

Q&A Questions Relevant to BEPS Delays

Questions on Financial Limitations and Delays

1. Based on legislation pending from Council, will financial distress delays be converted into financial distress exemptions if the legislation passes?

Answer: covered in the webinar, answered in the Financial Distress Q&A section (~37:45 - ~48:00 in the recording)

2. What are older, rent controlled properties or properties that have affordable covenants to do if they can't meet the new BEPS standards?

Answer: covered in the webinar, answered in the Financial Distress Q&A section (~37:45 - ~48:00 in the recording)

3. To qualify as "Financial Distress" per BEPS regs would be to admit an inability to pay operating expenses. How will DOEE safeguard this issue?

Answer: covered in the webinar, answered in the Financial Distress Q&A section (~37:45 - ~48:00 in the recording)

Questions on Implementing Measures and Delays

4. What happens if you implemented a plan to reach your 20% site EUI reduction as written out in your Energy Audit but you fall short?

Answer: covered in the webinar, answered in the Implementing Measures Q&A section (~52:00 to the end of the recording)

5. If buildings are actively pursuing energy efficiency measures, will this reduce fines for that property if they haven't hit their energy efficiency goals?

Answer: covered in the webinar, answered in the Implementing Measures Q&A section (~52:00 to the end of the recording)

6. What if I'm in the middle of implementing an energy efficiency measure in 2026?

Answer: covered in the webinar, answered in the Implementing Measures Q&A section (~52:00 to the end of the recording)

7. What if there is a large project that you need to implement in order to meet compliance but based on the lead and implementation time you cannot complete it in time, would there be any exception or extension applicable in this case?

Answer: covered in the webinar, answered in the Implementing Measures Q&A section (~52:00 to the end of the recording)







Miscellaneous Questions around Delays

8. Is there a deadline for requesting a delay?

Answer: All delays must be requested by the end of the compliance cycle, which is December 31, 2026.

9. Will DOEE communicate with owners while reviewing a Delay of Compliance request?

Answer: All Delay of Compliance requests must be submitted to DOEE through the <u>BEPS Online Portal</u>. When a customer submits a ticket in the Portal, they will receive an automated email confirming receipt of the request. DOEE may provide comments and request applicants make additional efforts to avoid the delay or may request additional documentation. DOEE may also request a meeting or call with the applicant to discuss the building's delay request. Within 60 days of receiving the request, DOEE will notify the applicant in writing if the delay is approved, approved with modifications, or rejected. After DOEE has completed its review, it will use the proposed information to create and issue a Delay of Compliance Decision Letter. Please see Chapter 5 of the <u>BEPS Compliance and Enforcement Guidebook</u> for more information.

10. How do benchmarking reporting errors factor into BEPS delays?

Answer: Benchmarking reporting errors are not an eligible circumstance for a delay. Annual benchmarking data quality check, pathway selection review, and third-party verification (required for the calendar year 2023 and calendar year 2026 data) are all processes that enable complete and accurate reporting.

11. What should we look for to determine if a delay may be applicable?

Answer: Please see Chapter 5 of the <u>BEPS Compliance and Enforcement Guidebook</u>, which describes the eligible circumstances for a delay, as well as the process for applying. As noted during the webinar, an application for a delay must demonstrate, to the satisfaction of DOEE, that a) one of the eligible circumstances exists and b) that the circumstance prevents the building owner from meeting their energy performance requirements by the end of the compliance cycle.

12. Who do we communicate with to ensure the delay is acknowledged?

Answer: All Delay of Compliance requests must be submitted to DOEE through the <u>BEPS Online Portal</u>. When a customer submits a ticket in the Portal, they will receive an automated email confirming receipt of the request. If you have submitted a ticket to DOEE and have not received an automated reply within 24 hours, please reply to the ticket directly to request receipt or email us at <u>building.performance@dc.gov</u>.

13. How will DOEE approach potential changes in ENERGY STAR in 2025, and will these changes impact any delays?

Answer: DOEE will use the same ENERGY STAR models in place at the time the BEPS were established on January 1, 2021, to evaluate whether a building has met the energy performance requirements of its approved compliance pathway. This approach provides maximum predictability to the building owner and insulates them from any impacts from ENERGY STAR changes. Therefore, any changes by ENERGY STAR should have no bearing on a building's plans during the compliance cycle, and we do not foresee a scenario where ENERGY STAR changes would impact any potential delays.







