GSA Green Building Advisory Committee (GBAC) Wednesday, May 10, 2023 Meeting Notes

Attendees

GBAC Members

- Ralph DiNola, New Buildings Institute (NBI), Committee Chair
- Kevin Bates, Sharp Development
- Fernando Arias, Clark Construction
- Roger Chang, Buro Happold
- Donnel Baird, BlocPower
- Brett Bridgeland, Rocky Mountain Institute (RMI)
- Timothy Unruh, National Association of Energy Service Companies (NAESCO)
- Nicolas Baker, Council on Environmental Quality (CEQ)
- Gopinath Boray, U.S. Department of Health and Human Services
- Projjal Dutta, New York State Metropolitan Transportation Authority
- Whitney Gray, International WELL Building Institute
- Brent Kurapatskie, U.S. Department of Transportation
- Joyce Lee, IndigoJLD Green + Health
- John Park, U.S. Department of Veterans Affairs
- Andrew Persily, National Institute of Standards and Technology
- Kishia Powell, WSSC Water
- Keiva Rodriques, Maryland Aviation Administration
- Jane Rohde, JSR Associates
- Costa Samaras, Office of Science & Technology Policy
- Conan Wilson, U.S. Environmental Protection Agency

Active GSA Participants

- Michael Bloom, GSA OFHPGB, GBAC Designated Federal Officer (DFO)
- Ken Sandler, Bryan Steverson, OFHPGB (Alt. DFOs)
- Kevin Kampschroer, Chief Sustainability Officer and Director, OFHPGB
- Meredith Holland, Sabine Dramou, Alex Rogers, OFHPGB (contractors)
- Ken Schelbert, Alexandra Kosmides, GSA Public Buildings Service (PBS), Office of Leasing

Additional Participants

More than 70 observers viewed the meeting online or in person. Observers who provided comments at the meeting included:

- Dan Burgoyne, State of California, Department of General Services
- Brian Kelly, United Association
- Diana Lee, IMT
- Breana Wheeler, BREEAM
- Vicki Worden, GBI

Welcomes and Introductions

Kevin Kampschroer, GSA Chief Sustainability Officer and Director, OFHPGB

- Kevin extended his thanks to Ken Sandler, the lead of the GBAC committee since its foundation, Michael Bloom who is now leading the Committee and Bryan Steverson who supports the GBAC on key tasks.
- He underlined the importance GSA attaches to the advice of the committee. For example, he is attending the dedication of the <u>Oklahoma</u> <u>City Grid Integrated Efficient Building project</u>; an example of a project that grew out of GBAC findings and recommendations.
- He expressed his excitement about the Green Leasing task group that will be starting soon.

Michael Bloom, GSA, OFHPGB, Designated Federal Officer

- GBAC was established 2007 under the Energy Independence and Security Act to advance federal building innovations in planning, design, and operations to reduce costs, enable agency missions, enhance human health and performance, and minimize environmental impacts.
- Membership is limited to specific individuals appointed by GSA leadership.
- All GBAC meetings are public and announced in the Federal Register, and all members of the public are welcome to attend as observers, with public comment opportunities provided. Committee materials including presentations and notes from this meeting can be found at <u>gsa.gov/gbac</u>.

Ralph DiNola, NBI, Committee Chair

- Officially appointed as Chair last week. Fernando Arias is acting as Co-Chair.
- Majority of today's meeting will cover two topics: federal green leasing guidelines and building decarbonization.
- Happy to have the GBAC meeting co-located with Getting to Zero Forum in Minneapolis.

