

Market Transformation & Building Performance Standards

IL SAG – Market Transformation Savings Working Group

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August 16, 2022





Goals of this discussion

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Building Performance Standards MT initiative

- Introduce BPS as Market Transformation
- Identify next steps for BPS MT initiative
- Gather feedback from Stakeholders

Stretch code evaluation pathways document

- Provide follow-up and next steps





Background on Building Performance Standards

Overview

Background on BPS

Opportunities

Barriers

Utility role and responsibilities



Elements of Building Performance Standards

Benchmarking

- Ongoing review of energy performance of existing buildings
- Data collection of buildings energy use and their characteristics (size, type, age, etc.)
- Comparison of Energy Use Intensity (EUI) to other buildings

Building Performance Standards

- Typically follows benchmarking policy
- Requires low-performing buildings to take action



Existing Building Performance Standards (BPS)

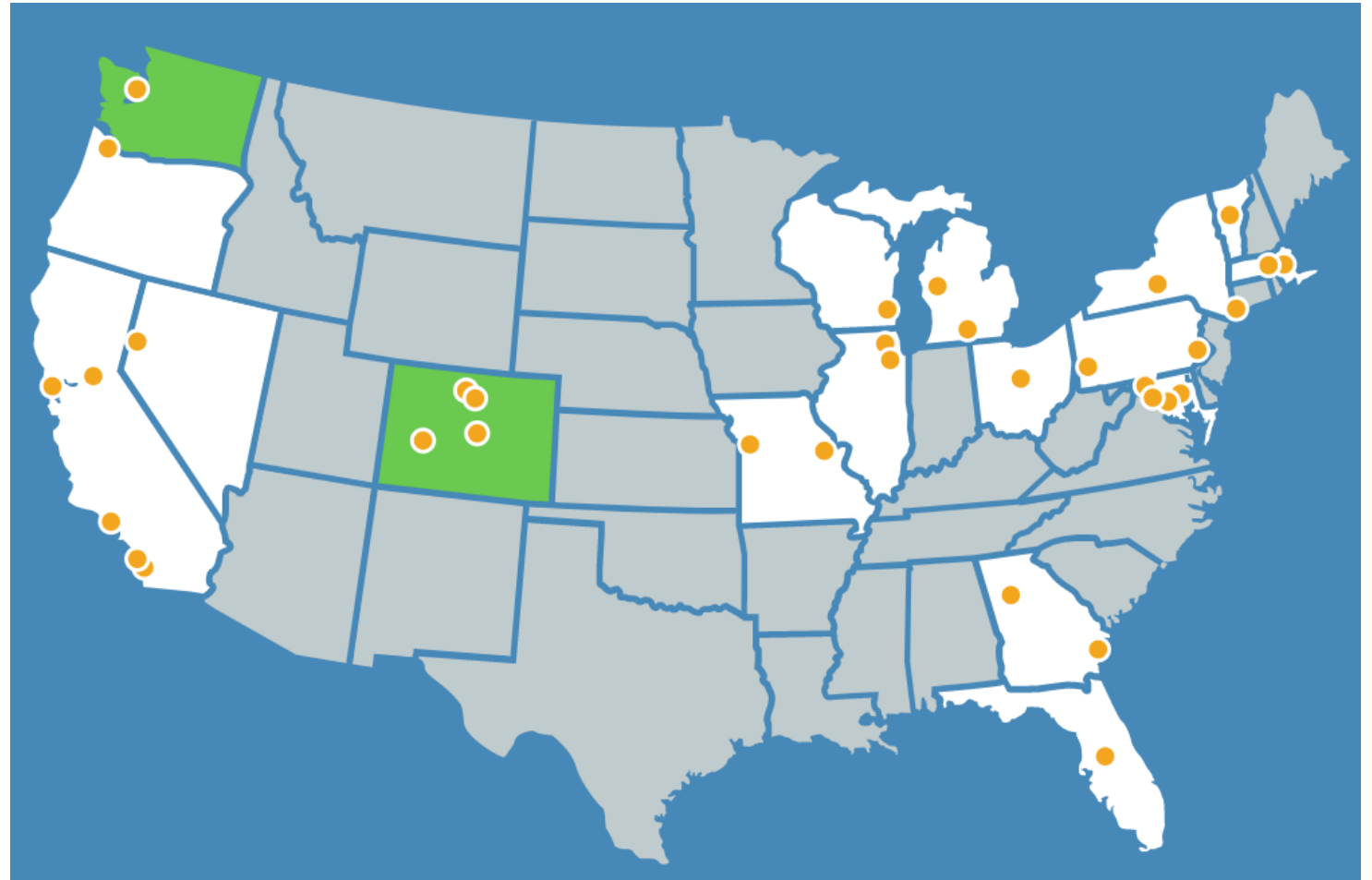
Location	Year Adopted	Compliance Year	Covered Buildings	Performance Metric	Compliance
Boston	2021	2025	> 20,000 ft ²	Annual GHG emissions	Meet emissions target
Colorado	2021	2026	> 50,000 ft ²	TBD	TBD
New York City	2019	2024	>25,000 ft ²	GHG emissions	Must meet target annually
St. Louis	2020	2025	>50,000 ft ²	Site energy use (EUI)	Meet 65 th percentile of EUI
Washington DC	2018	2026	>50,000 ft ²	EnergyStar score	Meet median EnergyStar score



