

# **Seattle Building Performance Standards**

Online Open House | June 16, 2022

# **SUMMARY OF QUESTIONS AND ANSWERS**

On June 16, 2022, the Seattle Office of Sustainability & Environment (OSE) hosted an online open house to present and solicit feedback on a draft building performance standards (BPS) policy framework designed to significantly reduce climate emissions from nonresidential and multifamily buildings in the city.

The draft BPS policy framework builds from a number of conversations over the past year, including meetings with labor organizations; commercial and multifamily building owners, managers, and association groups; affordable housing advocates; environmental and energy organizations; and many more.

Approximately 210 people participated in the open house. At the outset, attendees were polled about their roles and shared the following responses:

Facilities, engineering, or sustainability staff	26%
Nonprofit or community-based organization	12%
Building owner or developer	12%
Government	12%
Energy efficiency service provider	12%
Property manager	9%
Other	8%
Architect or designer	8%
Commercial or residential tenant	1%

OSE Director Jessyn Farrell began with describing Mayor Harrell's commitment to climate action—a united "One Seattle" of community partners and organizations working together. Next, OSE staff walked through the elements of the framework, answering questions, and asking participants for input along the way using the 'Live Polling' options available through Zoom. See the end of this document for people's input on those questions.

This document summarizes answers to questions asked at the online open house, some of which have been combined and edited for clarity, grammar, and readability.

To view the slides and/or a recording of the open house, visit <a href="https://www.seattle.gov/environment/climate-change/buildings-and-energy/building-performance-standards">https://www.seattle.gov/environment/climate-change/buildings-and-energy/building-performance-standards</a>. Comments and questions may be sent to <a href="mailto:cleanbuildings@seattle.gov">cleanbuildings@seattle.gov</a>.

## **SEATTLE BPS REQUIREMENTS, TARGETS & METRICS**

• How is greenhouse gas intensity (GHGI) defined?

The City defines GHGI, which is typically expressed as kgCO2e/sq. ft./year, by looking at all of the different fuels used in a building (e.g., electric, gas, steam, etc.), and then looking at total usage. Each type of fuel source has an emissions factor (specific factors will be determined in the rulemaking process), which is multiplied by the fuel use to obtain the building's total greenhouse gas emissions. To get the GHGI, the greenhouse gas (GHG) amount is divided by the building's total gross floor area.

- Is the greenhouse gas intensity (GHGI) site or source based?
  - The GHGI will be based on direct on-site emissions from the combustion of fossil fuels in the building and emissions from indirect energy sources used in the building. Emissions factors will be determined in the rulemaking process.
- Is the GHGI calculated using 12 months of energy use, similar to energy use intensity (EUI)? Yes, GHGI is based on 12 months of data to account for weather throughout the seasons.
- How will buildings be setting their baselines? Will it be a specific documentation required by the City?
  - Details about how individual buildings will need to set their baselines, including the energy consumption years to use and the methods for calculating the expected GHGI targets for their building's mix of space uses (e.g., office, retail, multifamily, etc.), will be determined in the rulemaking process (TBD 2023). The City will require a report and the specific documentation for it will be detailed in the rules as well.
- Is the GHGI emissions target related to the building type as originally permitted, or how it is currently operated (e.g., a warehouse that has been retrofitted to be mixed use for both warehouse and office space)? I believe the Washington Clean Building energy use intensity (EUI) target is based on the original use/permit of the building.
  - The City's proposed Building Performance Standards policy would use the current mix of building uses. Washington's Clean Buildings' target is also based on current uses, not what the building was originally permitted for. The City recognizes that building uses can change over time. The City is recommending benchmarking verification as part of the requirement to make sure the reported types of spaces and floor area are accurate to inform energy and emissions targets, and progress toward meeting the targets.
- Is there a draft model available for how different industries will be measured/reviewed? Draft GHGI targets for different building types (e.g., office, retail, hospital, multifamily) will be part of the rulemaking process and be shared for public input in 2023.
- How do owners measure greenhouse gas (GHG) emissions?
   Currently, owners whose buildings are benchmarked in Portfolio Manager can look up the emissions resulting from the energy use in their buildings. Those reporting to the City can also

look up their Energy Use and Emissions reports on the <u>Energy Benchmarking map</u>. (Search for the building and then click "View the Building Report".) Should a Seattle emissions-based BPS be enacted, the City will create specific guidance on how emissions should be measured (e.g., years, setting baselines, fuel emissions factors) relative to meeting the GHGI targets for compliance.

 Along with building type, will you also consider the age of the building in targets? Similar to how SB5722 will be for <20,000 sq. ft. buildings?</li>

The City is looking at age of buildings as it conducts its targets analyses. Thus far, we are not seeing a correlation between a building's age and its energy use.

