



Building Energy Performance Standards

Implementing the Clean Buildings for Washington Act

The 2019 session of the Washington State Legislature enacted House Bill 1257, the Clean Buildings for Washington Act. A primary provision of the bill directs the Washington State Department of Commerce to establish energy efficiency standards for existing commercial buildings over 50,000 square feet. Compliance requirements will be phased in, starting with the largest buildings in 2026 and extended to all commercial buildings over 50,000 square feet by 2028.

The law was adopted because building greenhouse gas emissions from buildings have increased by more than 50% since 1990, making the sector the state's fastest growing source of emissions. And, although these buildings represent only 6% of the number of commercial buildings, buildings over 50,000 square feet produce more than 20% of this sector's emissions. By reducing natural gas and electricity consumption and their associated greenhouse gas emissions, building efficiency improvements contribute to utility system stability, reduce the need for expensive new power plants and gas production, reduce utility bills, generate business opportunities in Washington's rapidly growing energy efficiency service sector, and create good jobs up and down the skills ladder.

Key Provisions

Buildings over 220,000 square feet will be required to comply by June 1, 2026, those greater than 90,000 square feet by June 1, 2027, and those greater than 50,000 square feet by June 1, 2028. Below are the bill's main provisions.

Performance Standards & EUI Targets

The Department of Commerce will establish performance standards that include energy use intensity (EUI) targets for different building types. The targets must:

- Be no greater than the average EUI (as measured in kBtu per square foot) for the covered building type.
- Consider regional and local energy use data, including benchmarking information.
- Be developed for two or more climate zones and be representative of energy use in a normal weather year.

Targets may be lower for recently constructed buildings based on the state energy code at the time of construction. Multifamily buildings will not be required to meet the standard, but will receive guidance on EUI targets and can be eligible for incentives.

The performance standards will also include a conditional compliance pathway for buildings that have conducted an audit and have made investments toward meeting the EUI target, but have not yet hit the target. Exemptions are available for designated historic buildings if compliance would compromise the building's historical integrity. Other exemptions apply to agricultural and manufacturing buildings, non- or low-occupied buildings, and buildings experiencing financial hardship.

Incentives & Technical Assistance

The law designates \$75 million in incentives, to be administered by utilities, to assist buildings that will likely require more capital investment to achieve compliance. To qualify for an incentive, the building's baseline energy use must exceed its target by at least fifteen EUI units. The incentive is set at a rate of \$0.85 per gross square foot. The Department of Commerce will also provide technical support services, including training and a support phone number.

Reporting & Penalties

Building owners must report on compliance with the standard by the relevant deadline and then every five years. Compliance can mean meeting the EUI target or fulfilling the conditional compliance pathway. A building not in compliance can draw a penalty of up to \$5,000 plus \$1 per gross square foot of floor area per year.

Rulemaking Process and Timeline

The Department of Commerce will solicit stakeholder input and technical advice in the fall of 2019 and issue draft rules in spring 2020. The rules will be complete by November 2020 and incentives will become available by June 2021.

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