

## March 23, 2021- Live Q&A Session

<b>Submitted by: Leona H. (Avista)</b>		<b>Topic: Clean Buildings Performance Standard</b>
<b>Question:</b>	Do building additions count as part of the building they were added to or as a separate building?	
<b>Answer:</b>	Yes, additions count towards the total gross floor area of a building.	
<b>Submitted by: Leona H. (Avista)</b>		<b>Topic: Clean Buildings Performance Standard</b>
<b>Question:</b>	If a firewall or breezeway exists between the original building and the addition, does that make a difference? Both buildings share the same utility meter.	
<b>Answer:</b>	<p>The gross floor area of an addition shall be added to the gross floor area of the primary building if it shares common walls, floors or ceilings regardless of whether the shared assembly is fire rated or not.</p> <p>If the addition is separated from an adjacent structure by a breezeway outside the thermal envelope of an adjacent structure the two structures would be considered separate buildings and the gross floor area of the addition would not be part of the adjacent buildings gross floor area.</p>	
<b>Submitted by: Leona H. (Avista)</b>		<b>Topic: Clean Buildings Performance Standard</b>
<b>Question:</b>	<p>What is the best way to determine the square footage that will be used in the EUI calculation? Is it just conditioned space?</p> <p>Storage areas, basements, and other areas may be conditioned but aren't necessarily part of the normal daily operations in the building. Would they be included? These are some of the questions we've been getting from our customers.</p>	
<b>Answer:</b>	<p>The gross floor area of a building does include areas that are not normally occupied or part of normal daily operations.</p> <p>The EUI of a building represents the gross floor area of a building and the total energy consumed by the building.</p> <p>Gross floor area is the total number of square feet measured between the exterior surfaces of the enclosing fixed walls of a building and shall include all supporting functions such as offices, lobbies, restrooms, equipment, storage areas, mechanical rooms, break rooms, and elevator shafts. Gross floor area does not include outside bays or docks.</p>	
<b>Submitted by: Robert G.</b>		<b>Topic: Clean Buildings Performance Standard</b>

<p><b>Question:</b></p>	<p><a href="#">Section X2.3.2.2</a> states that the building owner is not required to replace systems before the end of its useful life. Does this mean that equipment beyond its useful life needs to be replaced if there is an associated project with it?</p> <p>Equipment and systems are not always replaced right at the end of the published useful life as the actual life of equipment can vary depending on maintenance and other factors.</p>
<p><b>Answer:</b></p>	<p>To answer this question I would like to first define useful life. Useful life is the expected remaining service life of building systems or equipment. The term useful life is used interchangeably with service life.</p> <p>Buildings pursuing compliance with the investment criteria performance metric of the standard shall implement all cost effective energy efficiency measures identified in an energy audit.</p> <p>Cost effective is defined by the requirements of Annex X.</p> <p>However, there is an exception to this requirement for equipment and systems that have been identified through the audit as cost effective but are not beyond their useful life.</p> <p>In such cases replacement is not required until the point at which the equipment or system has reached the end of the identified useful life.</p> <p>It is up to the qualified auditor to determine whether the system or equipment is beyond its useful life.</p>
<p><b>Submitted by: Robert G.</b> <span style="float: right;"><b>Topic: Clean Buildings Performance Standard</b></span></p>	
<p><b>Question:</b></p>	<p>How do capital replacement and energy code factor into the base case requirements? For example, if the owner has a laboratory building that does not have heat recovery on the 100% outside air systems.</p> <p>Does the base case the capital replacement of the air handling units, air distribution and exhaust system at end of useful life with code complaint equipment, which would include heat recovery systems as required by energy code? Or should the base case be continuing to operate the existing equipment?</p>
<p><b>Answer:</b></p>	<p>All energy efficiency measures identified by the energy audit shall meet current minimum federal and state standards including those of the Washington State Energy Code. The base case shall be calibrated to match exiting building conditions and should represent the existing equipment.</p> <p>For the example given in this question, if the Washington state energy code would require the addition of heat recovery when replacing any equipment or systems identified by the energy audit as an energy efficiency measure, the cost effectiveness calculations would be based on the replacement costs of code compliant equipment or systems. The base case shall be calibrated to match existing conditions.</p>
<p><b>Submitted by: Meghan M.</b> <span style="float: right;"><b>Topic: Clean Buildings Performance Standard</b></span></p>	
<p><b>Question:</b></p>	<p>I'm trying to understand where the finish line is for a building that has a target EUI and is pursuing compliance through investment criteria.</p> <p>When it gets to the "verify savings" step, if it has achieved 75% of the savings projected by the audit, even if it hasn't achieved the target EUI yet, is the building in compliance? Or, does the building get another 6 months under conditional compliance to meet the target EUI?</p>

