

**Energy Efficiency and Green Building IWG Meeting Summary**  
**Wednesday, July 9, 2008, 1:00 – 3:00 pm**  
**Teleconference**

**In Attendance**Co-Leads:

Tony Usibelli, CTED  
Ash Awad, McKinstry

Workgroup Members:

Eddie Bugg, Alcoa: Kawneer Company  
Anthony Chavez, Weyerhaeuser  
Carrie Dolwick, NW Energy Coalition  
Tom Eckmann, Greenwood Technologies  
Amanda Eichel, Seattle Office of Sustainability and Environment<sup>1</sup>  
Jake Fey, City of Tacoma  
Mark Frankel, New Buildings Institute  
Bert Gregory, Mithun Architects  
Ann Grodnik, Seattle-Northwest Securities  
Rachael Jamison, Ecology  
Becky Kelley, Washington Environmental Council  
Patrick Mazza, Climate Solutions  
Stan Price, NW Energy Efficiency Council  
Stu Simpson, General Administration  
Bob Stolarski, Puget Sound Energy<sup>4</sup>  
Mark Wiser, Chelan PUD<sup>1</sup>  
Yancy Wright, Sellen

<sup>1</sup>Alternate for John Stoll, Chelan PUD

Absent:

James Abelson, Microsoft  
Aaron Adelstein, King & Snohomish Master Builders Association  
Doug Daley, Harbor Properties  
John Mannix, Spokane School District  
Patrick Neville, Apollo Alliance  
Cal Shirley, Puget Sound Energy  
Mary Verner, City of Spokane  
Wayne Williams, Telect & Chair of Greater Spokane Inc.

Support:

David von Hippel, Facilitator/Technical Analyst, SEI-Center for Climate Strategies  
Carrie Lee, Facilitator/Technical Analyst, SEI-Center for Climate Strategies  
Chuck Murray, process support, CTED  
Gary Grossman, process support, Dept. of Revenue  
Dave Van Holde, King County  
Allen Estep, WA DNR

**Background Documents (available online at [http://www.ecy.wa.gov/climatechange/2008CAT\\_iwg\\_bee.htm](http://www.ecy.wa.gov/climatechange/2008CAT_iwg_bee.htm))**

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

**Discussion Items and Key Issues**

1. The IWG Meeting #2 summary was approved by IWG members.
2. The facilitators reviewed the EE/GB IWG progress to date, including the refined list of five proposed 2009 actions and the status of the small groups assembled to work on drafting text to elaborate on 2009 Actions.
3. The facilitators reviewed in summary the current drafts of the 5 proposed 2009 Actions that small groups have worked on and, described the key concepts proposed by small groups for each of the 2009 Actions. The facilitators provided guidance for the full IWG discussion/review of actions during the call, suggested consideration of the quantitative analysis of the 2009 Actions as they are defined, and the process of refining the 2009 Actions to a maximum of 4 to be presented to the CAT at the July 25 meeting. Additional will remain under consideration as “Recommendations for future action”. The EE/GB IWG co-leads provided the IWG with further guidance on how the IWG might be able to refine the largest set of proposed actions to those best positioned for the 2009 legislature, which may include aspects that set the stage for but not yet start future action over the longer term. In addition, co-leads and others noted that several groups cover several topic areas, including benchmarking and tax and other incentives, in an overlapping fashion, and there may be a means to knit the ideas from several groups together into more complete and distinct proposals for actions.

Discussion by IWG members of each action during the call is included below:

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

3.1.1. The small group IWG lead provided an overview of the group’s discussion and ideas related to this 2009 Action. An IWG member questioned whether loan funds violate the prohibition of using state capital for private gain, and there was agreement among IWG members that this issue should be looked into in more depth. A co-lead raised a question regarding whether a benchmarking system could be considered for both public and private applications. State support staff suggested that further research is needed to establish appropriate benchmarking tools that are specific or particularly applicable to Washington. Others emphasized that benchmarking information could be made available. The IWG small group lead for this action provided additional background information regarding the Energy Star benchmarking program.

3.2. EE/GB Action 2: Public Building Operation and Building Standards

3.2.1. The small group IWG lead for Action 2 provided an overview of the group’s discussion and ideas related to this 2009 Action. A “cross-walk” (common theme) related to the forestry implementation working group’s examination of the embodied energy of building products was noted as being in common with one of the elements proposed for group 2’s action. It was noted that Mithun has a useful embodied energy of building products calculator. A co-lead noted that regarding affordable housing, there are staff at state agencies who are interested in participating in the effort to include improvements in

affordable housing in a near-term action. A recommendation was made by a co-lead that the small group should identify which parts of this proposal lend themselves to being part of legislation, and which parts should be left as administrative action and rules. Discussions by the IWG highlighted questions as to whether there are opportunities to use incentives within current monetary resources for public projects. An IWG group member emphasized that bridging the gap between first costs and operating costs in consideration of energy improvements among Office of Superintendent of Public Instruction (OSPI) and the legislature is something that should be done. It was also suggested that for efficiency, changes be made on a statewide basis rather than at the local level.

