

**Commercial Building Energy Labeling Working Group**  
**Meeting Notes**  
**October 23, 2020**

Attendees: Michael Crowley, Keith Downes (co-chairs), Kelly Launder, Keith Levenson, Craig Peltier, Michael Russom, Tim Heney, Randy Drury, Dan Edson, Peter Tucker, Jen Green, Robert Lehmert

**Approval of Minutes from October 9<sup>th</sup> meeting**

- Keith Downs reviewed the October 9 meeting notes.
- Motion to approve – Mike Russom, second Keith Downes. Motion approved by voice vote.

**Resolve major topics where a consensus has not been achieved**

- Development of forms for requests and release authorizations under subsection 63.
  - What is the Working Group role in this? Kelly L: Act 62 language says that the WORKING GROUP will advise the PSD Commissioner. But if the Working Group could draft the form that would be helpful.
  - **Mike R: Will check with IMT**, they may have.
  - Jen G: Do a search of BED website for ESPM auto upload form that they use.
- What credentials should be required if reporting a score above 75?
  - Keith D: Spoke before about aligning with Energy Star requirements (architect or engineer). May also want to include CEM.
  - Keith L: The reason there's a cut off at 75 as that's the requirement for Energy Star credential. For purposes of labeling a building in VT, doesn't seem necessary to have credentials.
  - Keith D: Would requirement only be if mandatory?
  - Randy D: We discussed that if they were at that level it should be required whether it's a voluntary or mandatory program.
  - Kelly L: Won't this discourage people in a voluntary program from benchmarking, providing the scores/label for their building as it will cost them money to do it?
    - Keith D: Does it matter if voluntary, isn't purpose to get those that don't have good buildings to do something?
    - Kelly L.: Isn't another goal to show value for EE, and being able to rent/sell based on the efficiency? This wouldn't support that goal.
  - Kelly L: We had discussed including something on the label that said whether it was professionally certified or not. EPA had indicated they would consider that request.
    - Randy D: would feel more comfortable if that happens to not require
  - **VOTE: For requiring credentials (if voluntary) Yes -3, No 2, 2 abstentions** – Yes - Mike R., Randy D, Keith D.; Against - Tim, Keith L.; Abstain – Craig, Mike C  
For requiring credentials (if mandatory) – Against - Tim; Yes - Craig, Mike C, Keith D., Randy D., Mike R., Keith L.
    - **If certifications are required these credentials would be allowable: PE, Registered architects, CEM, CEA and any other credential approved by the Advisory Committee**
- What percent of buildings need quality assurance?
  - Keith L: Suggests modifying original suggestion to 10% QA in the first year, and 5% thereafter.
  - Mike R: When spoke with Overlay consulting they mentioned that they would often assistance with inputs (even take over their computer), would that be considered QA.

- Randy D: Just because they are receiving data entry assistance that doesn't mean the actual information is being checked for accuracy.
- Keith D: 10% for all years seems to high. Like suggestion for 10% in the first year and then lower, like 5%.
- Randy D: When you say Year 1 are you speaking about the first year of mandatory, which would really be year 3? Keith L.: Yes.
- Presuming there is a mandatory labeling requirement for some buildings:
  - Should there be a retrofit requirement or mandatory energy offsets for buildings with low scores?
    - Keith D: NYC has a requirement if the building doesn't meet CO2 requirements, but don't know that any other municipalities or states that are doing this.
    - Mike R: Minimum performance requirements? None in effect right now but DC and one other jurisdiction are planning to do so.
    - What is our charge? We weren't asked to look at minimum performance standards in the legislation. This could also be a poison pill if included. Craig P: I am a hard no if there are minimum performance requirements. Keith D and Keith L opposed as well.
    - Robert L: The Climate Comm. might weigh in on this. But fine not to include now.
    - Unanimous agreement to not include performance requirements recommendation.
    - Mike R: Not a recommendation, but should we point out other jurisdictions that are considering? Keith D: Doesn't object to that as long as it's clear it's not a recommendation. Mike C: Can you send language regarding? **Mike R will draft language.**
  - Should some buildings (new construction, schools or government owned buildings) have different voluntary/mandatory thresholds?
    - Keith D: For example, Boulder, CO has a requirement for government owned buildings to do labeling for a certain size. For new construction, required to do labeling if 10,000 sq ft or above, and everyone else if over 20,000 sq ft.
    - Mike R: They are considering a change to exempt state buildings.
    - Keith L: If part of the value is in real estate transactions, government buildings don't really change hands.
    - Dan E.: Difference between labeling and utilizing ESPM for benchmarking. Label may be more important in sales, but benchmarking educates building facility people on what is going on in their building. Perhaps include a description of what other jurisdictions are doing rather than a recommendation?
    - Mike C: We have a description of mandatory vs. voluntary and could add to that section.
  - Which buildings would always be voluntary?
    - Keith D: we have previously discussed having a threshold that it would never be required – 10,000 sq ft.; IMT suggested 20,000 sq ft. saying it is not cost-effective below that.
    - Mike C: Database shows 6,300 buildings between 10,000 sq ft. – 5,000 sq ft - 43% below 5,000 sq ft. So there may be something wrong with the database.
    - Randy D: Looks like about 30,000 buildings would be under 10,000 sq ft; 37,204 would be under 20,000 sq ft.