Members Introduction:

All of the members of the Committee briefly introduced themselves and discussed their interest in federal green building, starting with 6 new members who have joined since the previous meeting:

- Brett Bridgeland, an engineer with RMI who has worked on net zero energy projects and policies with a variety of jurisdictions;
- Roger Chang, Buro Happold, brings over two decades of green building engineering experience, including for GSA's first net zero energy renovation.
- Joyce Lee, an architect and Principal/Founder of Indigo/JLD Green + Health, formerly Chief Architect for New York City's Office of Management and Budget and currently on Philadelphia's Environmental Justice Advisory Commission.
- Keiva Rodriques, Deputy Chief Engineer at BWI Marshall Airport and other airports under Maryland Aviation administration.
- Brent Kurapatskie, who coordinates sustainability programs for the U.S. Department of Transportation.
- (Gerald Johnson, Director, Facilities Investment (Construction) for the U.S. Department of Defense, the other newly added member, was not able to attend).

GSA Updates

Michael Bloom, Bryan Steverson, Ken Sandler, GSA OFHPGB

- Michael Bloom discussed the impact of GBAC recommendations on GSA programs with several key examples. All previous GBAC Advice Letters can be found <u>on the GBAC website.</u>
 - Low Embodied Carbon Materials: The Federal Buy Clean initiative, including the White House, GSA and other agencies has drawn heavily upon the 2021 GBAC Advice Letter, <u>Policy Recommendations for</u> <u>Procurement of Low Embodied Energy and Carbon Materials by Federal</u> <u>Agencies</u>. This initiative leverages Federal procurement and funding to catalyze markets for low carbon construction materials.
 - GSA issued its first <u>low carbon concrete and asphalt standards</u> in March 2022, directly inspired by GBAC.
 - The standards instituted a material approach requiring environmental product declarations (EPDs) for select key materials, while also applying a whole-building embodied carbon reduction measure to all new construction and major modernization design starts.
 - In December 2022, GSA awarded contracts for low embodied carbon concrete at the Otay Mesa Land Port of Entry, the first project to apply the new standards.
 - The Inflation Reduction Act (IRA) provided GSA \$2.15 Million to acquire and install materials to use in construction or alteration of buildings that have substantially lower levels of embodied GHG emissions.
 - GSA initiated a <u>pilot program</u> expanding its low-embodied carbon material requirements to additional materials in May 2023, particularly aimed at IRA and Infrastructure Act funded projects.
 - Environmental Justice and Equity (EJ&E): The work of <u>GBAC's EJ&E</u> <u>Task Group</u> has informed several GSA activities:
 - The GBAC added several new members with EJ&E experience to the Committee.
 - PBS and OGP clarified a process for Sustainable Siting that includes EJ&E principles, and GSA incorporated EJ&E screens into its internal map systems to support project team analysis.
 - GSA conducted data-based environmental justice analysis on all 26 land port of entry and other new construction projects.
 - GSA and OMB announced a <u>Government-wide Procurement Equity</u> <u>Tool</u> (government account required) and <u>Supplier Base Dashboard</u>.
 - **Buildings and Health:** GBAC's 2017 work on healthy buildings has reinforced GSA's work in this topic area.
 - This summer, GSA and the National Academy of Science and Engineering and Medicine hold a series of meetings related to health and buildings, raising awareness of GSA' Buildings and Health

research programs and seeking federal and private sponsors for a new Health in Buildings Round Table (HiBR).

- The GBAC also has added additional members with health expertise to the Committee.
- Ken Sandler noted that the work of the Federal Building Decarbonization Task Group has been vital in informing our participation in multiple efforts with PBS, DOE and others to educate the government and strategize how to meet the decarbonization requirements of EO 14057 and the Federal Building Performance Standard.
- Bryan Steverson alerted GBAC federal agency representatives of paperwork he will be requesting from them to comply with annual ethics requirements of the Federal Advisory Committee Act (FACA).