• Will the carbon or GHG emissions of Seattle City Light electricity be included in the GHGI? Or is it limited to strictly fossil fuels?

The final emissions factors will be determined during the rulemaking process. Factors used to determine the emissions impact will take both the Washington Clean Energy Transformation Act (CETA) that requires 100 percent clean electricity by 2045 and the Washington Climate Commitment Act that will have an impact on factors for gas and steam.

• What protections are there to ensure that building owners aren't unfairly penalized (or given a free pass) based on what happens on the grid, which is outside of their control and sphere of influence? Why not focus only on direct emissions?

The draft BPS policy addresses emissions from all fuel sources used in the building, direct and indirect. The factors used to determine the emissions impact will consider both the Washington Clean Energy Transformation Act (CETA) that requires 100 percent clean electricity by 2045 and the Washington Climate Commitment Act that will have an impact on factors for gas and steam.

 How is "net-zero" defined? Do net-zero emissions mean that buildings will have to eliminate any use of fossil fuel use? How will this work for buildings where going all electric is cost prohibitive?

"Net-zero" as it relates to the City's BPS is considered as zero-carbon. However, exemptions will be determined in the rulemaking process. For example, exemptions for certain types of equipment, such as emergency backup generators, and alternatives for situations or equipment where complete decarbonization is not feasible, will be considered. See the "Alternatives and Exemptions" section below for more details.

- Will Certified Energy Managers be authorized persons for this regulation?
   Certified Energy Managers are authorized persons for <u>Building Tune-Ups</u>, and we anticipate they will also be for the Seattle BPS. This type of detail may be included in the draft legislation with other certifications to be considered during in the rulemaking process.
- Will existing benchmarking in ENERGY STAR Portfolio be used for benchmarking verification?
   Who would be doing the verification?

Yes, this policy is recommending verification every five years and correction of errors, if needed, of existing accounts in ENERGY STAR Portfolio Manager, as well as any new buildings that are required to start benchmarking. The City will require persons meeting certain qualifications to do the verification, which will be determined during the rulemaking process, and will seek to have alignment with qualifications required for the Washington Clean Buildings requirements where reasonable.

#### **COMPLIANCE TIMING**

• When will the BPS requirement start?

The current draft legislation recommends that the first compliance deadline starts in 2026 for non-residential buildings larger than 20,000 sq. ft. You can view more details on compliance deadlines by building type and size in the slide deck from the June 2022 open house.

- Will there be differing requirements/pathways for buildings built 2026 and later?

  Requirements and pathways for buildings constructed after the requirements go into effect will be determined in the rulemaking process (TBD in 2023). Buildings constructed after 2026 should be built to the 2018 Seattle Energy Code (adopted in 2021/22) or a later code, so their emissions would already be very low. Therefore, it is unlikely they would need to make emissions reductions in the early compliance cycle. For buildings under design today, developers should consider adapting plans to follow the 2018 code, which prohibits fossil fuels in most new construction (heating and cooling (HVAC) and domestic hot water). Visit the <a href="Seattle Dept.of">Seattle Dept.of</a> Constructions and Inspection's website for more details.
- When does a building become "existing"? How can developers best plan for compliance in their size cohort during construction?

The building will need to be occupied for one year before it is considered "existing" and needs to comply with a new BPS. Further details will be determined in the rulemaking process. Developers who still have time to make changes to building plans should consider adapting plans to follow the 2018 Seattle Energy Code (adopted in 2021/22), which prohibits fossil fuels in most new construction heating and cooling (HVAC) and domestic hot water. Visit the <a href="Seattle-Dept.of Constructions and Inspection's website">Seattle Dept. of Constructions and Inspection's website</a> for more details.

- How does the City define "campus" vs. individual buildings? And why are they on the early
  end of the timing scale? Is it optional to do one way or the other for multi-building campuses
  that don't have connected utilities/systems?
  - A campus is a collection of two or more buildings that function as a single property. They are generally owned and operated by the same party and often have some shared utility metering and a central HVAC plant that may serve the buildings (e.g., a plant that generates steam, or hot or cold water that is distributed to the buildings via piping). There may also be buildings on the campus that are separately metered and under the same ownership as the campus. Individual buildings are separately metered and on a single parcel, typically. The proposed BPS policy recommends campuses have an option to comply as a group of buildings in the middle year of a compliance cycle (e.g., 2028), since campuses have buildings of various size ranges.
- If a multi-building campus has single buildings on separate tax parcels that are less than 220,000 sq. ft. per building, but the total of all buildings within the campus is over 220,000 sq. ft., do all the buildings in the campus need to comply by 2026 (tier 1)? Or would they fit in the lower tier ranges?

