

# Seattle Building Performance Standards – Technical Advisory Group (TAG) Meeting #5 Summary Notes

Date: April 21, 2022, 10am – 12pm PT

## Attendees

- TAG: Irina Rasputnis, Rebecca Baker, Peter, Joe Malaspino, David Okada, Neil Bavins, Amy Wheelless, Kevin Folkes, Olivia Walker, Kerry Meade, Ian Brown, Sarah Moore, Monica Portillo, Treasa Sweek, Alistair Jackson, Bobby Coleman, Edmee Knight
- OSE: Nicole Ballinger, Sandra Mallory, Terry Sullivan
- NRDC: Monica Portillo, Olivia Walker
- SBW team: Lucy DeBolt, Faith DeBolt, Poppy Storm, SBW webinar facilitator

## Agenda Items

### Introduction and Welcome

- Sandra - introduced Kevin (attending for Equity Res this time)
- Background materials and references. Building Tune-Ups Optional Pre-reads:
  - Fact Sheet - 2-page summary of requirement:  
[https://www.seattle.gov/documents/Departments/OSE/Tune-Ups/OSE\\_BTU\\_FACT\\_SHEET.pdf](https://www.seattle.gov/documents/Departments/OSE/Tune-Ups/OSE_BTU_FACT_SHEET.pdf)
  - BTU Owner's Guide –[https://www.seattle.gov/documents/Departments/OSE/Tune-Ups/OSE\\_BTU\\_OWNER%27S%20GUIDE.pdf](https://www.seattle.gov/documents/Departments/OSE/Tune-Ups/OSE_BTU_OWNER%27S%20GUIDE.pdf)
- Prior Meeting slides and summaries are on the BPS Policy webpage under [Advisory Group Updates](#).

### Target (Compliance) Intervals

- A straw dog draft of potential intervals at which different buildings would need to comply with decarbonization targets was shared for TAG input on compliance cycles for nonresidential >50K SF, MF >50K SF and both types 20-50F SF
- **Questions for TAG**
  - *How often do we want buildings to meet progressively lower targets? Should buildings still have to meet new targets every five years, or do they comply every 10 years? Or do we maintain performance checks at 5 years?*
  - *Who goes first (and second) in this timing for phasing in compliance? Should certain cohorts be delayed until 2031 and beyond?*
  - *Should affordable MF housing have its own compliance timeline?*
- **TAG feedback/thoughts/questions** (Breakout rooms combined)
  - **Q1: 5 years? 10 years?**
  - **Interest in 5 Years:**
    - Keep targets to every five years to align with state policy

- Aligning target dates makes this a seamless set of requirements so it feels like a cohesive program rather than 3 disparate policies
  - Depends on what really falls into the city's policy - if we're just reporting emissions to the city then yes, keep it consistent with state program, but if there's required action, could be helpful to offset the policy with the state's code by one year to allow entities time to act.
  - 5 years would be the sweet-spot timing wise. Owners typically do not have a 40-50 year vision for their buildings. Typically they want to flip them - buy low, invest, and sell at a profit.
  - If you start pushing that timeframe longer, concerned that people will just ignore the targets. Keeping it at 5 years will keep this on the building-owner's radar.
  - Agree that 5 years is best. Will add that buildings will be hard to sell. Owner-occupied: we are seeing more of our customers being proactive and strategic about zero-carbon. Most building owners will not prioritize replacing equipment that are not near end-of-life unless they have to.
  - Thinking about BTU and commissioning and doubling up on submittals every year. A lot of it's the same info but challenge of actions and submittals aligning is challenging. What about offsetting from other energy requirements (state program) by a year or so? Would do your clean buildings stuff and then have time to get emissions stuff aligned.
  - Plan timing - Want stringent and frequent enough targets that it actually forces people out of compliance to make decarbonization plans
- **Interest in 10 years:**
    - The long-life cycles of hot water heaters is aligned with a 10 year compliance cycle.
    - Spending capital dollars, funds are allocated slowly and in a difficult way. 5 years would be hard. Getting contractors can be difficult. 10 years might be needed. Also, aren't staffed for that, etc. In the public sector, capital spending is often planned in advance for a fiscal year, and typically completed/closed out after the FY it was planned for.
    - First response was ... mirror the CBPS. But it might depend on what falls into the City requirement. If it's just GHG and then aligning with BM reporting then it makes sense to align but if a bunch more work then might want more time in between.
  - *Q: Curious to hear more from building owners how these transitions look for you? What would be a scenario where you would be looking to take out gas-powered appliances or wait until 2050 to make that transition?*
    - We are trying to get a read on the bulk of buildings a regular compliance path, keep this in mind.
    - One of the assumptions is that the cost to do these conversions will be low or subsidized heavily.