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

3.3.1. The small group IWG lead provided an overview of the group's discussion and ideas related to this 2009 Action. It was suggested that Washington should take further advantage of the major building research effort and expertise at PNNL (Pacific Northwest National Laboratory). The co-leads suggested that the IWG find ways to connect related ideas from each small group that address similar mechanisms. A recommendation was made to combine some of these common elements across groups. A recommendation was made to be sure to brief someone from the Governor's office on the IWG's suggestions, and get feedback on the practicality of those actions from that Governor's perspective; a co-lead reported that a liaison effort with the Governor's office is underway. Discussions of this action emphasized issues of code compliance and appliance standards, including noting that funding for code compliance is needed. An IWG member raised a specific issue with the WA state energy code related to fan power boxes. It was noted that WA state building energy codes have fallen far behind, though Seattle's municipal building energy code is one of the nation's best. It was recommended that charts in the back of the text developed for Action 3 could be presented visually to help groups understand benchmark and code interrelations more easily.

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

3.4.1. The small group IWG lead provided an overview of the group's discussion and ideas related to this 2009 Action. An IWG member expressed concerns regarding the minimum aggregate (heat plus power) CHP efficiency level in the small group proposal of 60% and proposed raising it to a higher percentage of 70-75%. Also, regarding adjusting definitions of renewable energy, it was noted that there are already 7 definitions of renewable energy in the state, and suggested that this proposal will need to be more specific regarding how it would change these definitions. Adding black liquor (a byproduct of the pulp and paper industry) as renewable energy source was noted as a concern because black liquor is not considered as a renewable source by many. It was suggested that the status of black liquor's status as a renewable fuel will be negotiated and debated among a number of parties, and is perhaps not best suited for the discussions of this IWG. This proposal also presents some different ideas about how wood energy is dealt with than is included in the I-937 legislation. IWG members asked whether implementation of district systems was being addressed by this group. It was noted that cooling systems were not yet considered. The IWG members emphasized that they want to ensure that the group is proposing to provide incentives for the most efficient district systems and CHP systems. The small group emphasized that while driving the efficiency of CHP systems is an important goal, it should be considered that the CHP power typically offsets much less efficient generation, and that there are relatively few CHP systems today actually performing at 70-75% total efficiency. An IWG member reminded the group that the B&O (Business and Operations) tax credit only applies on a limited basis for many businesses, so such a credit may not be the best approach to provide incentives to implement CHP and related systems.

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

3.5.1. The small group IWG lead provided an overview of the group's discussion and ideas related to this 2009 Action. Small group members expressed uncertainty regarding the size of the reductions potential for an I-937-like option for natural gas utilities. An IWG member offered an alternative perspective that to adopt an aggressive 30%-above existing-energy-code standard for buildings will require new mechanisms for conservation in natural gas as well as electricity. An IWG member relayed experience with BPA where opportunities for natural gas conservation were dropped because there was no mandate or mechanism available to conserve gas. It was noted that natural gas prices have nearly doubled, and as a result avoided costs that have been used to estimate opportunities for cost-effective gas energy efficiency and conservation may not be up to date, and thus the analyses that use them may not fully reflect current opportunities for conservation. It was additionally noted that since the capital costs for natural gas providers that are avoided by energy efficiency improvements are less than the analogous costs in the electricity sector, the cost of gas supply infrastructure will not factor into conservation opportunities to the same degree. An IWG member made a suggestion to develop fuel-blind conservation mechanisms. The co-leads noted that these proposed options would be major policy movements, and baseline information on the opportunities and needs would be needed at a minimum to move this forward. It was therefore proposed that this action be placed in the recommendations for future action, and the need for more analysis be identified. There was support for this recommendation from IWG members.

4. IWG members discussed how to best move forward combining issues that overlap groups. Group 1, 3, and 4 address tax incentives. Group 2 addresses benchmarks. The facilitation team and co-leads agreed to pull together notes from this call and provide IWG members with additional guidance by Friday morning (July 11<sup>th</sup>) on how best to continue the work of the EE/GB IWG in preparation for the CAT meeting.
5. Next steps for the IWG members will be to provide revised input on 2009 Actions to the facilitation team by COB Thursday July 17, the facilitation team will be preparing materials for the CAT meeting based on IWG member input and then following up with IWG with the feedback received from the CAT.

#### **Next Meeting**

The next Energy Efficiency and Green Building IWG meeting will be a teleconference on August 1, 1:00pm – 3:00pm. At the next meeting, the IWG will review CAT feedback on 2009 actions proposed by the EE/GB IWG from the CAT's July 25<sup>th</sup> meeting, and will continue to refine and discuss actions, with a particular eye toward making decisions related to quantitative analysis of proposed actions, where appropriate.