

MEMORANDUM

To: Energy Efficiency and Green Building Implementation Working Group
(EE/GB IWG)

From: Ash Awad, Tony Usibelli

Re: Focusing our Five Main Themes

Date: Wednesday, June 18, 2008

Thank you all for participating in the first Energy Efficiency/Green Buildings (EE/GB) Implementation Working Group (IWG) meeting on June 3. The discussions and brainstorm provided during this first meeting created many excellent ideas. The primary challenge we have as a team, as we discussed during this first meeting, is to create implementation-grade proposals focused on significant carbon reductions that can be acted upon in the near term.

The Working Group has been tasked with designing "legislative, executive, and other actions capable of achieving significant emission reductions in Washington's built environment". To be successful it is recommended that the IWG limit activities to the development of two or four proposed EE/GB implementation-grade detailed proposals.

To provide additional focus for the coming months, we recommend that the development of these detailed proposals by this IWG use the following guiding principals:

- Actions will provide significant carbon reductions (> 0.3 MMtCO₂e in 2012)
- Can be initiated in the 2009 legislative session time period
- Have limited revenue/expenditure impacts with respect to the current state budget cycle (This is in recognition that the state is projected to have a significant budget deficit for the upcoming 09-11 biennial budget.)
- Detailed proposals should be prepared
 - The Working Group's proposals should be fully developed text for legislative or executive action
 - Proposals should document GHG reductions, direct and indirect cost and benefits

At the June 3 meeting, the IWG members agreed on organizing EE/GB IWG scope into five (5) themes that will require further investigation and further refinement.

- Tax Incentives/Financing
- Tools to improve energy efficiency of building operations
- Energy efficiency programs for natural gas, propane, and fuel oil
- Codes, standards, and policies
- Distributed Energy, CHP, and RE

The attached EEGB Options document provides more information on each general theme, and has been revised to include the thoughts offered by the Working Group at the June 3rd meeting. To move the process along, we have taken the first draft cut at developing proposed actions for further consideration by the group. We have created this list based on a combination of the

criteria above and the results of our initial group discussions. We plan to devote much of the June 23rd teleconference meeting to a discussion of these items, and will be looking for committee members to step forward to help work on the details. This list of action to be further elaborated is not "cast in concrete", but we will look for strong Working Group comments to modify or change these items

- 1) Develop a targeted tax-incentive proposal that promotes the construction and long-term operation of buildings (both residential and commercial) at energy and sustainability levels above code requirements.
- 2) Develop a proposal that will substantially upgrade the energy efficiency and sustainability of publicly constructed and operated buildings by better linking first and operating cost decisions.
- 3) Develop a path or detailed plan to significantly upgrade the state's energy code (residential and commercial) in 2009 to the highest levels among state codes (e.g. 30% above current levels).
- 4) Develop a proposal that will drive us to low-carbon, zero energy buildings by 2030. This proposal should include, at a minimum, provisions for education/training, building benchmarking, and certification.
- 5) Develop a plan to better utilize Washington's biomass resources in distributed energy systems, with a focus on distributed small-scale (less than 30 MW) biomass-fired combined heat and power systems.
- 6) Develop a model program design that can be used by natural gas, propane, and fuel oil companies which will result in the capture of all cost-effective energy efficiency.

Again, of the above 6 items it is expected that no more than 4 will be provided to the CAT for consideration for the 2009 session. These are meant to help focus our discussion with the limited time we have, and on June 23rd we will spend more time on each of the above ideas.