

Energy Efficiency and Green Building IWG Meeting Summary
Meeting #7, Monday, September 22, 2008, 1:00 pm – 3:00 pm
Teleconference

In AttendanceCo-Leads:

Tony Usibelli, CTED
Ash Awad, McKinstry

Workgroup Members:

Aaron Adelstein, King & Snohomish Master Builders Association
Carrie Dolwick, NW Energy Coalition
Amanda Eichel, Seattle Office of Sustainability and Environment¹
Jake Fey, City of Tacoma
Bert Gregory, Mithun Architects
Ann Grodrik, Seattle-Northwest Securities
Rachael Jamison, Dept. of Ecology
Becky Kelley, Washington Environmental Council
Patrick Neville, Apollo Alliance
Stan Price, NW Energy Efficiency Council
Stu Simpson, General Administration
Mark Wiser, Chelan PUD*
Yancy Wright, Sellen
David Van Holde, King County

* Alternate for John Stoll, Chelan PUD

Absent:

James Abelson, Microsoft
Eddie Bugg, Alcoa: Kawneer Company
Anthony Chavez, Weyerhaeuser
Doug Daley, Harbor Properties
Tom Eckmann, Greenwood Technologies
Mark Frankel, New Buildings Institute
Patrick Mazza, Climate Solutions
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
Gary Grossman, Department of Revenue
Bill Nesmith, CTED Contractor

Meeting Agenda

- Roll Call
- Review and approval of IWG Meeting #6 summary
- Update from Sept. 18-19 CAT Meeting
- Review and discussion of revised 2009 Actions developed by small groups, and CAT feedback
- Discussion of quantification of 2009 Actions
- Next Steps for IWG
- Agenda, Time and Date for Next Meeting

Background Documents (available online at

http://www.ecy.wa.gov/climatechange/2008CAT_iwg_bee.htm)

- [Agenda](#)
- [PowerPoint Presentation](#)
- [Draft 2009 Action Concepts](#)

Discussion Items and Key Issues

1. The IWG Meeting #6 summary was approved by IWG members.
2. The co-leads provided an overview of the CAT meeting and general feedback for the EE/GB IWG from the CAT feedback including the points bulleted below:
 - Provide economic analysis of the both the costs (e.g. gov implementation costs) and benefits (e.g. jobs, increased tax revenue, expense) of actions
 - Further refine long-term goal of zero energy/zero carbon built environment and provide link to how proposed 2009 Actions work to achieve long-term goal
 - Consider a more comprehensive package – Don't just pick the "low hanging fruit"
 - Consider the intersection of 2009 Actions with potential future cap and trade system and utility incentives, as well as potential participation of the building sector in cap and trade system
 - Increase clarity of design and performance standards – specify which are legislative vs. administrative decisions, focus on flexibility vs. the need for specificity

CTED contractor noted that ECONorthwest recently prepared a report of the economic benefits of energy efficiency projects for Oregon. Co-leads asked IWG members to submit all relevant sources addressing the revenue-generating opportunities from energy efficiency to the facilitators to be included in the EE/GB report prepared for the CAT.

3. The facilitators provided an overview of most recent status of each of the 2009 Actions being considered by the IWG, followed by a review of specific CAT feedback on each action. The facilitators asked IWG members to review the parameters that will be needed for quantification and noted that facilitators will be asking for IWG input and review of assumed values used for quantification.

Summaries of the IWG discussion of each action considered during the call are provided below:

3.1. EE/GB Action 1: Energy Efficiency Incentives

3.2. 1A: Energy Efficiency Quality Investment Program (EEQUIP)

3.2.1. The Action 1A Small group lead noted that the action had been streamlined in latest revisions to focus on higher levels of performance and to reduce cost; as a result the lower-tiered levels of sales tax incentives for residential construction were removed. IWG members discussed how building standards should be specified in the proposed action. IWG members expressed concerns that listing standards would not be comprehensive and could become easily outdated as standards evolve quickly. IWG members agreed to keep existing text based on the LEED Gold Standard, but to have the small group revise text to include a provision for review of the appropriate standard every 2 years.

