

Energy Efficiency and Green Building IWG Meeting Summary
Meeting #8, Monday, October 6, 2008, 9:00 am – 11:00 am
Teleconference

In AttendanceCo-Leads:

Tony Usibelli, CTED

Workgroup Members:

Aaron Adelstein, King & Snohomish Master Builders Association

Eddie Bugg, Alcoa: Kawneer Company

Anthony Chavez, Weyerhaeuser

Carrie Dolwick, NW Energy Coalition

Amanda Eichel, Seattle Office of Sustainability and Environment¹

Jake Fey, City of Tacoma

Mark Frankel, New Buildings Institute

Bert Gregory, Mithun Architects

Ann Grodnik, Seattle-Northwest Securities

Becky Kelley, Washington Environmental Council

Rachael Jamison, Dept. of Ecology

Stan Price, NW Energy Efficiency Council

Stu Simpson, General Administration

Mark Wiser, Chelan PUD*

* Alternate for John Stoll, Chelan PUD

Absent:

Ash Awad, McKinstry

James Abelson, Microsoft

Doug Daley, Harbor Properties

Tom Eckmann, Greenwood Technologies

Patrick Mazza, Climate Solutions

Patrick Neville, Apollo Alliance

Cal Shirley, Puget Sound Energy

Mary Verner, City of Spokane

Wayne Williams, Telect & Chair of Greater Spokane Inc.

Yancy Wright, Sellen

David Van Holde, King County

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

Chuck Murray, CTED

Meeting Agenda

- Roll Call
- Review and approval of IWG Meeting #7 summary
- Review and discussion of revised 2009 Actions developed by small groups
- Review and 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 #7 summary was approved by IWG members.
2. The facilitators asked small group leaders and members to review recent revisions to proposed 2009 Actions, and asked IWG to provide additional input. The facilitators reviewed initial quantification estimates of 2009 Actions and asked the full IWG to review assumptions and values used for quantification.

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

2.1. EE/GB Action 1: Energy Efficiency Incentives

2.2. 1A: Energy Efficiency Quality Investment Program (EEQUIP)

- 2.2.1. The small group lead reviewed recent revisions of the Action, including an idea of a cost share program with utilities for the PUT tax credit where utilities would have to opt-in. Where utilities opt in, the state's budget obligation would be reduced by 50%, and utilities could then receive credit toward I-937 targets for the energy savings achieved with the help of the tax credit incentive. Additional points of discussion included clarification of the terms of the Energy Star 90 rating used, and the possible implications of the State adopting a private standard for building energy performance. An IWG member suggested that a size threshold for the energy sales reporting requirement for natural gas utilities be included, in addition to the size threshold already included for electric utilities. IWG members discussed how to incorporate criteria associated with GHG emissions embodied in building materials in building energy performance standards, and agreed on a small group suggestion that by CTED be designated to assign a set of standards for the incentive programs, and in the process of assigning standards, incorporate criteria such as embodied energy as appropriate. IWG members suggested that a cap on incentives for the non-residential sector be considered, perhaps based on a per-square foot basis, to limit the incentive allowed in instances where very expensive construction techniques and materials are used. The IWG again discussed the merits of a fee-bate program if budget conditions limit the support for tax incentives, but made no decision to reinstate the

concept into EE/GB-1A. IWG members discussed the potential for IWG members to stay involved in moving these actions forward after the final CAT meeting. Small group members noted that further revisions have been made to the LID enabling legislation, and an IWG member asked to have an additional opportunity to review this text before it is included in materials for the CAT.

2.3. 1B: CHP and District Energy Development

2.3.1. A DOR staff member restated his recommendation, made during the last IWG meeting 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. The small-group lead discussed options to reduce regulatory barriers to CHP development, beyond the currently proposed tax incentives. The DOR staff member agreed that would be a good approach, considering the current message from legislature that it will be very hard to increase tax incentive programs in legislature in 2009. An IWG member noted the potential to provide bond and finance opportunities to fund projects, and the IWG co-lead noted that budget concerns would also apply with this type of program, in the current financial climate. IWG members restated their concerns that the threshold of efficiency that combined heat and power systems must meet to qualify for the tax incentive (currently 60%) should be higher. The small group lead offered to follow-up with contacts regarding the efficiency threshold for CHP programs, and to raise the efficiency threshold as and if appropriate based on the outcome of that research.

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

2.4.1. Small group lead reviewed revisions to the Action including the simplification of requirements for buildings between 20-50,000 sq. ft and the change of standard referenced from a LEED-EB rating to an Energy Star rating. The IWG co-lead recommended revising the timing of utility reporting of sales to Energy Star for benchmarking from monthly to quarterly to better accommodate varied utility billing cycles.

2.4.2. Facilitators reviewed quantification results for this action and had IWG members review and discuss assumptions and parameters used. Facilitators will confirm that Action 2 quantification shown is the net emission reductions after considering Action 3. Co-leads asked IWG to provide input on assumptions that seem to be clearly in error, or where better source materials are available.

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

2.5.1. The small-group lead for this Action reviewed recent revisions to the proposed Action, which focused on a revision and elaboration of a long-term (through 2030) comprehensive strategy for improvement of buildings provided in response to CAT feedback. It was noted that specific appliance standards revisions have been removed, but are included implicitly in the ongoing codes and standards improvement concepts for the strategy. An IWG member noted that in the state of Oregon they are considering a 25% upgrade of their building energy code, slightly less than is being considered in Action 3. An IWG member suggested that this Action provide a way to help incentivize the next step beyond improvements required by code, and provides a path for leaders in preparing further code revisions. The small group will revise the existing text to emphasize these goals within the description of the proposed long-term strategy.

- 2.5.2. Facilitators asked the IWG to review assumptions used for quantification of this Action. IWG members confirmed that the major assumptions used in the initial quantification of this Action appear reasonable.

3. Next Steps

IWG members agreed to provide additional feedback and input on 2009 Actions and quantification parameters by 4:00 pm on Wednesday Oct. 8. Facilitators will continue to finalize quantification of the proposed 2009 Actions and prepare materials for the Oct. 14-15 CAT meeting.

4. Next Meeting

The next IWG meeting is scheduled for Oct. 29 from 1:00pm – 3:00pm, following 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 CAT decisions on the 2009 Actions and refine final IWG materials as needed, as well as discussing possible ways for IWG members to stay involved in the advanced design and implementation of IWG actions moving forward.