**MWCOG Built Environment & Energy Advisory Committee (BEEAC)**

**Meeting Summary: June 19, 2014**

**Attendance:**

Emil King, DDOE (Co-Chair)

Sosina Tadesse, DDOE

Bill Eger, City of Alexandria

Jeannine Altavilla, Arlington County

Bill Topper, Military District of Washington

Robert Snyder, Bethesda Green

Howard Ways, Prince George’s County Redevelopment Authority

Erica Bannerman, Prince George’s County

Michelle Vigen, Montgomery County DEP

Tina Schneider, Montgomery County Planning Department

Tim Stevens, Virginia Sierra Club

Raymond Jenkins, AED Engineering

Annette Osso, Virginia Sustainable Building Network

Pamela Vosburgh, 2RW Consultants

Lynne Barker, EcoDistricts

Bracken Hendricks, DC PACE

**On the Phone**

Rachel Toker, Prince George’s County Redevelopment Authority

Alan Brewer, Loudoun County

Said Said, Prince William County

Noel Kaplan, Fairfax County

Sam Hancock, Emerald Planet

**Staff:**

Leah Boggs, COG DEP

Isabel Ricker, COG DEP

Steve Walz, COG DEP

Maia Davis, COG DEP

Jeff King, COG DEP

Sophie Mintier, COG DPS

1. **Call to Order:** *Emil King, District Department of the Environment* *(Co-Chair)*
2. **EcoDistricts** *Lynne Barker, Vice President of Partnerships and Development*

Started by Mayor Sam Adams of Portland in 2008

* Rob Bennet (Executive Director), working with Bruce Katz from the Brookings Institute, created the “Portland: We Build Green Cities” Strategy
  + Goal was to create a program structure/strategy that could be implemented by other cities 🡪 learn from what Portland was doing
* Portland was first city in US to meet Kyoto goals
  + Portland gets most power from coal power plant, most reductions are from transportation investments
  + EcoDistricts grew out of desire to move from incremental change to more impactful actions

Cities account for 80% of greenhouse gas emissions and 75% of energy consumption, and cities are growing – currently 50% of the world’s population, projected to be 67% by 2050.

Challenges of growth in cities:

* How can we manage the growth without displacing low income and underserved residents
* Old and failing infrastructure – we don’t have sufficient resources
  + District level investment is a more cost effective way to improve the infrastructure

Districts = compact livable communities

* Triple bottom line: economic, environmental, equitable
* Will require innovation in regulations, policies, financial tools

EcoDistricts = integration of green buildings + smart infrastructure + community engagement

* Most projects are in urban and suburban context

Framework (download on the website)

* Creating a global EcoDistrict Protocol
* Process management approach - helpful to structure this highly complex endeavor
  + Organizing the district – who are the key stakeholders?
  + District Assessment – benchmarking, creating goals
  + District Projects – important to implement quickly, spur future development
  + District Management – stewardship over time

Performance Areas:

* Equitable
* Health and wellbeing
* Environmental stewardship
* Use of new and evolving technologies
* Use of community led actions (farmers markets, commuter initiatives, solar purchasing, etc.)

Lynne Barker provided an overview of several projects around the country and some newer initiatives in the DC area.

* There are three active EcoDistricts in DC: the Southwest EcoDistrict, Saint Elizabeth’s and Downtown BID
  + Walter Reed and Gallaudet have also expressed interest
* The Summit in September will be very informative for any local governments that are interested in becoming an EcoDistrict.
  + DC asked for the summit to be located here and the Downtown BID is providing support and resources

1. **Prince George’s County EcoDistrict** *Howard Ways, Prince George’s County Redevelopment Authority*

EcoDistrict: Sustainable Development on a neighborhood level

* 8 core principles of EcoDistricts will be used to evaluate future development projects in the county
* County has 4 bottom lines: People Planet Profit Place-making

Port Towns area has been chosen to pursue EcoDistricts – 18,000 people

* 4 towns that came together to collaborate on a variety of issues to make more livable communities
  + Bladensburg, Edmonston, Cottage City, Colmar Manor
* Oldest and most historic part of Prince George’s
* High concentration of green businesses already
* Existing sector plan already addresses many EcoDistrict Principles
* Part of Transforming Neighborhoods Initiative
  + Focusing on business and job creation
  + Need many thousands more to be on par with neighboring Counties and DC