- Randy D: wasn't there a level at which you couldn't utilize ESPM?
          - Dan E: You can put in any size building, but there might be a limit at which you can get a score, but no threshold for benchmarking. From their perspective you look at a building much differently if they are 5,000 sq ft or below in terms of cost-effectiveness. Often costs as much as a bigger building but don't achieve the energy savings.
        - Craig P: Could start with bigger buildings (10,000 sq ft) first and then could lower the threshold as the program gains more experience.
        - Dan E. support the 10,000 sq ft threshold
        - Mike R: Suggest empowering the Advisory Comm. or Commissioner to adjust the threshold.
  - Should there be a physical label on buildings with mandatory labeling?
    - There is **consensus on public reporting of benchmarking data.**
    - Tim H: How would this work? Doesn't seem practical. Already a requirement that the RBES is affixed to the electrical panel and we rarely find them.
    - Keith D: There is better adherence to the energy code label being posted in commercial buildings than in residential buildings. KD is against having a physical label
    - Mike R: Thinks a physical label could be sent to the building owner and if they want to post it that would be their choice.
    - Craig P: Agree, a label should be produced and if they choose to post it fine.
    - **Consensus on not requiring any labels that are generated to be posted.**
  - What would be the proposed phase-in schedule?
    - Keith D: Like the schedule, but think year 3 should be at minimum 100,000 and could be higher, like 125,000 or 150,000. Maybe target about 300 buildings in the first year.
    - **Start at 125,000 square feet in year 3.**
  - Once mandatory, how often would the ESPM score need to be updated?
    - Keith D: Prefers every 3 years.
    - Mike R: Prefers every year, but could agree to 3 years.
    - Keith D: should we just include the options and not make a recommendation?
    - Tim: Would remove score and just say update ESPM
    - Keith D: So **the report will lay out the options of 1 or 3 years updates.**
  - What would be the penalty of not labeling?
    - Keith D: What kind of enforcement or penalty, or do we even want to get into that? Or can just lay out what other jurisdictions do?
    - **Mike R: will pull out what other jurisdictions are doing and send to Mike C.**
- Should there be a mandatory building labeling requirement?
  - Mike R: OK with Mandatory, but only reporting every three years, as well as phased implementation would make the requirement more palatable.
  - Vote for or against a mandatory program, which doesn't have any performance improvement requirements, it would be equally applied to all building types, it would be voluntary for 10,000 sq ft and below, no label will be required, there would be a phased in schedule as previously discussed, it's not clear if the requirement would be every year or every 3 years.
    - **Vote on Mandatory program: 4 Yes, 2 No, 2 abstentions:** Yes - Mike R. (for reporting every three years) Randy D, Craig P., Keith D; No – Tim H, Keith L ;

Abstain – Mike C. (vote would be no if EVT was expected to be the administrator of a mandatory program), Dan E.

**Discussion and next steps**

- **Final subgroup write-ups are due October 30<sup>th</sup>.** If that deadline can't be met, please contact Keith L.
- Keith L. will complete a first draft and send to the Working Group for review prior to the next meeting on Nov. 13<sup>th</sup>.