

## March 9, 2020- Live Q&A Session

<b>Submitted by: Michael K.</b>		<b>Topic: Clean Buildings Performance Standard</b>
<b>Question:</b>	<p>For K-12 schools, will there be any changes to the standard based upon the increased use of building ventilation to combat COVID-19? From what I understand the ventilation will be on continuously during occupied and will require night flushing of the building. Increased run time equates to increase energy usage.</p> <p>Will this be factored in? Some sort of waiver for school classrooms?</p>	
<b>Answer:</b>	<p>We do not have sufficient data at this point in time to make a determination. This is a topic we will be tracking closely during the early adopter incentive program and will make program adjustments prior to mandatory compliance starting in 2026 if energy use data indicates that a change is necessary.</p>	
<b>Submitted by: Michael K.</b>		<b>Topic: Clean Buildings Performance Standard</b>
<b>Question:</b>	<p>Swimming Pools. In all the research I have done, there is nothing factored into the standard for swimming pools. These are high energy users for both students and the community that have very few practical solutions for reductions.</p> <p>Currently our five high school buildings that have pools are missing the standard by at least 15 points. One of our pools has a pool cover, but the other pools are "L" shaped so it would not be an option for use at that site. Is having a swimming pool going to be factored into the EUIt some how?</p>	
<b>Answer:</b>	<p>The standard allows for weighted average EUIt based on the floor area of each unique Building Activity Sub-Type. Definitions of Building Activity Sub-Types are available from the Energy Star Portfolio Manager program. These definitions define which uses are included in each property sub type. Any area with a unique use shall use the appropriate Building Activity Sub-Type in development of a weighted average EUIt in accordance with Section 7.2.3.</p> <p>As defined in Portfolio Manager, K-12 schools do not include pool energy use. When determining EUIt for a K-12 building that contains a pool an area weighted EUIt shall be produced using the EUIt for Building Activity Sub-Type Swimming Pool in addition to the EUIt for a K-12 building.</p> <p>Some information specific to pool energy efficiency can be found at:  <a href="https://www.energystar.gov/products/other/pool_pumps">https://www.energystar.gov/products/other/pool_pumps</a></p>	
<b>Submitted by: Michael K.</b>		<b>Topic: Clean Buildings Performance Standard</b>

<b>Question:</b>	The current standard has Elementary and Middle Schools have a 49 minimum score. High Schools must score a minimum of 48. I am curious how this was determined? Typically high schools would use more energy on a comparative level based upon size (more churches and community events at a larger building) and more night time events (plays, indoor sports) than an elementary or middle school.		
<b>Answer:</b>	<p>Commerce partnered with an outside consultant to develop the 2009-2018 EUI averages by building type and EUI targets for the standard, as required by law. This work utilized data sets from regional and national sources. The analysis included a statistically significant number of buildings in the sample for each building type. This metered energy use data included typical operation schedules, plus extracurricular after-hours activities for schools. The EUI target for high schools was determined by this analysis, as it was for middle and elementary schools.</p> <p>However, the standard does recognize that hours of operation can vary and attempts to address this with an operating shift normalization factor which can be used in development of a building's EUI. See Table 7-3 and associated footnotes for details.</p>		
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<b>Question:</b>	<p>I am supporting a client with a multi-building campus with a centralized chilled water and hot water plant. Each building has dedicated electric and gas meters and is set up in Energy Star Portfolio Manager. The Central Utility Plant (centralized chilled/hot water plant) is also in Energy Star Portfolio Manager and has its own electric and gas meter.</p> <p>How does the centralized CHW/HW need to be handled for the Clean Buildings Act? Currently all of the buildings greater than 50,000 SF are well below the EUI; however, this only includes Electric and Gas (not centralized hot/chilled water).</p> <p>Do the individual buildings need to account for the CHW and HW provided by the central plant? Does this have to be done through direct metering or can the central plant electric and gas use be spread out (by square footage?) across the campus?</p>		
<b>Answer:</b>	All energy sources used by a covered commercial building must be measured individually by metering/sub-metering in order to create an EUI. Estimates cannot be made. If an EUI cannot be created the building must comply with the investment criteria of the standard. This includes an energy audit and implementation of all cost effective energy efficiency measures in accordance with the investment criteria of Annex X. Energy savings associated with the improvements made to the central plant can be applied to individual buildings served by the central plant.		
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<b>Question:</b>	<p>Will there be resources (cover letters / forms) for communicating with tenants about collecting data for benchmarking, similar to what Seattle provided for their benchmarking program?</p> <p><a href="https://www.seattle.gov/Documents/Departments/Environment/ClimateChange/EBR-Tenant-Cover-Letter-PSE.pdf">https://www.seattle.gov/Documents/Departments/Environment/ClimateChange/EBR-Tenant-Cover-Letter-PSE.pdf</a></p>		
<b>Answer:</b>	We invite any and all suggestions you have about helpful materials, resources, and templates that we can provide to support the program. We have been gathering input from stakeholder on materials and tools that would be helpful. We will take this question as a suggestion and put it into the plan for development. Please continue to submit suggestions. Thank you for this idea.		

