

# Building Performance Standards

## Technical Advisory Group (TAG) Meeting #2 Summary

Thursday, February 17, 2022

### Attendees

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

### Agenda Items & Notes

- **Introduction and Welcome**
- **Policy Pathways**
  - Poppy presented on frameworks and approaches for Building Performance Standards (BPS) policies, including NWEBC BPS Blueprint which is based on an approach for cities recommended by the Institute for Market Transformation. Features of this approach include a requirement that building owners to develop upfront “Strategic Decarbonization Plans” to embed BPS GHGI targets into long-term capital planning and replacement cycles and interim targets calculated using individual (customized) building baselines. Another approach is that used by the City of Boston which bases its interim targets on building types, such as office, retail, etc. and has five compliance intervals. A 3-stage compliance interval approach was also presented.
- **Envisioning Outcomes**
  - As part of an interactive exercise using Mural, the TAG was asked to: *“Imagine Seattle in 2040, after a Building Performance Standards Policy has passed and is far into implementation. What do you see in this future that lets you know the policy is successful and equitable?”* Summarized feedback:
    - Reduced emissions. Specific and measurable GHG reductions
      - Clear accounting and measuring of what happens
      - Well done metering
      - Capture all building types, don’t trim off outliers that are big users
      - Make sure buildings built after 2025 are zero carbon emissions
      - Aligning nationally, regionally, locally
      - Hopefully new construction will already be low-zero emission
      - Incentivize early action, prioritize helping with that
      - Limit use of nonrenewable energy
    - Support for compliance/concerns about impact and equity
      - Special support for building owners with little experience with this
      - A strong contingent of diverse, local, skilled providers and operators
        - A long-term strategy for providers – what will they do afterwards?
      - Incentives and technology to make it affordable and support participation, especially for affordable housing

- Perhaps measure on an emissions per person housed basis to place heavier burden on those with more resources
    - Keep track of the impact for tenants and businesses and have mechanisms to support them. Make sure renters don't pay the price (those who can't afford it)
    - The cost to implement this policy not detracting from other commitments to tenants and communities
    - Gentrification concerns – keep Seattle as accessible as possible
    - Niche compliance pathways for challenging building types (healthcare, lab, industrial, recreation, etc.) - to encourage compliance over avoidance
  - Improved indoor and outdoor health – air quality, etc.
  - Technology to support this
    - Building innovation encourage – new technology and equipment, emerging infrastructure better
    - Avoid installation of new equipment incompatible with electrification
    - Have buildings with electric heat and DHW
    - Don't lock people into the current best tech, something better may come along
  - Economic improvement
    - Local economic growth, particularly creating local jobs. Greater growth in employees in Seattle area than regionally/nationally
    - Economic benefits from the policy directed towards people most in need
    - Market development as well
    - Costs come down for retrofitting electrification
    - Make compliance economically viable and advantageous (incentives)
  - Portfolios of buildings perspectives
    - Trade savings between buildings within a portfolio to allow an average across a portfolio
  - Make sure resources are invested to reduce emissions most efficiently
  - No more gas in neighborhoods, dismantle gas infrastructure there
  - Remove regulatory barriers to decarbonization
  - Make sure local authorities are onboard and understand what's going on
- **Policy Parameters**
    - To help OSE better understand what's important to stakeholders to have codified and to know sooner rather than later, the TAG was divided into four groups, and each was asked to reflect on what aspects of the policy (policy parameters) they thought should be in legislation in Fall 2022, what should be in rulemaking in 2023, and what could be left for other policy.
    - In the table below, the number beside the policy parameter indicates how many (of four) groups placed the parameter in that category.