- *Q2: How do we fill in compliance phasing for buildings whose requirements are not defined by state policy (MF >50k, MF 20K-50K, and commercial 20-50k sq ft). Should affordable MF housing have its own compliance timeline?*
- **Yes, delay for smaller buildings & MF:**
  - State deadlines giving smaller buildings more time, probably a good tactic to mirror - softer landing for smaller buildings.
  - MF should not depend on commercial path.
  - From MF standpoint - majority of carbon is in central water heating rooms and doesn't align at all with size. For first round, targeting high carbon output MF builds might make more sense → those with gas infrastructure regardless of size.
  - Might be an equity issue - fuel switching space heating will be a larger (more costly) lift. To the extent where there's gas inside units, electricity is more expensive and retrofit is costly
  - Replacing DHW systems in a high rise MF can be very challenging. Is there space for all those heat pumps? Unclear.
  - Start large MF compliance alongside commercial, but delay smaller MF compliance until second cycle. Give targets and timelines and budget examples now to allow for planning. Same for small commercial
  - Affordable housing - Going to have to replace appliances before end-of-life, cost waste there, consideration for timelines. Having the right technical resources to execute this work is a way the city could help this transition
- **Delay compliance, but inform now about targets to prepare / provide help:**
  - Maybe first round for small commercial and MF is just making sure their reporting is accurate, then action required for second cycle
  - For smaller MF, give a sense of what targets will be even if their first compliance year is later. The sooner they can understand where they need to get to the better. Equipment changeover is often straightforward, just need time to plan.
  - It makes a lot of sense to get everyone getting going in the next few years. We don't want to put people in the situation to just sit back, we want to get them into action in a fairly short time frame.
  - MF has not had this on their radar so it does not seem fair so throw this on them.
  - Getting the MF buildings involved is key. While we know its coming, most people throw their arms up and struggle to do what they can and do not plan ahead. We need a process that embeds the planning component and provide a near-term deadline. We need to think of a step-wise approach as a worst case to help people achieve a pathway that stays ahead of this.
  - Thinking about those who are making changes right now - might not be fair to them to reach the same targets.
- **Don't delay**
  - Don't make dates different but find aggressive \$\$ from utilities or elsewhere for those buildings.

- Many contractors and such ignore changes as long as they can, they may need a near deadline. Stepwise approach is the worst case scenario. We don't want to wait for the code to force people, but that is how it goes a lot. Last resort mentality. Important to figure out how to enable a more proactive approach.
  - Impact of compressing efforts if they get extra time now. That would also be difficult. Same end target and later start isn't good.
  - The final goal is a really long time from now. A few years here and there in that time scale isn't that significant.
  - Some people before said it can't even be done by 2050, would a shorter time frame be an issue? What is that extra year or two now even going to do? That they couldn't do in the five year cycle?
- *Q: The longer we delay action, the more emissions we see and what about cumulative emissions? What about moving the final target up if there's some initial delay – move it forward to 2040?*
  - It's possible if we have a healthy lead up time. Probably always some who need it to be 2050 instead of 2040, but maybe we just come up with tools to help those outlier folks.
  - If we make the policy, it will get done
  - If we do soft landings initially then we should have an earlier date
- *TAG Q: is there any reason to treat them the same? Also, is it 'controversial' to treat multifamily housing the same as other buildings in the energy codes? Are there other precedents of them being treated differently?*
  - No code reason to treat differently, though funding and capital investments are different.