<b>Submitted by: Laney R.</b>		<b>Topic: Early Adopter Incentive Program</b>
<b>Question:</b>	<p>Does Commerce plan to provide a list of eligible administrative costs and expected documentation? If not, will any of the following be eligible: - Utility staff outreach and customer communication efforts - Print (bill inserts) and/or electronic (website) communication and information - Accounts payable efforts and check processing - Costs of funds (difference between payment and tax date)</p> <p>Are there any timeline requirements associated with the admin costs? Can costs incurred before an application is received such as outreach be included?</p>	
<b>Answer:</b>	<p>The administrative costs are documented with the Department of Revenue (DOR). DOR released a <a href="#">special notice on December 8, 2020</a>. The special notice states the following:</p> <p>"A qualifying utility earns a public utility tax (PUT) credit equal to the approved incentives paid in a calendar year <u>plus</u> documented administrative costs.</p> <p>The qualifying utility does not need to apply to DOR to receive the credit. DOR will automatically issue PUT credits to an eligible taxpayer's account based on information it receives from the Department of Commerce.</p> <p>When the PUT credit is applied on a public utility tax return, the utility will be eligible to complete a worksheet documenting administrative costs incurred. The administrative costs may qualify for additional credits not to exceed 8% of the incentives paid."</p>	
<b>Submitted by: Kris F.</b>		<b>Topic: Early Adopter Incentive Program</b>
<b>Question:</b>	<b>Follow-up question to administrative cost-</b> What about admin before incentive is agreed to?	
<b>Answer:</b>	Commerce will not be determining how administrative cost are defined. The Department of Revenue will determine what qualifies as an administrative cost. Within the DOR special notice, DOR has a helpline for providing assistance with tax credits and administrative costs.	
<b>Submitted by: Leona</b>		<b>Topic: Early Adopter Incentive Program</b>
<b>Question:</b>	<b>Follow-up question to administrative cost-</b> Do the administrative costs of utilities reduce the \$75 million fund of incentives paid to qualified customers for the Early Adopter Incentive Program?	
<b>Answer:</b>	The administrative costs do not reduce the \$75 million. Administrative costs are separate from the Early Adopter incentive and calculated in the Department of Revenue tax credit worksheet.	
<b>Submitted by: Sandra M.</b>		<b>Topic: Early Adopter Incentive Program</b>
<b>Question:</b>	<b>Follow-up question to administrative cost-</b> What does PUT refer to?	
<b>Answer:</b>	PUT stands for Public Utility Tax credit. Utilities are eligible to participate in the Early Adopter Incentive Program if they are a "qualified utility" who is allowed PUT credits. The Early Adopter Incentive is a one time performance based incentive issued by Utilities. Utilities who do not pay PUT are not eligible to participate.	
<b>Submitted by: Robyn R.</b>		<b>Topic: Early Adopter Incentive Program</b>