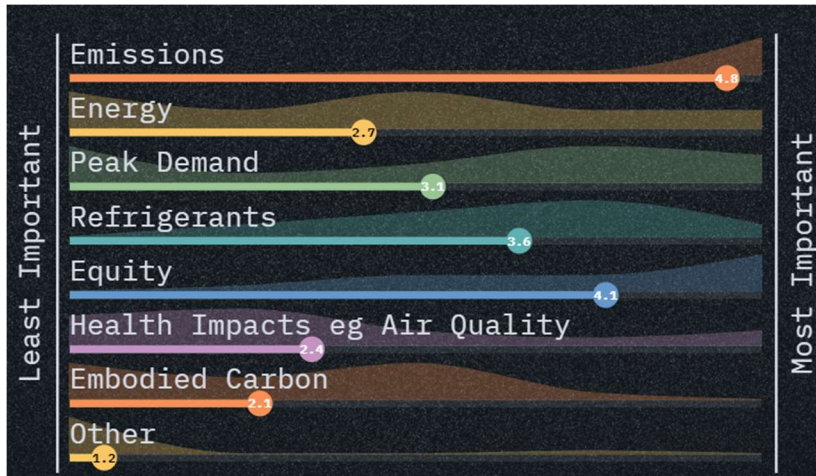
Policy Parameters		TAG Input on where/when to address by Group (4 groups total)		
Short Description	Long Description	Legislation Fall 2022	Rule 2023	Other Policy* (Timing TBD)
Applicability	What types of buildings does BPS apply to, e.g., same as benchmarking?	4		
Definitions	Definition of terms, e.g., “net zero emissions”	3	1	
Timelines	Compliance cycles/schedules, e.g., must meet first round of established targets by XX date	4		
Performance category	e.g., Emissions, energy	4		
Metric types	e.g., GHGI, EUI, % reduction	3	1	
Space type targets	Targets by space type	1	2	
Compliance expectations	Submitting plan, completing tune-up, meeting targets, verification	2	2	
Reporting Process	How owners will be expected to show compliance. E.g., the specifics and process for reporting to OSE.		3	1
Reporter qualifications	Minimum Qualifications of persons reporting compliance. (Further detail, e.g. additional types of certifications allowed)		3	1
Alternative pathways	Alternative compliance pathways, e.g., portfolio approaches, prescriptive options		4	
Tenant responsibilities	That note tenant needs to provide access / information to building owners	1	2	
Violations/Enforcement/Penalties	What is considered a violation, authority to enforce, investigating violations and issuing violation notices, fines, administrative review, and response	2	2	
Exemptions/Exceptions	Exemptions and exceptions		4	

**\*TAG groups also suggested these additional considerations for Other Policy:**

- Economic instruments - 1
- Incentives - 3
- Owner education - 1
- Service provider education - 1
- Design and analysis support - 1

- Remove code barriers and redundant regulations – 1
- General discussion and comments around policy parameters
  - Broad ideas
    - Best to have things likely to change in the rulemaking
      - But, a challenge if building owners see constantly changing rules
    - Higher level, goal-oriented items in ordinance, specificity in rulemaking
    - Keep legislation lighter than rulemaking
    - Many of these are very interconnected, so if you do one may need others
  - Specific issues
    - Financing/funding was not among the list above and should be placed in ordinance
    - Metric targets should be in the rule so building owners know the end goal. They need the steps along the way to net zero to plan
    - Target – final target in ordinance, incremental goals in rulemaking for nuance. Overall focus is on complete decarbonization/electrification, so the incremental goals are somewhat less critical. Owners need to know final targets, but would be worth spending the time to come up with sensible interim targets with adequate analysis
    - Exemptions in legislation and rulemaking – define well in ordinance and add detail in rule. General direction and enough detail in ordinance that owners don't assume they'll be able to figure out an exemption later
    - Building owners need to know soon: if their buildings will be covered and the expectations for the first compliance round
    - People can vie for changes in rule, space type targets and violations should be in legislation so they're not flexible
  - Potential issues/other thoughts
    - Lingering confusion on what “other policy” might mean and cover
    - Carbons emissions targets is a newer and less familiar concept, making it more complicated in contrast to EUIs
    - Some of the policy parameters were confusing (or needed more definition)
    - How will this overlap with other mandates? Regulation overlap is an equity issue as well and larger organizations like Seattle Public schools need to internally sort out their organizational hierarchy (how and who). *(answered by OSE)*
      - Not sure, don't know how it would be labeled
- **Covered Buildings**
  - General discussion and comments
    - Regulatory overlap is burdensome and could pose an equity in ability to comply issue
    - Going below 40,000 square feet increases the reach and scope by a lot (maybe two orders of magnitude) so the city will need to invest a lot more and need to offer a lot more help and assistance. (a lot of handholding)

