



STATE OF WASHINGTON  
DEPARTMENT OF COMMUNITY,  
TRADE AND ECONOMIC DEVELOPMENT

# Climate Action Team Energy Efficiency and Green Building IWG

## Meeting #3 July 9, 2008

WA Departments of Ecology and  
Community, Trade & Economic Development  
Center for Climate Strategies  
Ross & Associates

# Agenda

- Roll Call
- Review and approval of IWG Meeting #2 summary
- Review EE/GB IWG progress
- Review and discussion of proposed 2009 actions as developed by small groups
- Discussion of process for refining actions in small groups before upcoming CAT meeting
- Next Steps for IWG
- Agenda, Time and Date for Next Meeting

# Review EE/GB IWG progress

- Refined list of proposed policy options into short list of five proposed 2009 “Actions”
- Assembled small groups to work on 2009 Actions
- Small groups discussed, drafted text to elaborate 2009 Actions
- Small group text compiled into 2009 Action Concepts document for review today
- Action concepts will be revised for presentation to CAT at 7/25 Meeting

# 2009 Actions

- EE/GB Action 1: Incentives for Higher-Efficiency Building Operations.** Develop targeted proposals for tax and other types of incentives that promote the construction, retrofitting, and long-term operation of buildings (both residential and commercial, including the typically underserved small-commercial segment) at substantially higher levels of energy efficiency.
- EE/GB Action 2: Public Building Operation and Building Standards.** Develop a proposal that will substantially upgrade the energy efficiency and sustainability of publicly-constructed and -operated buildings by policies that allow better linking of first and operating cost decisions, improve energy standards for construction of public buildings, and use other mechanisms to improve the energy-efficient design and operations of public buildings in an integrate fashion.
- EE/GB Action 3: State Energy Code Improvements, and Establishment of 2030 Building Goals.** 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), and develop a proposal that will drive Washington toward the construction of low-carbon, zero net energy buildings by 2030.
- EE/GB Action 4: CHP and Distributed Energy Development.** Develop a plan to better utilize Washington's biomass and other resources in distributed energy systems, with a focus on distributed small-scale (less than 30 MW) combined heat and power systems, but also including, for example, larger industrial CHP systems and district heating systems as applicable.
- EE/GB Action 5: Energy Efficiency for Natural Gas, Propane, and Fuel Oil.** Develop one or more model program design that can be used by natural gas, propane, and fuel oil suppliers or others, as appropriate, to capture all cost-effective energy efficiency opportunities for users of those fuels.

# EE/GB Action 1: Incentives for Higher-Efficiency Building Operations

Ideas the small group working on this option have proposed include:

- Tax incentives for all commercial properties (both leased and owner occupied) that can demonstrate superior energy performance.
- Tax incentives for residential construction with energy performance meeting a standard over and above a code baseline, and revolving loan funds to spur efficiency improvements in existing buildings.

# EE/GB Action 2: Public Building Operation and Building Standards

Ideas the small group working has proposed include draft legislation and other concepts that would:

- Require a process of benchmarking, auditing, and implementation of energy-efficiency measures in existing publicly-constructed and –operated buildings, and require that new and substantially renovated publicly-constructed and –operated buildings meet strict energy performance standards.
- Implement additional improved operations and management practices
- Adopt a voluntary standard and product verification program at the Dept. of Ecology to verify that building materials and other products are consistent with existing state rules, environmental priorities, building standards, and certification schemes.

# EE/GB Action 3: State Energy Code Improvements, and Establishment of 2030 Building Goals

Ideas the small group working on this option proposed include:

- In 2009 Washington State Building Code revision cycle, revise Washington State Energy Code (WSEC) to achieve 30% reduction in new building energy use of compared to 2006 edition of WSEC.
- Establish building and neighborhood efficiency research, development, demonstration and education programs to help provide the building industry with the tools to meet efficiency benchmarks and keep Washington State remains competitive in new Clean Energy economy.
- Establish state goals for improvement in commercial and residential, new and existing building energy efficiency over time through code upgrades and other measures.
- Establish a state incentive program for new construction and retrofit of existing buildings that meet or exceed efficiency benchmarks.
- Implement appliance/equipment/lighting efficiency standards at the state level for appliances and other devices not covered by federal standards, or where higher than federal standard efficiency requirements are appropriate.

# EE/GB Action 4: CHP and Distributed Energy Development

Ideas the small group working on this option proposed include:

- Tax incentives for CHP meeting efficiency requirements as part of CTED proposed bioenergy tax incentives
- Adjustment to definitions of alternative energy/bioenergy to include the recycling of spent liquor
- Adoption of output-based emissions regulations;
- Requiring CTED (on behalf of public utilities) and UTC (on behalf of investor owned utilities) to assess the regulatory barriers to CHP and recommend enabling changes; and
- Prepare the state to address the waste energy provisions of the federal Energy Independence and Security Act of 2007

# EE/GB Action 5: Energy Efficiency for Natural Gas, Propane, and Fuel Oil

Ideas the small group working on this option proposed include:

- Use an 'I-937' requirement for gas utilities. Include cost recovery mechanisms and provide decoupling/revenue neutrality.
- Collect a charge on retail bills to be dedicated to conservation acquisition. Provide revenue neutrality/decoupling.

# Refining 2009 Actions and Recommendations

- Full IWG Review/Discussion of Proposed Actions
  - Where do actions need elaboration in order that the concepts can be used to develop draft legislation or executive orders?
  - Are there elements of the actions that seem problematic, or need to be revised for practical implementation?
  - Are there elements of the actions that seem to be missing?
- To Quantify or Not To Quantify?
  - Are some of the elements of an action likely candidates for quantitative analysis of costs and benefits, or is action largely in support of another action with quantifiable costs and benefits?
  - If an action can be quantified, what are some of the key parameters/assumptions for the analysis likely to be?
  - What are reasonable goals and timing for quantifiable options?
  - Recommended data sources?
- Quantification will take place after 7/25 CAT meeting

# Refining 2009 Actions and Recommendations

- **Reminder of Criteria for selection of 2009 Actions**
  - Provide significant carbon reductions (> 0.3 MMtCO<sub>2</sub>e 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.
  - Not being substantially addressed by other IWGs
- **EE/GB IWG Refinement of 2009 Actions**
  - Narrow set of 5 to maximum of 4 to be presented to the CAT (Look for overlaps/combinations? Select priority options?)
  - Incorporate full IWG input and revise text using 2009 Action Template (developed for use across IWGs)
- **Recommendations for future action**
  - Other ideas remain under consideration (“parking lot”)

# Next Steps

- Working with co-leads and facilitators, small groups refine actions based on full IWG input and prepare CAT meeting materials by July 19
- Working with co-leads and facilitators, based on full IWG input, small groups identify which actions will be quantitatively analyzed
- Following the July 25<sup>th</sup> CAT meeting, work on quantification begins, elaboration of Actions continues

# Next IWG Meeting

- Agenda:
  - Update on July 25 CAT meeting and review CAT feedback
  - Provide full IWG feedback on continuing small group work on actions as needed
  - Prepare for quantification of 2009 Actions
- Date/time for Meeting #4:
  - Friday, August 1, 1:00 – 3:00 PM