<b>Question:</b>	Regarding stakeholder resources: We are finding that utilities in Washington (ie Puget Sound Energy and Avista) seem not to have programs to assist owners with the cost of energy audits. Is there enabling legislation to allow utilities to establish such rebate programs (for example - such technical assistance funding is available in Oregon through the Oregon Trust).		
<b>Answer:</b>	<p>Commerce does not have the authority to direct how utilities use their conservation dollars. The role that Commerce can provide is outreach, awareness, and any kind of technical assistance to utilities that might be interested in creating this type of program. We encourage owners to communicate with utilities their needs for support.</p> <p>There are a number of utilities that have had existing programs to help incentivize the costs for energy audits. Some utilities incentivize the cost for strategic energy management for building operations and others incentivizing energy efficiency measures. Many utilities are currently working to align and support the Clean Buildings Law here in the state of Washington.</p>		
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<b>Question:</b>	Incentive Guidebook Section 3.3: Is a level 2 ASHRAE energy audit required for application under this program? Or, in lieu of an audit could a qualified person submit the "Summary of proposed improvements" and the "DOE Building Energy Asset Score Audit Template"?		
<b>Answer:</b>	<p>Currently the audit must be an ASHRAE level 2 energy audit for applying to the Early Adopter Incentive Program. The intention for the level 2 audit is to provide enough rigor through the audit so when a building owner reaches the end of the implementation and verification the target is met. Other audit paths may not provide the rigor to meet EUI targets and could tie up incentive funding for up to three years or more.</p> <p>Commerce will look into this requirement in the Incentive Guidebook for additional paths that may provide the rigor necessary for meeting EUI targets at the end of the verification period.</p> <p>The Clean Buildings Standard does not require a level 2 audit if the target is met by the mandatory compliance date.</p>		
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<b>Question:</b>	Incentive Guidebook Section 3.4: Is the intent of this section to set aside a certain % of program funds for owners who are determined to meet diversity, equity and inclusion criteria? If not used in 2 years will these be released back to the incentive pool?		

<b>Answer:</b>	<p>Yes, the intent of the Inclusive Incentive is to fill in the gaps to expand participation and opportunities across a broad range of businesses across the State.</p> <p>Draft Section 3.4, the intention is to reserve a portion of the funding for 2 years. If there are remaining funds after two years, the remaining amount will resume to the general fund.</p> <p>The intent of this portion of funds is to ensure that all building owners have an equitable opportunity to participate in the incentive program. We recognize buildings located in different geographies, with different workforce capacity, financial situations and additional factors may have an impact on the ability to be submit an application.</p> <p>Legislation for this program prioritizes maximizing reductions of greenhouse gas emissions, which will likely focus on the highest energy using buildings. This is also a statewide program, thinking geographically there is some equity on how funding could be distributed. There are also different cohorts of buildings on different timelines for mandatory compliance.</p> <p>Commerce invites your input on how we should consider this portion of funding. The next incentive webinar will focus on the equity and inclusion of reservation funds. The webinar will occur on April 28. We invite you to attend and be part of the conversation to discuss the criteria for this percentage of funds.</p> <p>The current guidebook is a draft and is not final yet. The final guidebook will publish this May and include this additional content.</p>		
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<b>Question:</b>	Section 3.5.1: Is there a limit to the number of applications that an owner can submit?		
<b>Answer:</b>	No, there is no limit. The criteria is one application per covered commercial building or multifamily residential building exceeding 50,000 sq ft of gross floor area.		
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<b>Question:</b>	Incentive Guidebook Section 4.1.3: Is the intent of this section to allow for a time extension under justifiable circumstances?		
<b>Answer:</b>	Yes. In the guidebook, we have identified 18 months for implement energy efficiency measures and 18 months for measurement and verification. We understand that some buildings may need a little more time, so we have built in a request to give building owners more time to implement those measures or for reporting.		
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<b>Question:</b>	Incentive Guidebook Section 7.1.2: Is the incentive payment exclusive (ie: does not subtract out) utility administrative costs?		