<p><b>Answer:</b></p>	<p>Buildings can comply with the building performance metric of the clean buildings performance standard by either meeting the target EUI or by meeting the investment criteria of the standard.</p> <p>If a building cannot meet the target EUI through cost effective energy efficiency measures compliance shall be pursued through the investment criteria performance metric.</p> <p>One or the other performance metrics must be met, not both.</p> <p>To meet the investment criteria performance metric, buildings that can measure EUI shall achieve 75% of the savings projected by the energy audit.</p> <p>If the building cannot measure EUI, perhaps it's on a master meter with other buildings, verification with the investment criteria shall be performed using the methods of the International Performance Measurement &amp; Verification Protocol, Concepts and Options for Determining Energy and Water Savings Volume I11 options A through D.</p>
<p><b>Submitted by: Meghan M.</b></p>	<p><b>Topic: Clean Buildings Performance Standard</b></p>
<p><b>Question:</b></p>	<p>Is conditional compliance a single 6-month extension to meet the goal (either 75% of savings or target EUI), or as many 6-month extensions as necessary? My understanding of Standard 100 (original document, without Washington amendments) is that you would keep trying until you get to the target EUI.</p>
<p><b>Answer:</b></p>	<p>Yes, conditional compliance shall be granted to applicants who have met the energy efficiency measure, energy management plan and operations and maintenance program implementation requirements of the standard by the mandatory compliance date.</p> <p>Fifteen months after implementation of all energy efficiency measures verification of projected savings shall be measured.</p> <p>If the verification requirements of conditional compliance are not met at this time conditional compliance will be suspended and will be revoked unless additional cost effective energy efficiency measures are implemented.</p> <p>Ongoing annual reporting is required when conditional compliance measurement and verification extends more than a year beyond the compliance date. Completion reporting is required when verification requirements are met.</p> <p>Buildings that have conditional compliance revoked are subject to penalty.</p>
<p><b>Submitted by: Rick</b></p>	<p><b>Topic: Clean Buildings Performance Standard</b></p>
<p><b>Question:</b></p>	<p>For determining EUI: Can a higher education owner categorize non-academic buildings (e.g., office, lab, food-service) as such rather than College/University?</p>

<b>Answer:</b>	<p>The target EUIs within the standard are based upon Energy Star Portfolio Manager (ESPM) Building activity types. The EUI is based on national and regional data for those types of occupancies. As an example, the EUI for Colleges takes into consideration all types of buildings within a campus. This EUI is an average for all building activity types listed in the definition provided by ESPM listed below:</p> <p>College/University refers to buildings used for the purpose of higher education. This includes public and private colleges and universities. Gross Floor Area should include all space within the building(s), including classrooms, laboratories, offices, cafeterias, maintenance facilities, arts facilities, athletic facilities, residential areas, storage rooms, restrooms, elevator shafts, and stairways..</p> <p>If a building on a campus does not have activities listed in the definition for College/University the EUI can be developed using the appropriate building activity type from Table 7-2a as defined by ESPM. Definitions for building activity types can be found through the <a href="#">ESPM website</a>.</p>
<p><b>Submitted by: Meghan</b> <span style="float: right;"><b>Topic: Early Adopter Incentive Program</b></span></p>	
<b>Question:</b>	<p>Can the qualified professional choose the baseline year for the weather-normalized EUI to be used in the Early Adopter Incentive Program application? A building that historically has an EUI &gt;15 kbtu/SF over the target had very low occupancy in 2020 (COVID response), but it's likely to be back to target+15 in future "normal" times.</p>
<b>Answer:</b>	<p>The standard requires that the baseline energy use data be from one of the previous two years or an average of the previous two years. If it becomes apparent to us that we need to make some exceptions to that for the Early Adopter Incentive due to COVID impacts on building occupancy and weather normalized EUI (WNEUI), we will make appropriate adjustments. We don't have anything defined within the guidelines of the incentive program at this point. However, we will accept data from the 2019 calendar year in the development of baseline WNEUI.</p>
<p><b>Submitted by:</b> <span style="float: right;"><b>Topic: Clean Buildings Performance Standard</b></span></p>	
<b>Question:</b>	<p>For mixed-use buildings, will Commerce submittal forms allow clear definition of weighted-average EUI?</p>
<b>Answer:</b>	<p>Currently, we plan to incorporate the EUI calculation into our Clean Building Portal program. This is the program where building owner will be submitting documentation for compliance. The target EUI calculator will be included within this portal. We are also considering developing a standalone document that will assist building owners or building owner representation in developing the EUI prior to the launch of our portal.</p>
<p><b>Submitted by: David</b> <span style="float: right;"><b>Topic: Clean Buildings Performance Standard</b></span></p>	
<b>Question:</b>	<p>How elaborate do you think a submeter needs to be? BacNET BAS connected or visual verification at each cycle?</p>
<b>Answer:</b>	<p>The requirements of sub metering/metering are referenced within <a href="#">Section 5.2.2</a> of the standard. It points to state requirements for metering and you can find those requirements online through the state through <a href="#">Title 480 WAC</a>. This WAC provides the detail of what electric, gas, etc... requirements are. You'll have to dig a bit to find the requirements. Commerce hopes to provide more detailed guidance to these requirements in the future.</p>
<p><b>Submitted by:</b> <span style="float: right;"><b>Topic: Clean Buildings Performance Standard</b></span></p>	