In the proposed BPS policy, buildings on the campus, owned by the same owner, that are greater than 20,000 sq. ft. can comply as a group of buildings in the middle year of a compliance cycle (i.e., 2028). The campus buildings can use an aggregated GHGI target prorated by building type. This would allow owners to focus efforts where most needed, perhaps getting deeper emissions reductions in some smaller buildings sooner, while other buildings would be

addressed in later compliance cycles.

• Will compliance dates be pushed out due to the worldwide impacts on supply chain? The City does not expect to shift dates due to supply chain or other circumstances that could delay certain equipment needed to reduce building emissions. In the rulemaking process in 2023, extensions will be considered for building owners that can demonstrate good progress toward implementing work that will meet the requirements but may be delayed by an equipment delivery schedule.

# **RULEMAKING AND NEXT STEPS**

- At what point do you foresee having the finalized "rules" published?
   The intent is to have the rules published in late 2023. A schedule for the draft and final rules, as well as opportunity for public comments, will be posted in early 2023, pending the legislation timeline and if it is approved. Under the current timeline, the legislation may be introduced at the Seattle City Council in December 2022 and reviewed in January 2023.
- Please describe how the rulemaking process will include input from stakeholders.
  OSE anticipates using a similar process to establish the rules as was done with the Building Tune-Ups requirement in 2016. This would include a pre-rulemaking technical workgroup to advise OSE on specific or technical details of the rules, and some meetings with stakeholder organizations to get informal feedback on certain content (e.g., a meeting with campus building stakeholders on sections that pertain to those reporting situations). Once there is a draft final rule, OSE is required to use the City's process per the administration section in the Seattle Municipal Code (SMC Section 3.06.040) that includes a formal comment period.

#### UNIQUE BUILDING TYPES OR SCENARIOS, ALTERNATIVES AND EXEMPTIONS

- Some building types' (e.g., laboratory or data centers) energy use does not track well to square footage. Laboratory energy usage more depends on process loads and outside air flow requirements. Will the code account for this?
  - We recognize that there are situations, especially in health care and laboratory spaces, that may make emissions reductions more challenging, or may need normalization factors. These considerations will be addressed in rulemaking in 2023, and we are seeking input from health care and research entities specifically.
- Would assisted living facilities fall under multifamily buildings?
   This answer depends on the community. If more than 50 percent of the units in a community are skilled nursing and/or assisted living, the entire property should be benchmarked as a Senior Living Community. Please refer to this reference from <a href="ENERGY STAR's knowledge hub">ENERGY STAR's knowledge hub</a> for more information about how and when to use the space types 'senior living facility' and 'multifamily.'
- If industrial buildings, grocery, and other exclusions are implemented, then it sounds like the burden will fall mostly on commercial properties. Who specifically is this policy targeted at? This proposed Seattle BPS policy is for nonresidential and multifamily buildings greater than 20,000 sq. ft., excluding industrial buildings. The rulemaking process will further define exemptions, extensions, or alternative compliance for certain building uses or equipment within those sectors (e.g., commercial cooking or back-up generation) with the goal of an equitable

policy. Future City policies or programs could support or require emissions reductions for certain building uses or equipment not reasonably covered by the Seattle BPS.

#### Is there a classification for museums?

Since there are not many museums, and museums are quite different in operations, they would likely be placed in an "other" space use category. This is the type of building that may want to use the proposed individualized targets path in which the targets are set based on the building's own GHGI baseline.

Seattle has 1,500 masonry buildings that are subject to high seismic risk. Would it be possible
to correlate buildings subject to seismic risk with buildings requiring energy retrofits to
identify whether it makes economic sense to invest in bringing these buildings into
compliance or to provide economic incentives to owners? Climate resiliency should also allow
for resiliency for seismic events.

OSE has matched those buildings greater than 20,000 sq. ft. that would be subject to this requirement with the list of unreinforced masonry (URM) buildings identified by the Seattle Department of Construction & Inspections (SDCI). Our analysis found that about 160 buildings of this size range have an URM risk. (URM risk is far more common in buildings smaller than the size threshold for this proposed requirement.) OSE is discussing how to best address the overlap between a BPS policy and URM buildings with SDCI.

#### Will GHG emissions from onsite EV charging be exempt?

Since the Seattle BPS policy under draft is an emissions-based policy, building owners should be focused on reducing emissions from the fuels with the greatest emissions. In Seattle, that is natural gas, oil, and steam (when produced using fossil fuels). In contrast, the electric from Seattle City Light is very low emissions and <u>carbon neutral</u>. So, EV charging would have zero to minimal impact on the building's emissions. EV adoption is part of City Light's planning.