<b>Answer:</b>	<p>The Department of Revenue's <a href="#">special notice</a> identifies the following:</p> <ul style="list-style-type: none"> <li>• A qualifying light and power or gas distribution business (qualifying utility) is allowed a public utility tax (PUT) credit for both the following:</li> <li>• Incentives paid to eligible owners of covered commercial buildings and multifamily residential buildings for early adoption of new energy efficiency standards.</li> <li>• A portion of the qualifying utility's administrative costs.</li> <li>• Credits not to exceed 8% of the incentives paid.</li> </ul> <p>This is not an administrative cost paid to the building owners.</p>
<p><b>Submitted by: Robyn R.</b> <b>Topic: Early Adopter Incentive Program</b></p>	
<b>Question:</b>	<p>Section 7: Is there a time deadline following application for incentive payment from the utility?</p>
<b>Answer:</b>	<p>Referring back to the DOR <a href="#">special notice</a>, it states that the credit must be applied in the calendar year in which it is earned or within the following two calendar years. The 2021 calendar year will begin with the program start date of July 1, 2021.</p> <p>Our understanding is that they have within two calendar years to issue the payment.</p>
<p><b>Submitted by:</b> <b>Topic: Clean Building Performance Standard</b></p>	
<b>Question:</b>	<p>The energy management plan requires a capital management plan that requires replacement with Energy Star equipment. Does this include tenant owned equipment?</p>
<b>Answer:</b>	<p>Compliance with the Standard is a requirement for building owners. If a building owner elects to replace equipment in effort to meet the Standard, it is likely they would replace equipment they own and not tenant equipment. Compliance with the standard is not the responsibility of the tenant.</p>
<p><b>Submitted by:</b> <b>Topic: Clean Building Performance Standard</b></p>	
<b>Question:</b>	<p><b>Follow up questions on tenant:</b> Say the tenant owns a refrigerator and needs to replace it. Is the building owner required to say what type of appliance the tenant can use?</p>
<b>Answer:</b>	<p>No. Informative Annex E of the standard recommends appliance replacement with ENERGY STAR compliant products, however, Annex E is not a requirement of the standard. Annex E is informational and illustrates best practices. Appliances are defined in Informative Annex E9.1 as clothes washers, dehumidifiers, dishwashers, freezers, refrigerators, room air cleaners and purifiers, office equipment, and televisions.</p> <p>The Clean Buildings Performance Standard does require that the capital management plan of the energy management plan identify equipment for replacement with energy efficient and ENERGY STAR rated equipment in case of failure. We would consider a refrigerator an appliance and not equipment and thus would not be required to be replaced with an ENERGY STAR rated product upon failure.</p>
<p><b>Submitted by: David S.</b> <b>Topic: Clean Building Performance Standard</b></p>	

<b>Question:</b>	Some of our hospitals have newer construction that is attached to their original structure, some which are connected by a fire wall others maybe by a hallway. Under the Act, would this be considered 2-buildings and as such and not tip the 50K sqft requirement, or would the expansion be considered part of the original structure thus expanding the building and potentially making it covered by the 50K sqft provision?	
<b>Answer:</b>	Covered commercial buildings are buildings over 50,000 sq ft of conditioned floor area. Conditioned space includes indirectly heated spaces so even if it is separated by a fire wall (unless that firewall is insulated) it is considered all one space. Of course, if it is connected by a hallway or opening to any other space that is within the thermal envelope it is considered one building.  In the example you have given where we have a hospital that is all part of one thermal boundary, it would be considered one building.	
<b>Submitted by:</b>		<b>Topic: Clean Building Performance Standard</b>
<b>Question:</b>	So is there possibility to get measure-specific funding in addition to the performance based incentives?	
<b>Answer:</b>	The Early Adopter Incentive Program is one time performance based incentive. This incentive is for early compliance with the Clean Buildings Law. Buildings must be 15 WNEUI (weather normalized energy use intensity) above their target to apply and meet or exceed their target to receive this incentive.	
<b>Submitted by:</b>		<b>Topic: Clean Building Performance Standard</b>
<b>Question:</b>	Can you expand on what the Investment criteria is?	
<b>Answer:</b>	<p>When the energy use intensity target (EUI<sub>t</sub>) for a covered commercial building is not met, or the energy use intensity (EUI) or EUI<sub>t</sub> cannot be calculated, compliance with the Clean Buildings Performance Standard shall be demonstrated through the investment criteria.</p> <p>Through the investment criteria, a qualified energy auditor conducts an ASHRAE level 2 energy audit identifying all cost effective energy efficiency measures in accordance with the investment criteria of <a href="#">Annex X</a>. In order to show compliance with the investment criteria performance metric, verification of energy savings shall reflect the following:</p> <p>For buildings that do not meet the EUI<sub>t</sub>:</p> <ul style="list-style-type: none"> <li>• Post implementation energy savings shall meet or exceed 75% of the energy savings projected in the energy audit report.</li> </ul> <p>For buildings that cannot measure net energy use:</p> <ul style="list-style-type: none"> <li>• Verification must be accomplished using the methods of the International Performance Measurement &amp; Verification Protocol, Concepts and Options for Determining Energy and Water Savings Volume I, options A through D.</li> </ul>	
<b>Submitted by:</b>	<b>Norm M.</b>	<b>Topic: Early Adopter Incentive Program</b>
<b>Question:</b>	If the building, does not have a target can the building participate as an early adopter?	