<b>Question:</b>	How are you planning to reevaluate the EUI target every 5 years? Will it likely change by a lot and introduce renovations every 5 years?	
<b>Answer:</b>	<p>The law require us to revisit the target for the standard every five years. As we moved through the stakeholder process during rule development, we heard from a number individuals of how helpful it would be to have visibility and how those target are going to change overtime. We felt like with the initial target setting it was too early for us to set those targets incrementally into the future for a number of different reason. One of which we wanted to make sure we're aligning future targets with state statutory requirements like greenhouse gas limits. We want to make sure we are syncing up with other requirements throughout the state.</p> <p>The other thing is that we really wanted to have a period of time to be thoughtful and gather statewide usage data and this first round of compliance and the Early Adopter Incentive Program is our opportunity to do so. We want to have a firm handle on what we're seeing out there across the state, making sure it is a representative sample and then we can evaluate what incremental targets would look like in the future.</p> <p>The other thing to note is that we are likely going to see those energy use intensity averages decline over time as we have more robust and thoughtfully supported Operation and Maintenance Plan, Energy Management Plan, and visibility from benchmarking</p>	
<b>Submitted by:</b> Jenny H.	<b>Topic:</b> Clean Buildings Performance Standard	
<b>Question:</b>	What is the process of non-compliance? At what point do you start getting financially penalized?	
<b>Answer:</b>	<p>We will be producing a checklist or a step-by-step walk through on the penalties procedures. It will go into more detail. All that detail can be found in WAC194-50, <a href="#">Annex Z</a>.</p> <p>In summary,if we do not receive any communication from building owners prior to the compliance date, we will send out a Notice of Violation of the Clean Building Performance Standard. This will notify the building owner that penalties will be established depending on how they respond. One way they could respond is by paying the full penalty. Another way they could respond is with a mitigation plan, which is outlined in Annex Z as well.</p> <p>The mitigation plan will identify that the building owner is taking steps to meet compliance. It will include evidence that building owners have implemented all cost effective energy efficiency measures (EEMs). Penalties will still be incurred, however, they will be based on when they meet final compliance. They will be penalized per day until they meet compliance.</p> <p>Those that apply and are granted conditional compliance will not be subject to penalty unless they do not follow the requirements of conditional compliance. Conditional compliance includes further implementation of cost effective EEMs if they don't meet the verification requirements within 15 months of final implementation. Application for conditional compliance must be submitted at least 180 days prior to the scheduled compliance date.</p>	
<b>Submitted by:</b> Andi B.	<b>Topic:</b> Clean Buildings Performance Standard	
<b>Question:</b>	Can you talk about compliance requirements for mixed use projects with multifamily residential (no requirement) and commercial - is the whole building required to comply if the commercial portion is >50,000 SF?	