Federal Building Decarbonization Task Group Update

Roger Chang, Buro Happold and Donnel Baird, BlocPower, Task Group Co-Chairs

Themes of Interest:

- Applying total cost of ownership
- Demand reduction: electrical service and grid considerations
- Equipment replacement and phased retrofits
- Integrated benefits: social cost of carbon, comfort, health, equity
- Prioritizing opportunities: evaluate future grid emissions and utility costs
- Technology barriers: e.g., high temperature thermal energy systems, high global warming potential (GWP) refrigerants
- Emerging technologies
- Streamlined/virtual building electrification/decarbonization audits

Suggested Priority Themes:

- Role of social cost of carbon for life cycle cost analysis
- Equipment replacement near-term
- Phased retrofits

Next Steps:

• Invite more speakers, e.g., on use of GSA bulk purchasing agreements (BPAs) and the evolution of P-100 Facility Standards for GSA's Public Buildings Service

Discussion:

- Focus on the integrated benefits of decarbonization, ensuring that it promotes health, equity, resilience.
- What are the best ways to phase in energy and electrification retrofits?
 - Incorporate in capital planning processes, gear to equipment durability cycles, coordinate with other decarbonization priorities, e.g., EVSE, while also factoring in resilience; optimize the envelope first.
- Train facilities staff to manage the transition and learn to operate emerging technologies.

• Role of emerging technologies – Green Proving Ground focuses on technologies already available in the market, ready for testing in federal buildings for potential rollout across the portfolio.

Federal Green Leasing: The Challenge and Proposed Plans

Ken Schelbert and Alexandra Kosmides, GSA Public Buildings Service, Office of Leasing, began the discussion by outlining the sustainable leasing requirements of Executive Order 14057 and the legal, regulatory and business environment of GSA leasing.

GSA leases with the private sector are governed by more than 40 statutes and multiple regulations, executive orders, policies and procedures. The GSA leasing process is very different from private sector processes, in that the federal government as lessee rather than the lessor provides the contractual instrument, and in that the process is governed by federal laws, building codes, rules and appropriations. GSA does not own or control buildings in which it leases space, and the agency leases space (portions of buildings), not buildings per se.

EO 14057's green leasing requirements include:

- All new lease solicitations issued after September 30, 2023 for at least 25,000 rentable square feet (RSF), where the federal government occupies at least 75% of a building are to be green leases.
- Such green leases must require the lessor to report annual data on facility greenhouse gas (GHG) emissions, energy and water consumption, and waste generation.
- New lease solicitations issued after September 30, 2023 that are greater than 25,000 RSF and where the federal government leases at least 75% of the total building square footage must be in net zero emissions (NZE) buildings (consistent with the green lease requirement).

By the end of FY 2024, GSA and CEQ are mandated to develop Net Zero Emissions (NZE) Lease Standards and Guidelines. The biggest challenge for the federal government will be to identify NZE properties for leased locations by October 2030. An initial rough estimate is that the NZE requirements would apply to around 9% of GSA leases, covering about 45% of RSF. Several other federal agencies are also delegated leasing authority and would additionally need to meet these goals.

There is currently little to no inventory to fulfill this need, especially for a reasonable price. In other words, there's a fundamental mismatch of supply and demand – representing significant opportunities for improvement. Breaking down the demand problem:

- GSA's space requirements include:
 - Space needs in many small, remote markets.
 - Short lease terms (10-12 years).

- \circ Limits on rent costs.
- The primary procurement method traditionally has been "lowest price technically acceptable," which can make some green leasing requirements harder to obtain.
- GSA's standard lease includes 65 sustainability requirements; however, the lessors have minimal incentives to acquire clean power, deep energy retrofits, or increase electricity generation onsite.

As a result, GSA is brainstorming and analyzing ways to work with the real estate industry to catalyze NZE supply in the commercial real estate market. Several initially brainstormed approaches include:

- Pursuing third party green building/net zero ratings;
- Targeting states or cities with strong decarbonization programs;
- Structuring deals so that GSA can provide carbon-pollution free electricity (CFE) to leased buildings.

GSA is working with the GBAC on this effort because the government is very interested in the ideas and input that the Committee and commenters can provide to help overcome these challenges.