• Will the city allow carbon credits that can be traded between facilities? Can solar installations be used to offset some fossil fuel use?

The use of carbon offsets for compliance with the proposed Seattle BPS is to be determined and will likely be part of rulemaking — a public process — in 2023, after passage of the ordinance. It is important to remember that the end goal is zero-emissions buildings by 2050, so offsets may be best suited for interim target phases.

- Can carbon capture technology be used by building owners to lower their total emissions? Carbon capture technology that is used at the power plant level that reduces the emissions factor of the supplied fuel to the building could potentially reduce a building owner's emissions compliance obligation. However, at this time, we are not aware of any technologies that are available to commercial (non-industrial) and multifamily buildings that could be employed at the building site. We understand that technologies may evolve in this area and remain open for further discussion as to how this technology could be a viable option for building owners in the future.
- Will manufacturing plants have different net-zero expectations or target dates?

  This proposed Seattle BPS policy is for nonresidential and multifamily buildings greater than 20,000 sq. ft., excluding industrial buildings or manufacturing plants.

- Does the new energy code restrict and ban natural gas in commercial cooking? Will there be a
  requirement to phase out fossil natural gas in commercial kitchens?

  There are currently no requirements in the City of Seattle to eliminate gas in commercial
  kitchens. It is not part of the new Seattle Energy Code. Because Seattle BPS would address the
  total emissions from each building, the emissions from cooking equipment within those
  buildings would be included in a building's overall emissions accounting. Kitchen equipment that
  uses gas may be considered as a possible exemption during the rulemaking process.
- What about buildings that have gas equipment in food service businesses where there are not good electric alternatives, will they have to include natural gas kitchen equipment in their emissions total?
  - OSE recognizes that electric commercial cooking equipment options are currently limited. While there is more commercial electric induction equipment coming on to market, it is not yet commonplace, and converting to new equipment may be costly. Kitchen equipment that uses gas may be considered as a possible exemption during the rulemaking process. Future opportunities, such as technical support and grants, might help restaurants transition from gas to induction where feasible.
- For healthcare, a lot of facilities have been modified to respond to COVID-19, will healthcare be able to use benchmarks pre-COVID? Adding on to Covid impacts, will the City work with new ventilation requirements? We are bringing in much more outside air. Will COVID impacts be ignored e.g., if a facility's operating parameters have changed permanently due to COVID? As part of our analysis to determine appropriate GHGI targets by building sector, the City will be reviewing aggregate energy data reported both before and during COVID impacts. Baseline data years that individual buildings may use to assess their current GHGI relative to the targets for 2026 and beyond is to be determined and will be finalized during the rulemaking process with public input. This requirement will not specify ventilation.
- Are there additional alternate compliance options that include audits, RCx, or retuning?
   Alternate compliance options under consideration were addressed in the <u>June open house</u> <u>presentation</u> (see slides 51-60). Rulemaking will define these further and be an opportunity to explore others. The Washington Clean Buildings Performance Standard, however, already requires an audit and operations and management measures. Therefore, adding audits, RCx, or retuning as an alternative compliance option to a Seattle BPS would be redundant to that requirement.
- Has there been discussion for homeowner associations (HOAs) where there is no submetering? How can HOAs address individual owners who are energy hogs?
   There has not been a discussion to date. HOAs could consider having provisions for this issue in their association agreements between owners.

#### **ENFORCEMENT**

 Is there a "watch list" so that building owners are contacted requiring them to comply? In these 5-year segments of time and deadlines?

Buildings that already report under the City's Benchmarking program will also be reporting for the BPS and will be notified by the City about timelines and requirements for all reporting cycles. OSE works to make sure ownership lists are up to date to communicate about compliance with new buildings, but it's very important for owners and managers to proactively inform OSE about new owners and/or a change in property management (or the persons in charge of energy benchmarking) so that the correct person(s) receive notices. Building owners still need to comply regardless of whether or not they receive a notice.

What are the penalties for a building that does not achieve the GHGI targets?
 Penalties will be levied, but exact amounts are still under consideration and will be included in the draft BPS policy.

# SUPPORT PROGRAMS, INCENTIVES, FUNDING

• Will the City offer grants or other funding options to help building owners make these changes?

The City recognizes the need to support building owners to reduce emissions and that certain building types or situations may have more challenges. The goal is a flexible, equitable policy that reflects the need to rapidly reduce emissions from our buildings. The City has been gearing up to seek federal and state funding to support building owners to reduce emissions as the funds are made available. Eventually, the City plans to create a resource hub for retrofit funding opportunities for building owners.