<b>Answer:</b>	<p>The definition within the standard of a covered commercial building, if less than 50,000 sq ft of that mix use building meets the requirement or meets the definition, it would not need to comply with the standard. However, if the building has more than 50,000 gross sq ft of covered commercial space it would need to comply with the standard.</p> <p>It is just the covered commercial building portion that needs to comply with the standard. In some cases you may not have the meeting disaggregated in a way that you can separate the covered commercial building energy consumption from the non-covered commercial building energy consumption, if that is the case the building owner will have to meet the investment criteria performance metric and not the EUI target because the EUI just for the covered commercial part of the building is not measureable in accordance with Section 5.2 of the standard.</p>
<p><b>Submitted by: Simone D.</b> <span style="float: right;"><b>Topic: Clean Buildings Performance Standard</b></span></p>	
<b>Question:</b>	Is there a qualification to use source energy vs site energy?
<b>Answer:</b>	The standard is all based on site energy consumption.
<p><b>Submitted by: Devin</b> <span style="float: right;"><b>Topic: Clean Buildings Performance Standard</b></span></p>	
<b>Question:</b>	Can you clarify how to include/exclude on-site generation such as rooftop solar? I was told in a 3rd party webinar that building EUI would be reduced with rooftop solar - that the building energy use would be reduced by the amount of solar power produced on the roof. But I haven't seen that in the RCW or on Commerce's website.
<b>Answer:</b>	The Clean Building Performance Standard (CBPS) requires building net energy use be measured in accordance with Section 5.2. Net energy use measurement includes all forms of imported and exported energy. Energy Star Portfolio Manager is the energy accounting systems required by the CBPS and shall be used in the development of a buildings EUI. Data for each meter importing and exporting energy to and from a building must be included in the buildings ESPM account in order to account for impacts on site generation has on building EUI.
<p><b>Submitted by: Jenny</b> <span style="float: right;"><b>Topic: Early Adopter Incentive Program</b></span></p>	
<b>Question:</b>	Is there a limit on incentive funds? Is the incentive program first come first served based on application?
<b>Answer:</b>	<p>Yes, there is a limit on the incentive funds. Incentive funds are limited to \$75 million. Commerce will be reserving funds up to 75 million and then create a waitlist. Funding reserved for applicants that do not meet the requirements of the program will be released and those on the waitlist will be given the opportunity to participate in the incentive program using the released funds.</p> <p>Two reservation pools are under consideration for the first two years. The first will be the general pool in which the applicants meet the basic program qualifications. The second pool would focus equity and inclusion (criteria to be developed) to make the funds available statewide. This will be the topic of discussion on the April 28 webinar. We invite you participate.</p>
<p><b>Submitted by: Kevin R.</b> <span style="float: right;"><b>Topic: Clean Buildings Performance Standard</b></span></p>	
<b>Question:</b>	Are leased buildings that have been unoccupied (unleased) for a period of time required to comply or would these be exempt? What is the cut-off for compliance/exemption with regard to the period of time that the building has been unoccupied?

