



GOVERNOR'S OFFICE OF ENERGY

MINUTES
of the workshop of the
GOVERNOR'S OFFICE OF ENERGY
on revisions to the Green Building Tax Abatement (GBTA) regulations
LCB file number TBD

August 10, 2017

The Governor's Office of Energy held a public meeting on August 10, 2017, beginning at 9:00 AM. at the following locations:

Governor's Office of Energy, 755 N. Roop Street, Suite 202, Carson City, Nevada
and video cast to
Nevada Division of Environmental Protection, Red Rock Room, 2030 E. Flamingo Rd., Ste. 230
Las Vegas, NV 89119

In attendance:

Angela Dykema, Director GOE
David Noble, Deputy Director GOE
Kelly Thomas, Energy Program Manager GOE
Robin Isaacs, Management Analyst GOE
Mark Brady, Energy Efficiency Specialist GOE
Joshua Woodbury, DAG
Shaina Weinstein, The Green Building Institute
Terry Hudgins, Hudgins Consulting
Breana Wheeler, BREEAM USA
Ramon Reynoso, Ernst & Young
Elisabeth Kulinski, Ernst & Young
Andrew Soulier, Ernst & Young
Emily Hand, Ernst & Young
Gavin Fu, Ernst & Young
Brian Mistler, Ernst & Young
Dave Ray, Greenview Global
Jennifer Turchin, Coda Group
Mary Ann Weidner and Doug Scott, Clark County Assessor's office
Rob Morris, Caesars Entertainment

1. Call to order: The meeting was called to order at 9:00 AM by Director Angela Dykema.

2. Introductions of those in attendance: Director Dykema thanked all for attending and had everyone introduce themselves.

3. Public comment and discussion: Director Dykema asked for general public comment in either Carson City or Las Vegas and mentioned that if there are public comment relative to specific changes if those could be held until that specific section

Mary Ann Weidner with the Clark County Assessor's Office provided a proposed change to the regulation language regarding multiple abatements on a single parcel. Ms. Weidner proposed to incorporate into the NAC change the requirement that if a project has multiple abatements on one parcel, each project must be subdivided/parceled out apart from each other in order to allow the treasurer's office the ability to cap each abatement appropriately.

There were no further public comments provided.

4. Discussion of proposed regulation:

Director Dykema began with page two of the handout, and said that some of the changes are for clarification or clean up while others will affect the program.

Director Dykema said, 701A.020, is adding in the 'or equivalent' verbiage to be with consistent with statute, she said that she realizes the intent document doesn't really show why it needs to be added in but it is to be consistent with NRS 701A.100, Director Dykema read the statute regarding the equivalency language.

Director Dykema said this is the same in 701A.030, adding in the 'or equivalent' verbiage.

Director Dykema said that in 701A.063 we are removing the 'CI', continual improvement part as it is no longer referred to that in the industry.

Director Dykema said in, 701A.090, we are removing the entire section as it is no longer applicable, Core and Shell does get included under another section in LEED.

Director Dykema said in 701A.100, again we are removing 'EB' to keep consistent with industry terminology. She said it is the same thing in 701A.120, Building design and construction, removing the 'NC', and the same thing in 701A.130.

Director Dykema said in 701A.140, we are adding in the specific language to either occupy or begin construction of the building or other structure. The intent is that we will accept a certificate of occupancy as meeting this requirement, in the past we have been provided a C of O and will accept it along with the building permits.

Mr. Ramon Reynoso, Ernst & Young, asked if the guidelines should be specific as to whether it is C of O or a temporary C of O. Director Dykema stated we will take note of this

Director Dykema said 701A.150 removes language referring pre-2007 projects. Same in NAC 701A.170.

Director Dykema said we are adding a section here that is meant to clarify that if a change in the scope of the project could affect the amount of the abatement we need to know about that.

701A.200, part 2 again fixing the meaning to be with industry standards.

701A.210 we are adding that when doing the application, they will submit a copy of the third party commissioning report. This is standard practice and is being done, we are just trying to stay consistent with current statute.

Mr. Andrew Soulier, Ernst & young, provided his industry recommendation about the difference of a Commissioning Report and an Energy Audit. He provided information about when the reports are

appropriate and when they are not in order to assist in identifying the correct reports for the different types of projects. Mr. Soulier recommended that we identify the firms as 'Third Party Firm'. There was discussion regarding these recommendations between Director Dykema, Mr. Brady and Mr. Soulier.