While not an incentive or grant program, the <u>Seattle Clean Buildings Accelerator</u> education program launched in 2022 will provide technical support to building owners and managers. The Accelerator was recommended for additional funding, starting in 2023, by the Green New Deal Oversight Board to support implementation costs, but the funds are pending City Council budgetary approval.

• Rep. Pollet has informed us there are state funds for cities to create climate resilience centers. Is the City reaching out to get these for Seattle?

Yes, the City will be reaching out to learn more about this opportunity, as well as other resources that could be available to support a BPS policy.

- Will there be a downloadable calculator to help calculate the emissions per building? The City recognizes that there is a need for a standard method for buildings to calculate their current emissions and emissions targets. Tools like this will be considered during the rulemaking and program development process. The EPA's new online <a href="ENERGY STAR Portfolio Manager Building Emissions Calculator">ENERGY STAR Portfolio Manager Building Emissions Calculator</a> released in 2022 enables building owners to assess their emissions. It also includes factors to assess compliance with New York City's Building Performance Standards. Seattle may consider integrating its policy with this tool in the future.
- Will the City be developing a list of preferred vendors to help building owners meet these standards?

The City does not have a vendor or contractor list currently, but we understand this is important. It is a support area we are considering through the future Seattle Clean Buildings Accelerator in partnership with local organizations that already have contractor relationships like the Smart Buildings Center and utilities. We have heard that matching projects with service providers, as well as promoting the growth of women, minority, and veteran-owned energy service providers are essential support areas. Washington DC's Building Innovation Hub has a "Find-a-Vendor" program that is potentially a good model.

- Will the City conduct additional modeling that includes the return on investment based on the time value of money and increase in utility costs?
  - The City will be seeking funding to expand the Clean Buildings Accelerator program and create a resource hub. This is the type of resource we would like to support. OSE also recently posted the results of <a href="Energy Efficiency and Electrification Cost Study">Energy Efficiency and Electrification Cost Study</a> to provide insights into the costs per square foot of various best practices and equipment upgrades to improve energy efficiency and reduce GHG emissions from buildings. These estimated costs can be used by building owners to model potential upgrade costs for their own buildings.
- Will there be new efforts with the Seattle Department of Construction and Inspections (SDCI) to fast track permitting of decarbonization projects to meet this new policy?
   The City's Office of Sustainability and Environment does speak with SDCI regularly to collaborate and keep them up to date on the development of the BPS policy and will include this question in future conversations.
- If we're replacing a gas-boiler with an electric resistance boiler to meet the City's BPS (assuming the building's site EUI already meets the state's BPS), would PACE fund a project that barely touches the EUI and increases utility costs? That would seem to fail prior cost payback I've seen in the past.

While payback calculations must be considered, King County's C-PACER Program is the first PACE program to exclude fossil fuel-burning equipment as a qualified improvement, advancing the County's push to decarbonize the built environment and meet aggressive greenhouse gas reduction targets. For more information visit the <a href="King County C-PACER program">King County C-PACER program</a> website. (Depending on water heating needs, an electric heat pump should be far more efficient and less costly to operate than an electric resistance boiler.)

#### SEATTLE CLEAN BUILDINGS ACCELERATOR PROGRAM

- What is the Clean Buildings Accelerator Program?
   The <u>Seattle Clean Buildings Accelerator</u> is a technical support hub for building owners and managers, specifically those under-resourced. It launched in summer 2022.
- Who are the "energy coaches"? Are these city employees or outside consultants?
   The energy coaches are consultants with Stillwater Energy. You can learn more at:
   <a href="https://www.seattle.gov/environment/climate-change/buildings-and-energy/building-performance-standards/accelerator-support">https://www.seattle.gov/environment/climate-change/buildings-and-energy/building-performance-standards/accelerator-support</a>.
- No, the audience is broader. The coaching for the <u>Seattle Clean Buildings Accelerator</u> is prioritized for both nonprofit-owned buildings and buildings that serve or are owned by Black, Indigenous or people of color (BIPOC) or frontline communities (e.g., vulnerable elderly, low and no income, houseless, LGBTQ+). This could include privately owned buildings with small businesses or tenants of community importance to frontline communities. The educational resources will be on the website and available to everyone. With additional funding, the City can broaden the audience for the program.

 How will the Seattle Clean Buildings Accelerator interact with SCL and PSE's Clean Buildings Accelerator?

OSE is partnering with SCL and PSE to coordinate support for building owners working to improve energy efficiency and lower climate emissions. PSE's Clean Buildings Accelerator has a similar framework for buildings owners to meet the State of WA requirements.