<b>Answer:</b>	<p>Unoccupied buildings or portions of buildings can meet exemption requirements. They are outlined in Annex Z4.1.</p> <p>Covered commercial buildings are not eligible for the unoccupied building exemption from the standard unless they meet one of the following criteria:</p> <p>a. The building did not have a certificate of occupancy or temporary certificate of occupancy for a consecutive twelve months period within two years prior to the compliance date;</p> <p>b. The building did not have physical occupancy by owner or tenant for at least fifty percent of the conditioned floor area throughout the consecutive twelve month period prior to the building compliance date;</p> <p>(See WAC 194-50, <a href="#">Annex Z4.1</a> for the complete list)</p>
<p><b>Submitted by: Norm M</b> <span style="float: right;"><b>Topic: Clean Buildings Performance Standard</b></span></p>	
<b>Question:</b>	<p>I understand buildings above the target or without a target will complete audits and evaluate the cost effectiveness of EEM identified. What LCCA tool will be required and what parameters/input criteria will be required. May I suggest the state office of financial managements ELCCA be an acceptable tool?</p> <p><a href="https://des.wa.gov/services/facilities-leasing/energy-program/energy-life-cycle-cost-analysis">https://des.wa.gov/services/facilities-leasing/energy-program/energy-life-cycle-cost-analysis</a></p>
<b>Answer:</b>	<p>Commerce will be developing the life cycle cost analysis (LCCA) tool, which will be adapted from the OFM LCCA. It will include all the specific requirements of the standard for evaluating cost effectiveness of an energy efficiency measure. All of those requirements are in WAC 194-50, Annex X. We haven't adapted this tool yet. It will be completed soon. It is not necessary for the Early Adopter Incentive program</p>
<p><b>Submitted by: Devin</b> <span style="float: right;"><b>Topic: Early Adopter Incentive Program</b></span></p>	
<b>Question:</b>	<p>Can a building making compliance via the investment criteria/annex X apply for the early adopter incentives?</p>
<b>Answer:</b>	<p>No, the legislation is clear that in order to apply for and to receive the early adopter incentive, the building must meet the target EUI. They cannot gain the incentive going through the investment criteria. This is a performance base incentive, you gain the incentive by meeting the target.</p>
<p><b>Submitted by: Laney R.</b> <span style="float: right;"><b>Topic: Early Adopter Incentive Program</b></span></p>	
<b>Question:</b>	<p>If a building is served by two utilities but only one is participating in clean buildings can the building still participate? If yes, will the participating utility be responsible for the entire incentive?</p>
<b>Answer:</b>	<p>Yes, you can still participate. The incentive calculation and payment is based on the proportion of the energy use reduced by fuel type.</p>
<p><b>Submitted by: Andi B.</b> <span style="float: right;"><b>Topic: Early Adopter Incentive Program</b></span></p>	
<b>Question:</b>	<p>Reduction vs. the EUI target? Is it relative to the target or is it based on project specific past performance?</p>

<p><b>Answer:</b></p>	<p>Example: If a building meets its target and they lower their EUI by 15 points. Ten of the points were attribute by electrical savings, five of the points were attributed by natural gas savings. However, the natural gas company was not participating in the incentive program and the electric utility was. The electric utility would pay only the 66 percent of the incentive relative to the savings they are responsible for.</p> <p>The energy audit is part of the compliance and will help to identify where the savings is associated. In addition to measured performance the audit will help identify what percentage is gas savings versus electrical. This ratio will then be applied to the overall incentive per square foot.</p>
<p><b>Submitted by: Julia W.</b> <span style="float: right;"><b>Topic: Clean Buildings Performance Standard</b></span></p>	
<p><b>Question:</b></p>	<p>How can an accurate EUI be calculated for a building with a large underground parking garage (&gt; 50% of GFA)? The bill explicitly states not to include parking in GFA calculations. However, some buildings have enclosed underground parking garages that do not have a separate meter to break out energy use. Including energy used by a parking garage but not including the parking GFA would skew the weather normalized site EUI upwards</p>
<p><b>Answer:</b></p>	<p>The legislation is clear that we do not include the floor area of a parking garage but would include the energy use if it is not sub metered. That is going to be across the board for all buildings. Buildings that do not have a parking garage have similar concerns, because they general have surface parking that also includes energy consumption. Probably not as much because they are not ventilated, just lit. The EUI targets were develop assuming that there is energy consumption of those parking areas, whether there is surface or garage parking.</p>
<p><b>Submitted by:</b> <span style="float: right;"><b>Topic: Early Adopter Incentive Program</b></span></p>	
<p><b>Question:</b></p>	<p>We have 75 million for the incentive program, what about utilities looking who are looking to gain administrative cost? How do they do that and is it part of the 75 million?</p>
<p><b>Answer:</b></p>	<p>The Department of Revenue has not figured out the details on what would or would not qualify but the administrative cost are on top of the 75 million. Utilities would claim it on their tax return when they are claiming the credit. They would enter any documented administrative cost and it will cap it at the percentage of the incentives paid.</p>
<p><b>Submitted by:</b> <span style="float: right;"><b>Topic: Early Adopter Incentive Program</b></span></p>	
<p><b>Question:</b></p>	<p>What qualifies a utility to participate in the Early Adopter Incentive Program?</p>
<p><b>Answer:</b></p>	<p>A utility qualifies if they participate in t public utility tax (PUT). Light and power businesses or gas distribution businesses are the ones who can participate in the credit. The credit it is not claimable against business, occupation, sales tax, etc. just the public utility tax credit. If a utility does not pay PUT, they are not eligible to participate in this program.</p>