14. Is there a designed restricted time in which an ownership has changed hands for a delay to be considered? Can it be any time within the cycle? (Example: We've had ownership changes within this cycle where getting ENERGY STAR data has been difficult, which has created an upheaval.)

Answer: The key timeframe owners with buildings in the Compliance Cycle should be aware of is that seller must disclose key information outlined in 20 DCMR § 3519.13 prior to the sale and buyer must notify DOEE of the transfer within 60 days (20 DCMR § 3519.13). Energy performance requirements are attached to the building not ownership. The change of ownership process and template enables sellers and buyers to ensure that disclosure is completed and reported. Please see the Knowledgebase for more details: What about buildings that change ownership during the Compliance Cycle? - Building Energy Performance Standard - BEAM Helpdesk.

15. Is there designated restricted time in which an ownership has changed hands for a delay to be considered?

Answer: covered in the webinar, answered in the Q&A section (~48:00 - ~52:00 in the recording)

Other Questions from Members from the Q&A

16. How do you change the path that you have chosen to meet BEPS requirements?

Answer: Please see the instructions in <u>Pathway Change Application</u> available on the Knowledgebase.

17. Can you provide more information on ineligibility of gas appliances (such as boilers) in buildings for SEU funding and alternate options for funding gas appliances?

Answer: DCSEU is currently prohibited from offering any incentives towards the installation of new gas equipment. However, DCSEU does offer incentives towards energy efficiency measures that will optimize existing gas equipment (e.g. steam traps or boiler controls). Please feel free to contact DCSEU directly to request more information. They can be reached by emailing info@dcseu.com or calling (202) 479-2222.

18. As we get closer to 2026, having DOEE provide prompt responses when information is provided is critical to keeping everyone moving in the same direction. What steps is DOEE taking to ensure this happens?

Answer: DOEE is committed to providing quality customer service, and we will strive to provide each customer with a complete and accurate response in a timely manner. Over the last several years, we have built up our capacity to provide more support to our Building Performance Help Desk, and we will continue to do so, as necessary, to ensure we are meeting the needs of the regulated community. Additionally, in an effort to provide more one-on-one support, DOEE offers one-on-one support through our weekly office hours. Please feel free to join us on Wednesdays from 2-3 pm to speak with one of our experts and get your questions answered. You can register for these office hours by visiting this link.

19. How are alternative compliance payments going to be applied?

Answer: Please see Chapter 6 of the BEPS Compliance and Enforcement Guidebook.







20. What kind of alternative compliance payments can buildings anticipate?

Answer: Please see Chapter 6 of the <u>BEPS Compliance and Enforcement Guidebook</u>.

21. Does DOEE have any plans to alert property owners to potential upcoming Alternative Compliance Payments if action is not taken?

Answer: Pathway selection letters, issued in 2023, included potential maximum penalties based on owner reported data. We also intend to send out progress snapshots over the course of 2025 to inform building owners what progress they are making in meeting their energy performance requirements. Additionally, building owners can always check their data in Portfolio Manager or within our <u>public disclosure</u> to track progress on their own.

22. What can DOEE do to encourage and incentivize energy audits for properties that are not slated to meet their BEPS targets?

Answer: DOEE has worked diligently over the last 2-3 years to help support building owners in accessing quality energy audits. We provided funding and support to the <u>Building Innovation Hub</u> to create their Energy Audit Scope of Work resource, and we provided guidance and support to the <u>DCSEU in offering incentives for energy audits</u>. Additionally, DOEE designed and implemented the <u>Affordable Housing Retrofit Accelerator</u>, through which we have worked in partnership with the DCSEU and the DC Green Bank to provide over 70 no-cost energy audits to qualifying affordable housing buildings. We will continue to seek out opportunities to provide these services to building owners, and we welcome any feedback as to what support building owners need to comply with the BEPS requirements.

23. How do you change the path that you have chosen to meet BEPS requirements?

Answer: Please see the instructions in Pathway Change Application available on the Knowledgebase.