## Summary

- **5- or 10-year intervals?** Interest in being consistent with state and having compliance every 5 years to avoid confusion. Keep requirement top of mind. Have the baseline quantifying GHGI aspect quick and easy. If you can't, then have to come up with a unique (alt compliance) plan and make sure the targets are stringent enough that they have meet and plan solidly.
- **End date:** Some okay with a target of decarbonizing by 2040. But 2040 and 2050 seem so far away it's hard to comment.
- **Should smaller buildings start at the same time?** Extend initial target compliance for small and MF buildings but have a report or lighter requirement earlier or plan early. Challenges with funding, need incentives, especially in the affordable space. Most important that affordable MF has funding, not more time

## Seattle Building Tune-Ups (BTU)

- Presentation about overlap between BTU and BPS. Questions for TAG:
  - *What do you consider the pros and cons of maintaining a Seattle BTU requirement?*
  - *Is there a role for BTU as an optional action between longer Seattle BPS compliance cycles?*

- *Are there O&M (BTU) components that should be incorporated into Seattle BPS? (Either from the existing BTU or something new that addresses health or IAQ.)*
- **TAG feedback/thoughts/questions**
  - Question: Curious, can you update BTU legislatively? A: Yes, we'd have to go through a process to propose it, but we can pursue it
  - Question: can you clarify the performance path? A: It's an alternative compliance pathway, 15 % EUI reduction over a number of years. Not many people have done it. It's kind of an early compliance path
- **Cons of maintaining a Seattle BTU requirement:**
  - Concur about resources to meet State standard so additional programs is a concern. BTU is a great gateway, but if the purpose was to reduce energy use and GHGI, then that's being handled by state standards and the BPS so should be let go.
  - Reducing carbon output is the point. This goes at it sideways and the BPS is direct.
  - It takes time and money for owners and city to audit etc. Do you want people helping with this or with actually doing decarbonization work.
  - Q: What effort goes into the BTUs? Hours? Cost?
    - From a program standpoint, long lead time. 3-6 months, don't know about hours
    - Mostly at the end of the compliance cycle. Documentation and such, all was very good stuff, good to have, good to check these things regularly, fees were quite reasonable. Assume cost effectiveness diminishes with smaller buildings
    - Cost - average we found across lots of buildings in TU Accelerator was about \$.20 - \$.25 per sq. ft.
  - MF exempt from tune ups program. Don't have staff or expertise to do commissioning. Could help with IAQ and health of tenants, particularly in the affordable space. Missing out by being exempt, even if that exemption is helpful.
  - Maybe use it as an incentive. If you get to the final goal early, don't need to do tune ups anymore!
- **Pros of maintaining a Seattle BTU requirement:**
  - Demand management. That's probably not where this BPS wants to focus, but the BTU ordinance could help people manage demand
  - Has name recognition. Don't just delete it, keep it as a program and maybe change precisely what it does. Shouldn't throw out all the work. The bench-marking process. Most buildings had the wrong data in energy star, so fixing that was a huge benefit and we should continue that
  - Some utility incentive programs for tune ups
  - Process we already have in place, have seen results in the aggregate.
  - Don't want to throw away all the work in the BTU program
  - BTU file on record with the city could be helpful to the new owner with planning and everything.
    - Staff noted: We have seen some requests to see those reports. Do ask prior owner if they mind, no one has said no. folks don't always know that resource is available, but it's a really valuable source of information. Those reports may even be helpful for the same building owner. Should keep those records around.
    - Tune up costs will go down in second round. As a provider, a lot time was spent pulling information together so next round should be less time and money.

Most obvious benefits have to do with the energy star? Is the information accurate and are people following good practice with benchmarking?

- **Q: Would putting data accuracy in the BPS work in lieu of the BTU program?**
  - If pulling in anything from BTU, pull in the benchmarking.
  - Importance of ensuring good Data in Energy Star PM. Needs a mandatory approach to ensuring data quality and assumptions (sq ft, space use, etc).
  - In MF, as we're finding in building audits, ESPM data is still not fully QC'd in existing MF buildings - or new construction when it comes online, which are the existing buildings of the future.
- TAG Question: Labor might be interested in is a more granular analysis of who can do the BTU work? There are unionized janitors in most of the big buildings in the City of Seattle. Could they help with the less technical aspects of these kinds of tune-ups? Checking for broken windows, leaks, etc. Below the level of electricians and plumbers. There is a City program around Green Cleaning as well as some training infrastructure to up-skill this workforce.
  - Yes. staff mentioned can definitely assist. Just the final report needs TU Spec qualifications. Like the idea. Capacity building at the janitorial level would be a great opportunity for both sides. Expanding the meaning of building maintenance would add value for these essential workers.