Kevin Bates, Sharp Development, and Fernando Arias, Clark Construction, have agreed to be the Green Leasing Task Group Co-Chairs. They led discussion about this new group, beginning with its proposed mission statement:

• The Green Leasing Task Group will explore and recommend approaches to help GSA meet federal requirements for net zero greenhouse gas emissions in its leasing of space in privately-owned commercial buildings for federal use

The Task Group Co-Chairs offered the following questions to frame the discussion:

- 1. If we can demonstrate the economic benefits of Net Zero Emissions (NZE), will that move the markets to offer NZE buildings? If so, what would be the best way to do so?
- 2. Are there ways in which we can restructure the relationship between the GSA and the Lessor that would encourage and enable making net zero emissions improvements?
- 3. To what extent should the GBAC investigate:
 - A. any programs that offer potential sources of capital for NZE upgrades?
 - B. What sources of capital are needed to help meet federal leasing compliance?
- 4. What exceptions or alternatives are reasonable for GSA to allow in cases where a building owner doesn't want to make the upgrades themselves?
- 5. In what ways could the GSA accommodate reasonable delays to enable the building owner to conform to federal NZE leasing guidelines, for example, after occupancy?

Green Leasing - Committee Discussion

Comments from Committee members about this initiative included the following:

- It would be helpful for GSA to map out geographically where new leases may be likely and overlay other factors, including state and local codes, incentives and opportunities, as well as equity considerations.
- GSA will need to learn how to market the opportunities it presents as a very attractive tenant to the real estate market, potentially including webinars and roadshows.
- Need to highlight the significant need for training of federal leasing specialists in order to successfully meet the new mandates.
- GSA may need to streamline and "demystify" its leasing rules and procedures in order to attract more real estate companies to consider doing business with the government.
- GSA should partner with utilities to identify opportunities as well as barriers to overcome.
- Note the greater challenges to NZE performance represented by particular federal building types, e.g., laboratories.
- One question to consider: If federal green leasing requirements change over the lifetime of a lease, will lessors be expected to bring their buildings back into compliance, and if so, under what sort of timeline?
- Green leasing recommendations should consider post-pandemic workplace trends, specifically that many employees are reluctant to return to the office.
 - One way to encourage employees to return is by making workspaces into healthier environments. This reinforces the need for decarbonization requirements to be paired with healthy building provisions.
 - Note that current <u>GSA Green Leasing requirements</u> do include some healthy building clauses, mostly on indoor air quality.
- Tap the corporate ESG (Environmental, Social & Governance) movement for the incentives that ESG goals and standards create for real estate companies to improve the environmental performance of their buildings.
- Identify the economic benefits of NZE buildings and the best ways to communicate and demonstrate these benefits.
- Consider ways GSA could accommodate reasonable delays to allow building owners the time needed to conform to federal NZE leasing guidelines.
- It will be helpful to identify sources of capital for building owners to upgrade to NZE levels. Also highlight and leverage incentives for building owners such as the newly expanded <u>179D energy efficiency tax deduction</u> (awaiting new IRS guidance).
- Worth considering if there are ways for GSA to upgrade leased buildings where lessor may be unable to do so.

Green Leasing - Additional Public Comments

- The more that GSA and other tenants can show that there's demand and money to be made, the more the commercial real estate industry will be on board.
- Important for GSA to consider all the green building certification systems currently offering net zero ratings or planning to do so. Also work with the DOE Better Buildings <u>Green Lease Leaders</u> program.
- GSA will need to clarify its definition of NZE buildings, e.g., does it include offsite energy production or renewable energy credit (REC) purchases? It was suggested that the government evaluate and consider existing definitions rather than starting from scratch.

Closing Comments

Ralph DiNola praised the group for a phenomenal discussion. Kevin Kampschroer thanked everyone for participating and stated that he looked forward to the group's creative problem solving regarding the issues under consideration.