3.2.2. Co-leads reviewed CAT feedback on this action with IWG members, emphasizing concerns regarding the limited Washington State budget available in 2009 and interest in considerations of opportunities to target low-income populations, to link with the Puget Sound process (low-impact development), and regarding alternative financing incentives. Co-leads asked small group members whether they have considered how to prioritize the proposed elements of this action. Co-leads recommended focusing on performance-based incentives, pilot programs, and opportunities for collaboration with utilities. IWG members discussed potential alternative financing mechanisms including a utility systems benefit charge, a utility-paid performance incentive, or a hybrid PUT with a mix of utility and tax incentive funding. DOR staff noted that there is significant opposition to additional taxes, such as a “feebate” program. IWG members suggested potentially targeting the tax incentive to specifically include areas or populations more in need of funding. The IWG small group agreed to revise the action based on this discussion.

3.3. 1B: CHP and District Energy Development

3.3.1. IWG members discussed whether there had been an assessment of the tax revenue impact of this option. DOR staff member recommended that this action focus on a sales tax exemption, which would be straightforward to add to the existing machine and equipment sales tax exemption targeted at providing an incentive for investment in manufacturing infrastructure. Additionally, the DOR staff member stated that other forms of tax incentives, including property and B&O taxes would be more difficult to revise and, in the case of the B&O tax, do not apply universally. IWG members expressed agreement that the threshold of efficiency that combined heat and power systems must meet to qualify for the tax incentive should be higher.

3.4. EE/GB Action 2: Energy Efficiency in Existing, New and Renovated Public Buildings

3.4.1. Small group members provided an update on recent group discussions of this action. Recent minor revisions included removing the requirement to use locally produced wood and consideration of including sewage treatment plants in the program. The small group emphasized that this action is designed to be revenue-neutral by funding measures from the energy savings generated. The IWG discussed the merits of benchmarking opportunities for public and private buildings and the disclosure requirement, currently included in Action 1A, for utilities to provide electronic data to building owners to facilitate benchmarking

3.4.2. Co-leads reviewed CAT feedback for this action. IWG members discussed how the standards for public buildings in action 2 would relate to improvements in the building codes in action 3, and whether this raised a concern about “double mandating”. Small

group leads noted that compliance with LEED certification also provides other benefits, including low-impact development, which are not required under the building energy code. IWG members expressed interest in having a better understanding of how the energy efficiency of buildings under the upgraded building code, compared to LEED Gold certified buildings. IWG members discussed CAT feedback regarding the use of locally grown wood in LEED certified buildings, and were in agreement that FSC certified wood grown in WA was available for use in LEED construction. IWG members considered including a provision that if a building is one point short of LEED Gold certification, WA could count the building as meeting the LEED standards if WA-grown wood was used in the building construction.

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

- 3.5.1. The IWG had limited time available to discuss this proposed action during the call. Co-leads reviewed CAT feedback emphasized that there was strong CAT support for upgrading codes and the IWG should consider how to lead with this Action when the IWG's proposed Actions are presented. Co-leads also noted the CAT's concern regarding the budget available in local jurisdictions for building code enforcement. Co-leads noted that CTED staff has considered a broad menu of options for meeting code improvements in buildings.

4. Next Steps

IWG members agreed to provide additional feedback and input on quantification parameters needed for analysis. Small group members agreed to continue to revise proposed actions to reflect discussion at meeting #7 and prepare final materials for the Oct. CAT meeting. Small groups agreed to submit revised 2009 Actions to the facilitators by the COB on Friday, Oct. 3. Facilitators will continue making progress on quantification of the proposed 2009 Actions based on the proposed approach presented to IWG members.

5. Next Meeting

The next IWG meeting is tentatively scheduled for Oct. 6 from 9:00am – 11:00am, prior to the next CAT meeting on Oct. 14-15. Meeting information will be posted on the EE/GB website and sent to IWG members. At the next meeting, the IWG will review quantification of 2009 actions and refine materials for the Oct. CAT meeting.