#### COORDINATION WITH EXISTING POLICIES AND PROGRAMS

- How will the BPS policy overlap with the existing energy code requirements? The City's policies are each designed to address a specific need. As such, the proposed BPS policy will fill a gap that energy codes are not designed to address (i.e., retrofitting existing buildings). Seattle's Energy Code focuses on newly constructed buildings, with some exceptions for major renovations. The code ensures new buildings are energy efficient and built without fossil fuels from the start. The City is not anticipating significant overlap between policies for buildings that already have low emissions.
- Is the Tune-Up program going to get rolled into Building Performance Standards?

  The draft legislation is recommending that the Seattle Building Tune-Ups mandate sunset after the completion of the second cycle of required tune-ups. We've heard from many stakeholders that the City ought to streamline and simplify requirements to lower costs to owners, to the extent possible. This proposal recognizes that the new Washington Clean Buildings Performance Standard includes an operations and maintenance requirement. By sunsetting the third cycle of tune-ups, Seattle would transition to an emissions-based BPS while the Washington state regulation covers energy efficiency standards and best practices like operations and maintenance procedures.
- How does the policy interface with King County's goals and work on reducing emissions from buildings?

There is significant alignment — we are all working together, and jurisdictions borrow from each other in terms of approaches. King County has a new PACE program, called C-PACER. The C is for commercial buildings and the R means that the program can also fund resilience upgrades, such as seismic retrofits for earthquake safety. PACE programs allow building owners to finance the cost of upgrades on the property assessment, so the loan runs with the property and transfers upon sale to the new owner. King County's C-PACER program has great potential to help buildings owners finance long-term loans for retrofits that reduce emissions.

• Is there or could there be any tie-in with transportation? (For example, truck fleets, forklifts (propane), clients, staff trips, etc.).

The BPS policy is focused on reducing emissions from energy sources used in the building and does not include transportation-related emissions. Visit the Office of Sustainability and Environment's <u>website</u> to learn more about the City's work to reduce emissions from the transportation sector.

# **EQUITY AND ENVIRONMENTAL JUSTICE**

How is "serving BIPOC communities" determined?
 For the purposes of data analysis and broadly identifying potential building locations, OSE uses the Race and Social Equity index created by the Office of Planning and Community development.

Pending future program development guidelines, applications to be eligible for certain services may ask questions to ascertain how the building supports or has tenants that are from BIPOC and other frontline communities (e.g., elderly, youth, low-income, houseless) most impacted by climate change.

- Has analysis been done (or will it be done) to evaluate how new costs to reduce emissions will impact multifamily rents / affordability?
  - OSE, working with the Office of Housing and Office of Planning and Community Development is considering how the proposed BPS policy could impact multifamily housing with lower rents in order to include flexible provisions that support broadly preserving affordability. For example, the draft policy recommends delayed implementation (after 2030) for multifamily. A forthcoming report from the <a href="Housing Development Consortium">Housing Development Consortium</a> will provide further details on potential upgrade costs for affordable housing existing construction types that should be applicable to similar market-rate building types.
- How does this program prevent businesses from simply moving to another city? How does this enable affordable housing for residents when the burden of cost falls on the owners and passed through to tenants? How does this reduce emissions from vehicles AND avoid electric grid overloads and brownouts? What is the plan to prevent an exodus from Seattle to lower cost markets? What is the net impact of Seattle's sustainability goals on these variables? What is the expected revenue stream to support this program?

With the International Intergovernmental Panel on Climate Change (IPCC) warning repeatedly that urgent action to reduce emissions is required to avoid global catastrophe, all cities seeking to create a just and livable future for residents, businesses, and workers must address climate pollution from buildings, and other sources. Seattle is one of more than 35 U.S. cities with policies like these in place or under development. The draft BPS policy includes a long timeline for implementation through 2045, starting with limited emissions reduction requirements in 2026 for larger nonresidential buildings. It also recommends that multifamily buildings are phased in later, after 2030, to enable the development of additional support programs and funding to reduce pass-through costs and impacts to the market. This proposed policy is not about reducing emissions from vehicles, though recent City Light analysis projects the utility can handle increased capacity from buildings and electric vehicle adoption. A net impact study on all variables has not been conducted. A budget request will be made for this program and OSE will pursue other state and federal options as they are made available.

### **ELECTRICITY, OTHER UTILITIES AND THE GRID**

- Is capability for Demand Response for Distributed Energy Resources (DER) within the scope of the Building Codes update? If building owners are investing to install energy efficient equipment, the equipment should be capable of being used for electricity demand response to facilitate electric grid capability.
  - Historically, City Light's extensive hydro power has provided all the demand flexibility we need. Going forward, the City may need some demand response capability as more buildings and cars are powered by electricity to smooth out peak hours. There are already some demand response capability requirements in place with the latest State of Washington energy code for water heaters and some other components. Demand response is not being considered for the draft Seattle BPS requirement.