## Alternative Compliance, Exemptions and Extensions

- Presentation about these policy mechanisms that can be used to support a flexible policy.  
*Questions for TAG*
  - *Does this make sense to you? Would look like*
    - *[in the case of universal targets] setting individualized compliance paths*
    - *Portfolio level compliance*
    - *Prescriptive actions to take*
  - *What other circumstances could be addressed through alternative compliance?*
- **TAG feedback/thoughts/questions**
  - *Does this make sense to you to build into Seattle policy? Voting by hands*
    - **Allow individualized compliance paths = 12 yes**
    - **Portfolio level compliance = 9 yes**
      - Seems like there's an easy way to game this if half of your portfolio is all electric and half isn't
        - All-electric should be excluded
      - Unfair to those who only own one building. Several folks against
      - Maybe allowing portfolio compliance should come with a rider that the requirements / emissions reductions are more stringent?
    - **Prescriptive actions to take = 8 yes**
      - I would recommend staying performance based as much as possible. You might want to have prescriptive requirements included in

"individual compliance" plans, but stay focused on performance for the endgame

- Regarding prescriptive, I like the idea of having a short list of equipment types that are deemed to comply (gas packs, gas tank-type water heaters, etc.)
- Tech is still catching up to demand, going to be difficult to make prescriptive requirements
- **Other approaches to consider? Carbon offsets?**
  - Would need to be really clear about which offsets count
  - Could offset be paying into Seattle's carbon reduction program? Fund other people's reduction
  - But then who's savings are they? Since we have such a clean grid, we don't need to deal with this issue
  - If we do go offset, should be state and federal agreed social cost of carbon, not anything random
- **Extensions and exemptions – *What building level exemptions should be considered for Seattle BPS?***
  - **Healthcare:** Mission-critical or healthcare related buildings - extension, not exemption
  - **Quasi-industrial buildings.** Multi-use buildings with industrial/research/heavy process loads (ex. Commercial laundry), metering requirement to separate those uses/areas within a building to regulate separately
  - **Food service and cooking:** Pent up demand, people are getting back into restaurants, but still on edge economically (covid). Difficult to get rid of gas, major political issue. Leaky, dangerous, and aging gas network - if that's our main concern then maybe this is more of an extension than exemption conversation
    - Q: How significant are restaurants and labs and similar facilities in terms of the City's carbon impact? Are they major or minor?
    - Staff: I don't know the data for labs offhand, but cooking is in the range of 5% of building related emissions are the result of gas cooking. Higher than we had expected honestly.
  - **Life science and lab:** Can't loop it in as just office space, because production that happens. Requires very hot water. 100% outside air requirements, many technical things happening, so same program path is not the correct thing to do. Not ignore but push it out perhaps or at least give it a different path. Equipment and space and use.
  - **Decorative uses/barbecues/fireplaces:** Rooftop barbecues -- often people will just bring in propane and stuff. Stop normalizing decorative use of natural gas – no exemptions. (Affordable) don't have those barbecues and such.

- **Technology thoughts:** Look at it from a technology standpoint. Exempt certain tech from being included because there isn't a practical alternative right now. Maybe health care or lab or cooking even. Can deduct that out so long as it's sub-metered. Modify those exemptions as new tech comes out.
  - If you have exemptions, slows down drive to make new tech to help. Maybe even fix power going out frequently issue.
  - It all depends on the building. There are options, they're just not great options. There are things you can do, technology is still catching up on demand. Depends on what's there to figure out what's possible. Want there to be a clear path, but hard to make prescriptive decisions.
- **Other thoughts:**
  - Q - Set up to handle on a case by base basis, or put it broadly in the rule as "all commercial cooking" etc.? A: To be determined. The use type and equipment type exemptions are more likely to be in the rule. Whole building exemptions handled case by case
  - Have a clear position on what to do for industrial and quasi industrial purposes. Understanding that it's not intended to regulate industry but there are mixed use buildings. A metering requirement then? Put commercial laundry in that category. Health and safety, need really hot water. Technology still catching up.
  - Is the end game to get everyone off gas? Are we concerned about trying to get the whole network cleaned up? What about leakage? It's a sprawling network, leaks... A. Open but good question and a ways out. Put these in the rule, so we can potentially modify it. With new technologies etc

## Wrap-up

- Next and last meeting is June 2nd.