

NASEO Buildings Committee Call
Meeting Minutes: Tuesday, November 13, 2012; 2pm-3pm ET

Attendees

Duncan, Weinberg, Genzer & Pembroke, P.C.
Missouri Department of Natural Resources, Division of Energy
National Association of State Energy Officials
North Carolina Department of Commerce, Energy Division
Pacific Northwest National Laboratory
South Carolina Energy Office
SRA International
Tennessee Department of Economic and Community Development, Energy Division
Washington State Energy Office
West Virginia Division of Energy

Announcements

Ward Lenz, Director of the Division of Energy of the North Carolina Department of Commerce and NASEO's Buildings Committee Chair, opened the call and announced the meeting agenda.

Ward first called on NASEO staff to provide announcements. Jeff Genzer, NASEO General Counsel, provided a summary of comments that NASEO submitted to the General Counsel of the Federal Housing Finance Agency (FHFA), Alfred Pollard. FHFA has issued a Notice of Proposed Rulemaking (NPR) that would continue to block residential Property Assessed Clean Energy (PACE) programs on the premise that these programs increase financial risks to Fannie Mae and Freddie Mac, the largest purchasers of mortgages in the country. NASEO's comments suggested that FHFA deem PACE assessments to be valid public purpose assessments acknowledge that mortgages on properties with PACE assessments be allowable for purchase by Fannie and Freddie. Jeff indicated that both U.S. Department of Energy Secretary Chu and his senior advisor, Dick Kauffman, have thanked NASEO for submitting these comments, but it is still unclear how FHFA will act.

Chris Wagner, NASEO Project Manager, next provided an update on a zero-net energy (ZNE) initiative that NASEO is pursuing with partners New Buildings Institute (NBI) and Resource Media. NASEO, NBI, and Resource Media convened a series of meetings focused on state and municipal action planning with the goal of accelerating the adoption of policies for ZNE buildings. These meetings, held in July in San Francisco and in October in Arlington discussed the ZNE plans and priorities that states, cities, and counties are currently pursuing. NASEO and its partners are currently synthesizing the information collected during these meetings and exploring options for continuing this work.

Sandy Fazeli, NASEO Program Manager, next provided information about NASEO's 2013 State Energy Policy and Technology Outlook Conference, which will take place in Washington, DC on February 5-8, 2013. The Buildings Committee meeting will be held on Wednesday, February 6, 2013, from 3:00-5:00pm. The NASEO team is still developing the agenda, but states and affiliates interested in learning more about the conference and the buildings committee meeting may contact Sandy at sfazeli@naseo.org.

Ward next announced that the North Carolina Sustainable Energy Conference will take place April 15-17, 2013. Sponsored by the North Carolina Energy Office, the conference's theme is "Embracing an Intelligent Energy Future." Visit <http://www.sustainable-energy-conference.org/> for more details.

Presentation: North Carolina's Building Performance Database Project

Ward introduced Renee Hutcheson, an architect in the North Carolina Energy Office. Renee gave a presentation of her work with architects and engineers on a building performance database project. She noted that this initiative started because the Energy Office had noticed a great deal of misinformation and confusion around the actual costs of high performance buildings. The database project emerged based on the need to pull together accurate and informative case studies and cost data.

North Carolina Senate Bill 668 requires that state-owned buildings be designed to be 30% more energy-efficient, which provided the Energy Office a stock of buildings to tap into. Renee and her team found that the designers of these buildings rarely collect post-occupancy information; correspondingly, they also found that in many cases, building owners have been disappointed in the energy performance of their buildings.

To reconcile these dynamics, the Energy Office held a series of meetings. The first convened a select group of architects and engineers. During this conversation, the team found that in many cases, the energy model did not accurately project actual energy use, particularly in buildings using natural gas or in buildings where the designers did not have complete information on how and when the building would be occupied.

The second meeting included property owners. In buildings that were not performing as projected, it was necessary to run the baseline again, and re-model the building energy use using accurate parameters for occupancy, use, and hours of operation. However, because of the high costs of re-modeling a building, architects were generally unwilling to rerun the baseline without reimbursement. North Carolina's State Construction Office, which publicly profiles state buildings to show how they are performance, played a role in reversing this attitude. The potentially negative publicity that designers would receive from poorly performing buildings incentivized them to re-run the building energy models to better project actual energy use. This has encouraged building owners and designers to follow-up with post-occupancy building performance.

As a result of these meetings, the Energy Office has formed a taskforce composed of architects, engineers, and building owners. It is expected that the group will expand to include representatives from the State Construction Office and other stakeholders.

The next steps of the project will be to identify potential projects and success stories to showcase, study cost normalization opportunities (to accurately demonstrate the cost of high performance buildings), and continue collecting data.

Q&A/Discussion

Q: Have any other states taken on similar projects?

A: The Washington Energy Office responded that it has not done anything like this, but sees value in North Carolina's work. It will provide an important example and model for other states to replicate in the future. Chris Wagner added that in NASEO's ZNE work, lack of data around commercial building energy performance and cost is a barrier for states looking to implement more aggressive net-zero measures.

Q: What processes are in place for the design and construction of new state buildings?

A: Most of these projects used Revit energy modeling.

Q: What sort of cost normalization work are you looking into?

A: Because the cost of building construction has fluctuated, it is necessary to normalize the cost of constructing a high performance building in order to paint an accurate picture of the market. The National

Association of General Contractors has a methodology for normalizing these costs. The Energy Office is also considering issues related to the “baseline” cost of conventional construction. For instance, some high performance methods (i.e., proper orientation) are generally considered to simply be good design, and do not necessarily have a price tag associated with them. Well-designed buildings also tend to have fewer material defects and lower waste streams because of the prior planning that went into them. The Energy Office needs to gather more information about how to factor these issues into the database.

Renee noted that she will be in Washington, DC on December 7 to meet with representatives at the American Institute of Architects on these issues. Other groups or states who are interested in participating in this meeting should contact Renee at rhutcheson@nccommerce.com.

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