Resuming at 9:25 am – at 701A.210, Director Dykema said that she wanted to make sure that everyone understands we are going to be discussing the commissioning reports at a later section and asked that if anyone has any more comment regarding this to hold them until then.

Lynne Barker, City of Reno, spoke and stated that she understands that the GOE wants to be agnostic. Dykema asked her to hold her comment until we get to the agenda item of discussing equivalent rating systems.

Mr. Soulier asked to make it a third party firm and not specifically state commissioning. 701A.213 is clean up language.

Director Dykema said in 701A.215 there is clean up language as well as changing assessor to commissioning firm and Mr. Soulier echoed his previous comment regarding the commissioning part.

Director Dykema said we are moving onto subpart 1(b)1, and we are trying to further create an equivalency between the systems.

Kelly Thomas, explained the way he identified a cross walk between the LEED and Green Globes rating system to come up with the new proposed points under Green Globes New Construction and Existing Buildings.

Director Dykema, Mr. Thomas, Mr. Soulier and Ms. Turchin all discussed the language in this section as well as the third party firm comments will still apply from earlier.

Mr. Rob Morris, Casers, also provided a suggestion to defer to the language in the specific rating systems to potentially clarify that section.

Director Dykema said moving onto 701A.220, we are adding in the requirement that the Assessor's parcel number be on the application. It is already on the application just adding it into NAC. We are also looking to clarify that the project amount and the disclosed amount, as well as Baseline and savings information are on the application and easily available for us to provide to other agencies when needed.

Director Dykema said that under Section 5, we are clarifying that the application is submitted, not just registered. For Section 6, the intent is to allow multiple buildings on one parcel that are separately certified in different rating systems. Section 7 allows an HOA to apply as one application as long as it has authority based on statute.

Mr. Hudgins suggested relooking at section six as the intent is not very clear.

Mr. Woodbury stated that the Carson location is having a hard time hearing speakers in Las Vegas.

Director Dykema said in 701A.240, we are changing the time frame from February to December to be consistent with statute and to give the office of energy the statutory time frame required to approve the certificate of applications.

Mr. Ramon Reynoso stated that there is a similar process in Maryland, but they do not have a deadline and he was wondering if it would make sense to open it up as there are no deadlines? Mr. Reynoso stated that this would give the GOE the ability to process any of the applications within the period we dictate and allow the treasurer and assessor the time to adjust the taxes.

Mrs. MaryAnn Weidner, stated that the county likes time frames and needs to keep these time frames.

Mr. Mark Hauenstein, also agreed that the deadlines are important.

Director Dykema said in 701A.250, we are adding in the ability to get electronic communication and removing the pre-2007 references.

Director Dykema said in 701A.260, we are trying to clarify that there can be multiple structures, buildings on one parcel as long as they are independently certified under different systems. The language in statute talks about building or structure, so we are proposing to remove the reference to parcel and clarify that they can get multiple abatements on one parcel as long as they are separately certified.

Ms. Weidner spoke about the fact that the assessor and treasurer have an issue with this. There is no way to tax at a building level, the taxes are calculated on a parcel level and allowing this can cause a huge problem. She submitted proposed language to assist in processing these abatements easier. The suggestion is to make the buildings that are receiving an abatement apply to be parceled and valued out separately.

Mr. Reynoso provided his comment regarding how his firm calculates the abatement amount and assumed that the assessor and treasurer were doing a similar process. There was a discussion between Mr. Reynoso and Ms. Weidner about how the assessor is currently calculating the buildings, parcels and then transmitting that to the treasurer's office accurately.

Mr. Soulier and Ms. Kulinski asked if there was some sort of fast track in parceling out to help with the timing, taxes and the complication of the whole process.

Mr. Hudgins also asked questions about how the assessor calculates the abatement amount.

Ms. Kulinski asked how long it takes to re-parcel a piece of land? Ms. Weidner discussed that she and Mr. Scott have spoken with the mapping department and they are agreeing to expedite the process on parcels that are currently receiving the abatements and having this issue.

Mr. Reynoso offered to assist the assessor and treasurers offices to make sure that the customer is receiving the accurate abatement.

Director Dykema offered that the GOE work with the county offices to help facilitate a discussion on how a resolution can be achieved as soon as possible in this round of rulemaking.

Mr. Hudgins suggested that we also include Washoe County as this will be happening in that county as well.