Three Priority Areas for their EcoDistrict plan:

* Connect – improve or create bike and pedestrian infrastructure; complete missing pieces of trails
* Build – optimize infill and mixed use/residential development to attract Millennials
* Innovate – create a green business incubator and accelerator

Lessons Learned from the practitioners training:

* Must be project focused and results driven to succeed (in order to not lose steam)
* A good governance structure for the project is critical
  + Decided that several public agencies, departments and local green business groups should collaborate to manage the initiative
* Need to galvanize support and pursue funding early, even if all projects are not fleshed out
* Be visionary and don’t take no for an answer

Next Steps:

* Brief senior County leadership
* Building coalition and governance structure
* Pursuing funding
* Looking for strategic properties
* Kick off after the September Summit

**Discussion:**

How does EcoDistricts promote equity and equitable development?

* Many of the districts they work in are low income or underserved communities
* Very important to work with community development organizations
  + In the near future may need to collaborate with policy makers working to prevent people from getting priced out
* It may become more of a focus as they develop the global protocol
* They have been hiring staff and board members with expertise in this area
* **Ecodistrict Summit September 24-26**
* COG will have a discount code for members
* We are hosting the practitioners training on the afternoon of the 24th, and will be sponsoring 30 COG members to attend the training.

1. **DC Commercial PACE** *Bracken Hendricks,**Urban Ingenuity, DC PACE Program Manager*

Urban Ingenuity is a new project/spin off of Urban Atlantic

Urban Atlantic – real estate developer, worked on Walter Reed, very involved in the region

* Expertise in public-private partnerships and community building
* Affordable housing, job creation, local and minority-owned companies

**Overview**

Property Assessed Clean Energy

* Loan repayment is assessment on property tax bill
* An old concept – has been done for many different public services (including opt-in fire departments in the 1700s)
  + However, PACE is just for one property, not the whole street or community
* Senior lien to other debt on the property
* Default rates very, very low
* Great for large capital intensive projects
  + Fixed costs for administration/financing deal make it a bit expensive for smaller projects
  + Are looking into bundling projects

City creates a land-secured financing district 🡪 property owners opt in 🡪 proceeds from revenue bond or other financing provided to make the retrofits

PACE was initially created to fund solar projects on single-family homes

* This got push back from FHFA
* Commercial PACE (also applies for 4+ units) has been quite successful
  + 30 states around the county, more than 200 projects funded
  + CT and CA are major leaders

In response to a question about contractor qualifications and commissioning, Bracken noted that PACE programs count on the work being done well. It is advantageous to size loans so that energy savings are larger than debt service, and therefore quality work is a priority. DC PACE is creating a registration system for contractors to help ensure people get reasonable prices, the work is done well and expected savings are achieved.

Benefits of PACE

* Removes reluctance to improve property if may move or sell
* PACE solves alignment issues between tenant and owner
* No upfront cost
* Cash flow positive on day 1, Improved operating income
* Gives people security
* Long term (fixed-rate 20 year financing)

**DC PACE Program**

PACE was enabled in DC through legislation in 2010 and was part of the Mayor’s Sustainability Plan

* Have worked through a pilot project and now are building market demand
* $30 million in projects that are currently moving

Eligible Projects:

* Commercial, Multi-family, Institutional and Non-profit (does not mess up 501(c)3 status)

Eligible Measures:

* Energy efficiency, renewables, storm water

Underwriting criteria:

* Want benefits > costs
* Quality projects
* Measurement verification – the information synchs with DC benchmarking regulations
* Lender consent (goal is to strengthen the mortgage, not make it more risky)
  + Have not had any issues getting support, but takes some education of lenders
  + Generally once people understand the process, they are very receptive

**Case Study: 400 M St. SE**

* HUD Hope VI Project
* Low income housing tax credit building – very complex financial structure
* $340,000 PACE Assessment

\*\* Property owner decides what measures they want to do

* Outside engineering firm performs cost/benefit and energy savings modeling for various measures
* Can help meet unmet capital needs (e.g. roof replacement to allow solar) by allowing for bundling multiple investments & retrofits

Affordable Housing is a big opportunity for PACE

* Can do retrofits without taking on new debt or upsetting complex financial structure

Can PACE be used for new buildings?

