energy/emissions on a district scale: Seattle steam is going in a good

direction with heat sharing notes. This gives building owners alternative approaches to electrification at a community scale. District systems should be able to deal with things as a district. Don't want overlapping state and city regulations. Administrative burden with little benefit.

- *Offsets:*

- Gut instinct – no offsets allowed, deal with it directly. But may be an equity opportunity by targeting where those offsets are allowed: allow offsets by big buildings doing more to offset smaller buildings and get credit for it
- Limit where the offsets can come from. Make sure they're within the local grid so it still benefits that area directly. As an owner, like knowing that this option would be allowed.
- Offsets is a better fit for areas with a dirtier grid than we have in Seattle. There's an immense pressure to put things off for three years until you can solve everything. Offsets are a potentially huge loophole. Perhaps even sell the property before complying – make a profit off of market swings. Better would be the binding decarbonization plan. Gives valuable flexibility while still demonstrating real commitment to action.
- Will want to define what mean by 'offsets'. would prefer local focused offsets. So trading amongst buildings within the district? Like in NYC?
- We like that idea. Those of us with large portfolios.
- Ability to track by whole building portfolios – would allow flexibility to more effectively move around resources across facilities.

- *Other Fuels:*

- What about other renewables or alternative fuels like RNG? Should these types of technologies and fuel sources be included?
- Don't see why not
- Allow flexibility for the building generally. Compliance should factor in this flexibility.
- Large, old MF buildings that need replacement - should be thinking about resource effectiveness of changes and the challenges/cost to switch out. Should we reduce comparative emissions though very efficient gas and concerns about cost effectiveness. And make some more cost-effectiveness investments in the meantime. Then maybe in 15 years, we might have some better options for cleaner fuels for a boiler or something.

- *General:*

- Set whole path at once and stick to it so we can plan. Struggling with uncertainty in DC. Better to know targets asap and not have them change. The sooner we can understand the targets, the easier it is to plan. Very helpful as an owner.
- Agree– for affordable housing, compliance may be a driver for a larger scale rehab that is planned, so good to know sooner. Under MHA, most developers don't add affordable housing on-site, just pay the fine and then it costs double for affordable housing providers to build it separately. Risk of being well-intentioned, let affordable entity make use of resources, but that may not be of

equivalent value. Ability to make use of those funds, restrictions, etc. limits actual usefulness. Solar option in energy code has issues – not enough admin support; expecting private developers to figure it out directly with housing providers. Example of policy is well-intentioned but not easily actionable. Onsite emissions or onsite plus district makes the most sense. Offsets make him nervous in general. Doesn't really understand the other two questions enough to comment

- Transmission/distribution losses – energy star portfolio manager approach excludes these, potentially a big hole.

- **Carbon Metrics Summary:**

- *Different perspectives on if electricity emissions should be included:*
  - Don't want to discourage on-site solar generation by excluding electricity even if it's a small amount of emissions. Also, some labor benefits of keeping electricity small emissions in there to encourage solar.
  - General sway of group was that focus should be targeted on fossil fuels if electricity is very low carbon and offset. Shouldn't worry too much about including as it's not a big impact.
  - Really important to focus what we measure on what a building owner has control over. But, if electricity emissions counted, improvement to grid will help owners (not all on them). In Seattle with carbon neutral energy, different context.
  - Don't need electric within emissions mix since Seattle City Light emissions factor is already so good and the state is driving that anyway through the Clean Energy Transformation Act (CETA). Through CETA City light is legally committed to this long term.
  - Reasonable to regulate energy at a city scale if and only if state is not already regulating it. We already have emissions, is energy criteria important as well?
  - Reason to include electricity – national portfolio owners have to track electricity in other places
- *District energy stream* – should be part of what is considered. Puts it at a community scale. May push Centrio to make large scale improvements
- *Offsets* – perhaps just trading reductions rather than electricity offsets. Be super careful that it's not just a way to pay your way out. Make sure fines match the value.

## **B. Energy Metrics Discussion**

- **Questions:** Should the BPS also include an energy metric? Rely on the state or not? What about MF and under 50K?
- **TAG feedback/thoughts/questions:**
  - Reasonable to include for energy buildings not already regulated [by State], but don't create a redundant metric. If can achieve the GHG goals w/o an additional energy metric, then would be better not to have it. Doesn't see the value if already getting movement on GHG.