Is it correct that the grid must be zero carbon by 2045? If so, there seems to be a gap between
when this standard requires buildings to be net zero, and when a zero-carbon grid is available
if buildings are relying on electrification.

Yes, the Washington Clean Energy Transformation Act (CETA) requires utilities to serve customers with energy from 100% renewable and/or non-emitting resources by 2045 and to be greenhouse gas neutral by 2030. It is expected that City Light will meet or exceed these deadlines and, if needed, any remaining indirect emissions will be tracked separately so they can be accounted for while the grid catches up.

 Are the City Light studies regarding their ability to provide enough energy in the future available?

To gain important insights into the potential impacts of electrification on the utility and its customers, City Light worked with the industry-leading Electric Power Research Institute (EPRI) to conduct an Electrification Assessment that takes a wide-ranging look at simulated scenarios of electrification. The Electrification Assessment provides analysis that will help City Light better understand the energy needed for the electrification of buildings, transportation, and commercial and industrial applications within City Light's service territory. It also provides insight into the available capacity on our existing distribution grid.

The results will be used to inform City Light's other planning and forecasting efforts, such as the Integrated Resource Plan and the load forecast. The assessment will also be used to inform our strategic objectives and policy and program decisions as City Light considers how it can best facilitate equitable electrification.

While this study is extensive, it does not account for all aspects that influence City Light's future. Specifically, this first phase of the Electrification Assessment does not address potential for energy savings through conservation or demand response. City Light is building on this effort in future phases to look into some of these additional questions. Learn more about the utility's <a href="Strategic Plan">Strategic Plan</a> and <a href="grid modernization">grid modernization</a>.

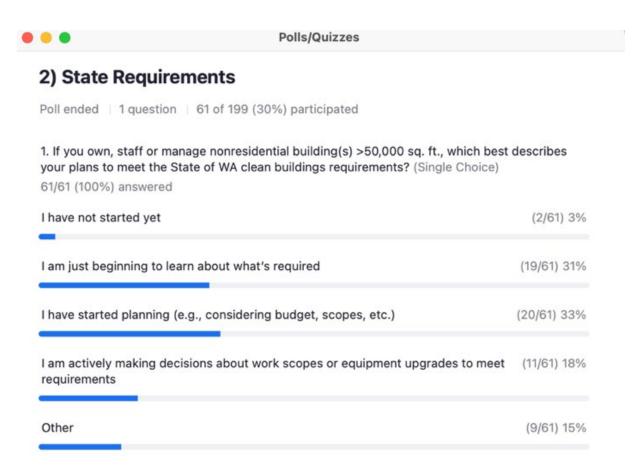
• Can the City explain the assumption that electricity has no GHG emissions, rather than using a regional emission factor like Energy Star Portfolio Manager?

City Light has achieved GHG neutrality since 2005 using industry-accepted practices and third-party verification. Every year, City Light completes an inventory of the utility's GHG emissions and reports these emissions to The Climate Registry's (TCR) voluntary greenhouse gas reporting program, which is called TCR's Carbon Footprint Registry. This inventory is third-party verified against TCR's protocols. City Light's resulting emission factors, published by TCR, are a representation of City Light's emission rates before offsets are applied. Each year, City Light purchases and retires registered and verified GHG offsets to achieve GHG neutrality against the emissions it reports to TCR, which includes the emissions associated with the energy provided to customers. Learn more about City Light's GHG emissions neutral electricity.

Would love any updates on Seattle Steam/CenTrio.

OSE has met with CenTrio, the district steam provider that serves downtown and nearby neighborhoods, to discuss this policy and will continue to engage in the coming months to identify how this policy aligns with their Clean Energy Roadmap plan. We do not have updates to share on their behalf; however, see <a href="mailto:page 11">page 11</a> of FAQs from April 2022 open house for general information about district steam and this proposed Seattle BPS policy.

# **LIVE POLLING QUESTIONS & ANSWERS**



#### 3) Support Programs

1 question | 46 participated

1. In a few words, tell us about a specific type of support or a resource your building or organization could use to reduce emissions and/or support a just transition.