Director Dykema said, under subpart two of 701A.260, there are a number of clarifications and we removed any reference to pre-2007 applicants. There is also a clarification in part three of what the GOE office requires annually as compliance documentation. We will also be updating any reference to commissioning firm to match previous comments.

Director Dykema spoke about the cleanup language in 701A.280 and the change in the points on the tables to keep consistent.

Ms. Weidner asked about 701A.290, waiver of requirements, and wanted to make sure that it was noted that if her language was submitted that we not allow the waiver of her proposed language.

Director Dykema concluded Agenda item no.4

5. Consideration of other rating systems:

Director Dykema referred everyone to look at the back of the package and the equivalent rating systems provided by stakeholders. The first system is LEED – Multi-Family Mid-Rise which is already covered under LEED BD+C so the Office of Energy feels that this rating system is already allowed under the program.

Director Dykema then spoke about LEED Interior Design and Construction, the GOE office feels that this is not an equivalent path as it covers the interior of a structure only, and could potentially create issues with how the abatement is calculated.

Mr. Soulier said that he agrees that Interior Design and Construction does not really fall in line with the intent of the program.

Director Dykema then said that the LEED Neighborhood Development path is not consistent with statutes, as it would include homes, which are prohibited.

Mr. Hauenstein, said that he will submit written comment but does feel that the LEED Neighborhood should be considered and accepted.

Director Dykema then spoke about BREEAM USA and that the GOE feels that this could potentially qualify, however, the in-use system has been recognized less than 2 years.

Ms. Wheeler spoke about the BREEAM program in the USA that started in 2008, and in 2009 was introduced around the world and launched formally in 2015. She spoke about the requirements of the program, the requirements they have of their assessors and how they feel this path could be an equivalent standard for green building. BREEAM would like to be included in the NAC change or at least be recognized as an equivalent rating system.

Director Dykema then said with the last system submitted, Parksmart.

Clarification on the process, we are allowed to accept applications that are deemed as equivalent paths even if they are specifically identified in NRS. With Parksmart the GOE would like stakeholders to provide a clear pathway between Parksmart and LEED.

Lynn Barker, City of Reno, discussed the Harrah's projects, and how they went through the entire LEED certification process but could not obtain certification. Ms. Barker stated that the Harrah's projects were denied an abatement because of this, and she feels that to level the playing field between LEED and Green Globes the GOE should allow these projects in the program.

Director Dykema said that this office will provide an abatement to any project that can show they have met all of the standards, except the smoking, and this has been our practice in the past.

Ms. Barker stated that if we do not clarify or communicate that precedence then it is still relaying to those who do not know this, that we are being favorable on green Globes.

Mr. Hauenstein discussed his work on an assembly bill that included smoking as an issue, and wants to make sure that everyone keeps in mind that there was a lot of legislation and discussion about the people who have to work in buildings that allow smoking.

Director Dykema closed agenda item no. 5

6. Public comment and discussion: Director Dykema asked for public comment in either Carson City or Las Vegas.

Mr. Brian Wilson, with healthy buildings stated that he agrees with previous comments to remove the 'commissioning firm' verbiage but maybe state it as something else that makes sense in the industry.

Mr. Soulier replied with his thoughts on this and there was a discussion between himself and Mr. Wilson regarding the ability to provide these reports, commissioning or energy audit.

Ramon, include name of project on first page of application. If the Office of Energy would be able to collect the fee via credit card, that would be helpful.

Ms. Weinstein and Mr. Soulier, discussed the recertification requirements; there is a concern about the amount of reports and types of reports needed. They provided options to accomplish what would

work under those requirements. Ms. Kulinski also provided her input on the reporting requirements and needing to reword the section and require an energy audit rather than a recommissioning/recertification.

Mr. Thomas said that the GOE is looking at other opportunities to streamline this section as well. He said that it is possible that we only require one report every year instead of multiple reports throughout the years.

Mr. Soulier and Mr. Reynoso wanted to make sure it was noted that audits are expensive and that he supports energy star information as it is a less expensive option for the client and makes more sense on the reporting and compliance verification as well as the ease of entering this information.

Mr. Morris provided his concerns with just looking at Energy Star ratings.

Mr. Hauenstein provided his comments on the energy star rating and score as a useful indicator to judge whether or not the building is staying in line with where it was originally certified.

Director Dykema stated that the GOE will review the comments submitted today and we will be submitting the proposed regulation changes to LCB and once those are approved, we will schedule the formal hearing.

7. Adjournment: Director Dykema adjourned the meeting at 10:42 AM.