- Agrees with David. Don't have one through the state so would be helpful to have one. For those who already do, then shouldn't have.
- Necessary to have to drive efficiency. Agree with prior comments. Multiple metrics to comply with is difficult so for those who already have the State, leave it there.
- Chat - Agree with alignment with state
- Data is harder to gather for some buildings. Leave to rulemaking to establish.
- Could there be an opportunity to trade energy efficiency for carbon?
- We should include energy. SCL demand will continue to grow so to make easier to maintain clean lowering energy is needed. And state isn't aggressive enough on many building types – ASHRAE 100 is a good place to start.
- There is a concern with equity issues and MF. Per SF energy metric penalizes dense affordable housing. So might need some way to account for that. Energy per person or bedroom. This logic is also important on carbon based perf standard. Can't be penalizing density in either energy or carbon – need to normalize for this.
- From customers we're hearing a lot of confusion around the state BPS and concern about a bunch of complex regulations.
- The state policy is very confusing. The state has money available and no one really taking it up. We should be doing whatever we can to leverage existing tools to make adoption easier. Like using Portfolio Manager – keep using it. We adjusted to that. WA state is so confusing now we're waiting to see how to approach it.
- *Question to group: – If the state were to develop targets for 20-50K then leave it at that?*
  - TAG member indicated a thumbs up
  - Would like to see the city leading the way; would help the state to figure out how to set the targets
  - Would not tie the city's implementation to possible state action, but leave flexibility, if the state does come up with their own approach.
- **Energy Metrics Summary:**
  - Some think state policy not aggressive enough on energy efficiency so might be good to be more aggressive on energy.
  - Reasonable for those not under state, redundant for 50k +
  - Others thought duplicating State requirement makes an already confusing policy and overlapping regulations worse. Also some concern with what State will do in 2030 and current legislation in play at State.
  - Equity issue noted for affordable housing if either energy metric or carbon metric is not normalized for occupant density.
  - Occupant density and variability of it was also noted as an issue for hotels.

### **C. Other Key Considerations – Refrigerants, embodied carbon, peak electric demand, IAQ, resilience**

- *Refrigerants:*
  - regulated by the state so need to be thoughtful about overlaps and if we need to deal with this here.

- big refrigerant losses can mean counteracting emissions reductions from many years of work so need to be a consideration.
- many of labor members have indicated that refrigerants is an important component of their work and that refrigerant management and training is important.
- we have no idea what's happening with these and so need some tracking
- on refrigerants we've had a lot of challenges with leaks – it's a bigger consideration than we want to admit so got to figure that out
- Refrigerants policies are currently outdated and far too lax, should regulate them in this BPS.
- Not an issue of if they leak, they just do, be responsible
- *Embodied carbon:*
  - should probably be addressed in the building code.
  - what about including embodied carbon and refrigerants into decision making for compliance – as a tool for trade-offs with other measures.
  - ability to trade off, system upgrade, new buildings vs retaining an existing building
    - Embodied carbon from a perspective of new buildings
    - But it's still fuzzy science, so a little tricky [to measure]
  - Embodied carbon – maybe a possible exemption pathway? But not as a core pathway for compliance.
  - Chat: The question of embodied carbon is important from a labor standpoint because it often coincides with where materials are sourced from. This is always linked to which labor standards are attached to those materials. We are interested in this topic, in general, especially we gain the ability to 'see' embodied carbon more clearly. Even something like studies or compiling what is already known on this topic would be useful.
  - Not sure about best practices for regulating, but at least knowing more about what is “happening” would be useful.
  - There are cascading benefits to local materials sourcing, including transparency on embodied carbon, labor standards, toxic ingredients and emissions etc.
- *Measuring / tracking challenges noted:*
  - But the problem is that these kinds of calculations are rough and hard to do. Would need to rely on some averages and ways to easily track this.
  - if we calculated based on what refrigerants we bought then easier to track, but even that's not easy to track
- *Peak Demand Question:*
  - electrical peak demand shouldn't be regulated. Cost is already a big driver. Handle with other policies and incentives.
- *Indoor Air Quality (IAQ)*
  - Should be included in the standard. It's not currently regulated for existing buildings and that's scary. Operators aren't used to dialing it in. this standard will drive massive system changes and IAQ should really be included there. An equity issue too.
  - Some of our public health and healthcare membership are also interested in the issue of indoor air quality

- I'm not sure particularly about these metrics, but I think IAQ will be a very important driver for getting broader interest in this policy
- *Question to group – Should IAQ, refrigerants, etc. be part of the BPS or in a separate policy?*
  - Suggests in BPS, so consolidated requirements and regulation. Align expectations and put them in one place for simplicity
  - Peak demand should be regulated by utility through incentives etc.
  - Include refrigerants.
  - IAQ is important but should be handled elsewhere.
  - IAQ is addressed in mechanical code. Natural ventilation is sort of an exception
  - IAQ runs up against energy metric. Going to be older buildings with IAQ issues as well. The gist of this is GHG emissions. IAQ is important but not part of that.

## 5. Targets

- Just teed it up for next time.
- Questions raised for next meeting related to targets:
  - Immediacy issue – with all these trajectories, what are we doing to bring private capital to bear to get this to happen faster?
  - What will the carrots be to get this to happen faster?
  - Particularly important with replacements. Want to give time but ensure replacements are better