(Responses are sorted by category)

- A. Technical support or more information on how to make building upgrades.
  - List of items and/or requirements that is accessible on reducing emissions and sustainable building operation.
  - A list of upgrades that might be required for Commercial Buildings if gas or fuel is not used, except for backup generators used in power outages.
  - Emissions measurement methods and data validation.
  - A one-stop resource center (in-person and on-line) that provides information, technical assistance, and financial assistance options
  - Technical support to understand (conceptually) how to implement these requirements into our planning for specific buildings
  - Retro-commissioning
  - HOA'S as they move to electric from gas who is responsible for upgrading the transformers and line feeds to buildings.
  - Examples of how buildings specifically can meet the standard. Funding for doing the work. Quality control.
  - Technical assistance support in considering/guiding to how achieve air quality improvement (MERV16+) objectives and energy conservation concurrently.
  - Coaching, update on changes, best practices.
  - Case study on building needs for multifamily upgrades (from <10,000 sq ft to <50,000 sq ft) -</li>
     I.e., appliances, natural gas/grid usage
  - I would like to talk to someone about how to begin- what basic information I will need to move forward.
  - A converter tool for existing equipment to new equipment
  - We need a clear and targeted information regarding what steps our specific buildings will need to take. All owners could benefit from the accelerator.
  - I live in a 20-unit condo building with a board of directors that has NO EXPERIENCE with any of this. We need help with everything: planning, financing, etc.
  - List of certified consultants. Easy to understand how to determine targets for mixed use buildings (e.g., 1/2 lab, 1/2 office).
  - Onsite walk through from an external representative to identify opportunities so that we can complete a plan that achieves support for future capital projects
  - Actionable tips.
- B. Funding, grant or incentives for energy efficiency or emissions reduction projects.
  - Incentives
  - Funding or incentives
  - Financial incentives
  - Grid capacity to enable building electrification. Financial assistance.
  - Grants for replacing gas combustion systems with electric heat pumps would be helpful.
  - Help with guidance and incentives.

- Understanding the law -> getting a plan for what I need to do to be compliant and save the most more in energy usage bills -> getting the best funding for what I need to do.
- It will depend on the investment required for our properties perhaps combination of financial assistance and low-cost financing
- Financial assistance for implementation
- Funding support
- Grants and funding for efficiency projects
- Grants, rebates, and early adopter incentives are great to make the financial arguments more sound. Integration with local utilities to help capture data. Green leasing/tenant improvement budget grants to help address landlord/tenant problem.
- Energy (electrical) discounts for a period after upgrades are made to help offset the upfront costs
- Financial assistance to hire energy consultants

#### C. Technical support or funding for workforce or staff.

- Money to help retrain displaced natural gas workers.
- Building Science, retrofit training for site property managers and foremen.
- Workforce development should focus on equitable education and training of paraprofessional and professional occupations necessary to support the BPS. While trade and apprentice occupations are critical, lack of providers drives up costs for owners.

#### D. Financing and/or loan programs.

- On Bill Financing, Fuel Switching Incentives, early adopter incentives, healthcare reliability/back up fossil fuels accommodations.
- Money to make the changes
- We will have to spend a significant amount of money on the transition and could use some financial help.
- Low interest financing would help

#### E. Other

- I am open to make changes to decrease emissions. However, I have great limitations that are extremely challenging to overcome.
- Relationship with utilities to see where reductions could be made
- I'm working on the revisions to leases aspect, and looking to connect with folks who need that support
- Budget planning requires tenants. Higher price per square foot rates are a deterrent to that goal. How will this be subsidized so revenues can be sustained and prevent an exodus from Seattle?
- Walkability and active transportation infrastructure to serve different mobility options better. Support for transitioning away from car and fossil fuel dependency.

- 4. If you are a building owner, staff or manager, choose the option that best describes how well (or not) the BPS timeline for net-zero by 2045 aligns with your organization's existing commitment to reduce emissions: (59 total responses)
  - Net-zero by 2045 is much later or less stringent (e.g., easier) than my organization's climate commitment. (10 responses) 17%
  - Net-zero by 2045 is about the same as my organization's climate commitment. (17 responses)
  - Net-zero by 2045 is somewhat sooner or a little different than my organization's climate commitment. (13 responses) **22**%
  - Net-zero by 2045 is much sooner (e.g., harder) or very different than my organization's climate commitment. (7 responses) 12%
  - NA My organization does not have any climate commitment (or I don't know). (12 responses)
     20%

# 5) Climate Investment Fund Poll ended | 1 question | 73 of 157 (46%) participated 1. How could payments into a Climate Investment Fund be used for decarbonization efforts in buildings? (Rank Order) 73/73 (100%) answered 1. A loan fund to create lower-interest financing (72/73) 99% 2. Education and outreach (70/73) 96% 3. A technical assistance/resource hub (71/73) 97% 4. Grants to buildings in underserved communities (70/73) 96% 5. Workforce development/staff training (69/73) 95% O High priority O Mid-priority O Low priority