<b>Answer:</b>	You must have a target in order to participate in the Early Adopter Incentive Program. You must know what your target is and your EUI must be 15 above that target.	
<b>Submitted by: Siobhan G.</b>		<b>Topic: Early Adopter Incentive Program</b>
<b>Question:</b>	When should a business begin their application process? Is it before an ASHRAE level 2 energy audit is performed to mark the current EUI (which is not meeting the standard), and then after an ASHRAE is performed, energy efficiency improvements are made, and the EUI target is improved to meet the standards, then additional application documents are submitted? Or rather, does the business wait until after the EUI target is met?	
<b>Answer:</b>	<p>The draft application process is outline in the <a href="#">Early Adoption Incentive Guidebook</a> under section 3.2 and 3.3. The guidebook will be finalized in May before the program launch of July 1. Applications will be accepted July 1.</p> <p>Prior to applying, building owners must complete the following steps:</p> <ul style="list-style-type: none"> <li>• Confirm the buildings weather normalized EUI is 15 kBtu/sf greater than the buildings EUI</li> <li>• Confirm EUI eligibility by completing: <ul style="list-style-type: none"> <li>• Form C (Benchmarking)</li> <li>• Form B (Building activity and energy use intensity target)</li> </ul> </li> <li>• Create an Energy Star Portfolio Manager (ESPM) account <ul style="list-style-type: none"> <li>• Automate utility data upload</li> <li>• Provide ESPM ID and utility data upload access to all energy utilities serving the building</li> <li>• Select Share (or edit access to) a property to allow Commerce access to ESPM data as per Clean Buildings Standard.</li> <li>• Set up web services/data exchange</li> <li>• Enter building characteristics</li> </ul> </li> </ul>	
<b>Submitted by: Siobhan G.</b>		<b>Topic: Early Adopter Incentive Program</b>
<b>Question:</b>	Is the allocation of the funding for the incentive based on all the considerations that Emily explained going to be established and available to the public before the application period opens up on July 1? Or is there a discretionary component to how incentive applications are awarded associated with building type, location, etc. (i.e. the factors Emily described are important to the State)	
<b>Answer:</b>	Yes, the allocation and considerations will be finalized this May in the Early Adopter Incentive Guidebook.	
<b>Submitted by: RDH Building Science</b>		<b>Topic: Early Adopter Incentive Program</b>
<b>Question:</b>	How are HOA's affected by this? Are HOA's excluded from the Incentive Program?	

<b>Answer:</b>	<p>HOA's are not excluded. If the multifamily building is over 50,000 sq ft of gross floor area, they are eligible to apply.</p> <p>When one building has multiple parcels which represent multiple owners, applicants must designate a single portal user to prepare and submit an incentive application.</p> <p>In order to submit the required information the designated user must obtain "Shared Access" in the Clean Buildings Portal from each parcel or building owner of the eligible building. All parcels must be submitted through the Clean Buildings Portal as part of a single submission.</p> <p>Commerce is notifying building owners from county assessor data. In some cases, the assessor data lists the HOA, in this case the HOA will be receiving the notification letter. In other cases, the assessor data may list all the individual owners of the condo and not the HOA. In those cases, we strongly encourage building owners to communicate with their HOAs or management company and make them aware of the notification.</p>
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