- 20,000 square feet seems arbitrary. Many smaller buildings have a huge opportunity to improve with a little help while larger buildings are generally well-run anyway. Would rather exclude by type than by size
- Considerations by type
  - Buildings at the end of their useful life and/or highly problematic rebuilding sites need to be considered
    - Don't want to heavily invest in soon to be torn down buildings
  - Don't want large residential developments for single families like row houses to be excluded - inequitable
  - Hospitality have a huge laundry need that is a health and safety concern and would be an intense and spikey burden if electrified
  - Healthcare and labs will really struggle. Healthcare can't disrupt operations if a big retrofit requires that
    - Labs should get allowances based on benefit to public good – lives saved recently for example
    - Don't want to exclude labs and healthcare, but need to consider their unique constraints and impacts to health and safety
    - Perhaps healthcare could get a longer timeline to allow technology to catch up to allow electrification of facilities like Harborview (or at least drastically reduce GHG emissions)
    - Relatively limited number of hospital buildings – have them regulated on building specific plans perhaps
- Boston covered buildings seems like a good set up that may address some of the concerns: parcels of land with single family homes are covered if the total floor area is high enough and standards are set by types
- Would be good to know what portion of residential emissions are from single family neighborhoods vs multifamily – total and per capita?
- Industrial should be excluded
- **Measuring Outcomes – to guide the next TAG meeting that will be a discussion of metrics**
  - In a Menti poll these potential considerations were ranked from 1 to 5 on importance. This was a preliminary poll, the exact definition of each of these and if they could be measured, etc. are a discussion for next time.
    - Emissions – 4.8
    - Energy – 2.7
    - Peak demand – 3.1
    - Refrigerants – 3.6
    - Equity – 4.1
    - Health impacts (e.g. air quality) – 2.4
    - Embodied carbon - 2.1
    - Other – 1.2
      - TAG Suggestion: Resilience should also be a category



- General comments and discussion
  - Energy isn't a priority since it's already addressed by the state. Focus on emissions and peak demand
  - Equity – do we have a shared definition? What would equity look like in the Seattle BPS?
    - Responsibility
      - The people most capable of complying are the first required to do so
      - Those who emit the most contribute the most
    - Assistance to those who need it
      - Some sort of regenerative aspect for folks of low income and organizations that serve them
      - There's a lot of fear among those who do this work that they don't have the expertise needed to make a decarbonization transition. We need a workforce that believe in the energy code etc.
      - Everyone can afford to comply (financing)
        - Funding in general. Financing, incentives, etc. Mandate is not for incentives. Don't want to put burden on utility don't want to raise rates. Need funding streams identified
      - Simplicity. Complicated requirements are an equity issue itself with the barriers to understanding. Build ways to help those who can't comply yet. Assist.
    - Regulation that doesn't just concentrate capital in the usual way. The PV production incentive
    - Not financial equity
    - Making the built environment more affordable for the community
    - Tied to the issue of scale. Bring it down to a scale that the industry can respond to as too much expansion will have unintended consequences.
      - A policy push to nudge the market to invest in the workforce. Build scalability into the policy and rulemaking
    - Redlining and racist policies in the past are a thing, let's not do it again.
- **Wrap up**