* Similar to ESPC for new construction – can do a baseline assessment using modeling of a code-compliant building
* Can definitely do for renewables or CHP, since the baseline is simple to calculate - energy use without the new technology
* Need to make sure that it is not precluded in statute – can be included in the regulations

**Regional Approach**

Common set of frameworks and management practices would be very advantageous for the region

Montgomery will likely be next to implement PACE

* PACE is allowed in MD but must be enabled by localities
  + Municipalities can be very influential in this process
* VA is working on it at state level

1. **EPA’s Proposed Rule for GHG Emissions from Existing Power Plants** *Jeff King, COG DEP*

Clean Air Act – Requires EPA to set standards for different types of air pollution to protect public health and welfare

* 111b – new sources (set standard)
* 111d – existing sources (set guidance for states)

2007 – US Supreme Court upholds EPA authority to regulate GHGs

2009 – EPA endangerment finding: GHG harmful to human health & welfare\

2010 – First EPA regulation of GHGs (mobile sources)

EPA rule on new power plants – September 2013

* Rates set for coal and natural gas
* New coal plants must use CCS, therefore are essentially impossible without much government $

Existing plants rule – June 2014

* Sets goals for each state (except VT and DC) by 2030, interim goals starting in 2020
* Goal – emissions rate (lbs CO2/MWh)
* Goals based on what EPA deems the best system of emission reduction (BSER)
  + BSER measures are “reasonable” to achieve, proven technology, cost effective

BSER building blocks:

1. Increase coal plan efficiency 6%
2. Switch from coal to natural gas – use all natural gas plants at 70% capacity
3. Renewable energy and nuclear – 13% renewables by 2030
4. Improve system-wide energy efficiency 1.5% per year

Plan does not call for a 30% reduction from 2005. Base year = 2012.

* Rate in 2012 🡪 What reductions are possible by 2030? 🡪 What rate would that achieve 2030? 🡪 State goal
  + If all states achieved these goals, what would total US emissions be in 2030?
    - This achieves a 30% reduction from 2005

State plans

* Who is covered by the plan, geographic scope
* State performance level, approach
* How you will reach the goal, milestones and benchmarks
* Contingency plans

120 day comment period

Much uncertainty regarding litigation, potential legislation to prevent implementation

Public Hearing in DC on July 30

1. **Roundtable Discussion/Project Updates**

Solar Updates: Jeff King, COG DEP

* Rooftop Solar Challenge
  + Blacksburg joined RSC
  + NARC annual conference in Louisville, KY
  + Planning to launch a regional solarize program
  + Will be doing workshops in the fall
* Small Solar Working Group in VA
  + Costs and benefits of solar
  + Market conditions on solar
* Muni collaborative purchase efforts
  + DC and Montgomery County RFPs
* DOE Solar Market Pathways grant
  + Both grants approved to apply for round 2
  + Low income solar, solar for resilience and community aggregation

Microgrid Update: Jeff King, COG DEP

* Meeting on Monday with many different stakeholders: state, locals, military, electric utilities, water utilities, cyber security, industry/companies

Energy Emergency Exercise: Jeff King, COG DEP

* Wednesday the 25th – design team meeting to discuss what to do for the UASI emergency exercise

Green Contracts Database: Maia Davis COG DEP

* Surveyed all localities on green purchasing efforts, all regional green contracts are listed
* Contact Maia Davis ([mdavis@mwcog.org](mailto:mdavis@mwcog.org)) for more information or haven’t received it

Erica Bannerman, Prince George’s County

* PG County Council approved a green fleets and green purchasing policy
* Selecting a vendor for 2 solar farms on existing landfill 4-6MW

Michelle Vigen, Montgomery County

* Exploring the IgCC code
* Benchmarking working group convening starting in September to work on implementation of the new benchmarking law

Noel Kaplan, Fairfax County

* Revisions to the green building policy in Comprehensive Plan are done

Emil King, Washington DC

* Solar Permitting Streamlining will be completed in the fall
  + 50% reduction in solar permit fees
* The District has 30 MW solar capacity in planning between DC Water, DGS and EcoDistrict efforts

## Next Meeting Date, Proposed Topics, Other Announcements and Adjournment

* CEEPC – July 23, 2014
* BEEAC Planning Call – July 3, 2104 (To be rescheduled)
* BEEAC Meeting – July 17, 2014