National BPS Coalition

Group of state and local governments committed to designing and implement BPS policies by April 2024.

The coalition will provide limited technical support to signatory governments.



<https://nationalbpscoalition.org/>



Opportunities

- Many municipalities have climate goals
- Growing national momentum to support municipalities to make policies curbing energy use
- Existing buildings have significant energy savings opportunity
- Upgraded buildings have a higher market value
- Existing building policies like BPS can provide benefit to historically underserved communities and ratepayers



Utility-specific Opportunities

- Utilities have historical energy usage data
- Utilities have existing programs and trade ally networks that can be leveraged to support retrofitting buildings
- Utilities can process data to quantify costs and benefits of energy efficiency investments



Barriers

- Municipalities have limited resources
- Building owners/managers wary of heavy-handed regulation
- Split incentives between building owners and tenants
- Municipalities may have difficulty enforcing benchmarking ordinance or BPS
- Recent changing landscape in commercial real estate due to pandemic



Feedback from Metropolitan Mayors' Caucus Task Force

- Slipstream and MEEA are currently engaging ~15 municipalities and counties to:
 - Help municipalities pioneer stretch codes and BPS
 - Assist in creation of a roadmap
 - Provide feedback and guidance to utilities on most effective ways utilities can support
- Kicked off the Task Force in early August



Feedback from Metropolitan Mayors' Caucus Task Force

What's your biggest concern about a BPS Policy in your community?

Pushback from the business community.

Education/Awareness for developers/contractors.

Providing the right amount of technical support to community.

Enforcement.

No support from elected officials and staff because of political influencers.

Finding the right level of performance that balances mitigating climate change and getting community buy in.

Community and owner buy in.



Chicago High-Performance Building Hub Needs Assessment

- Recent research by the IL Green Alliance published April 2022
- Conducted direct interviews with regional stakeholders, extensive market research, and an industry survey
- Focused on developers and owners, design and engineering professionals, commercial tenants, community-based organizations and general contractors



Chicago High-Performance Building Hub Needs Assessment

“ We are just lacking in models that show the **long-term payoff to building owners of these energy upgrades**, they are all based on assumptions and sometimes these aren't founded.

Building owners will **simply not pursue energy retrofits** until a policy mandates such changes. The external risk of non-compliance will be a key deciding factor in our decisions.

I wish we could talk to contractors who know more specifically the cost of energy efficiency upgrades and builds. Then we could make **more accurate cost effectiveness models**. Currently we're unable to access that information.

Contractors can connect building owners and developers with the right incentives and right products or materials. I'm just not sure how **they get informed on energy efficient practices**. ”



Utility involvement

BPS Advancement

- Utility-funded research
- Policy advocacy
- Outreach and Education
- Promising technical and financial assistance

BPS Implementation Support

- Stakeholder engagement / implementation hub
- Targeted training
- Data access
- Verification assistance
- Building operator assistance
- Technical resources
- Financial incentives



How is this different than stretch codes?

- Likely focusing on commercial buildings and MF buildings first, although there is some interest in SF Residential as well.
- Unlikely that the smallest buildings will be applicable
- Time horizon is longer for compliance with the policy



Next steps

Finalize a Logic Model, including outcomes

Develop evaluation pathway outline

Contact us with any initial feedback





Stretch Energy Codes – Evaluation Pathway Document Wrap-up

Stretch Codes Evaluation Pathways Document

Summary of comments received

- Definitions
- Clarifications on Natural Market Baseline and Attribution

Next steps

- Finalize document for TRM



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