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Overview of the 2026 Energy Benchmarking Director's Rule Update (OSE-DR-2026-01)

Background for the Director's Rule Update

In 2010, Seattle passed its Energy Benchmarking law (Chapter 22.920 SMC), requiring large nonresidential and multifamily buildings (initially greater than 10,000 square feet, but subsequently changed to greater than 20,000 square feet) to report energy performance data to the City on an annual basis. In 2011, the Department of Planning and Development passed a Director's Rule to establish the administrative rules of the Energy Benchmarking program. The Office of Sustainability and Environment (OSE) passed an update to the Director's Rule in 2017. Over the course of the past 16 years, the City Council amended the Energy Benchmarking Ordinance three times (2012, 2016, and 2023).

OSE has administered the Energy Benchmarking program for nearly 10 years since the previous Director's Rule update in 2017. During that time, OSE has overseen and witnessed many changes:

- The Energy Benchmarking program, through the work of OSE staff and non-profit partners at Building Potential (formerly NEEC), has worked closely with building owners to achieve annual compliance rates as high as 96%.
- The number of buildings covered under the law has grown by approximately 600 additional buildings to a total of about 3,800 in 2026.
- OSE launched the public disclosure of building-specific energy and emissions performance data via Seattle Open Data and the Seattle Energy Benchmarking Map, improving data quality and making data more accessible to the public through ongoing Energy Benchmarking Map enhancements. The public can now easily access building energy performance metrics spanning data years 2015-2025.
- ENERGY STAR® Portfolio Manager®, the free web-based energy benchmarking platform jointly developed by the U.S. Department of Energy and the U.S. Environmental Protection Agency, which Seattle uses for its benchmarking program, has evolved with numerous additional functionalities that help building owners track and report energy and emissions data.
- In 2019, the Washington state legislature passed the Clean Buildings Performance Standard, initially affecting commercial buildings greater than 50,000 square feet,

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which must complete energy benchmarking, meet energy use intensity (EUI) targets beginning in 2026, and satisfy Operations & Maintenance (O&M) requirements. The law was later expanded to cover multifamily buildings greater than 20,000 square feet and commercial buildings 20,001-50,000 square feet, which must complete energy benchmarking and other requirements.

- The Seattle City Council passed the Building Emissions Performance Standard (BEPS) law in 2023, which requires all multifamily and nonresidential buildings greater than 20,000 square feet to periodically meet greenhouse gas intensity (GHGI) targets and achieve net zero greenhouse gas emissions by 2050 at the latest.
- In 2026, OSE launched the new web-based Building & Energy Portal as the central hub for Energy Benchmarking and Building Emissions Performance Standard (BEPS) compliance activities.

The Purpose of the Director's Rule Update

OSE is updating the Energy Benchmarking Director's Rule due to the numerous internal and external developments affecting the Energy Benchmarking program since 2017. The primary objectives of this update are to:

1. Align the administrative principles of the Energy Benchmarking program with the Building Emissions Performance Standard (BEPS) law, and where feasible, the Washington Clean Buildings Performance Standard (CBPS) law
2. Update the principles outlined in the Energy Benchmarking Director's Rule to better reflect the program administration and implementation best practices internalized by OSE staff in recent years
    a. Provide additional benchmarking guidance where clarification is helpful
    b. Remove elements of the Director's Rule that have become outdated or are no longer relevant to the program as presently administered
3. Improve readability of the Director's Rule

1. Alignment with BEPS

The Building Emissions Performance Standard (BEPS) law builds on the foundation of Seattle's successful Energy Benchmarking program. Building owners who have been tracking their buildings' energy performance for several years must now verify their

benchmarking results (2027-2030) and take actions to meet performance-based GHG Intensity targets (2031-2050).

In late 2025, about 2 years after the Seattle City Council passed the BEPS law, OSE finalized the BEPS Director's Rule. Like the Benchmarking Director's Rule, the BEPS Director's Rule establishes the core administrative guidelines for the BEPS program. The updated Energy Benchmarking Director's rule aligns terminology, concepts, and program elements with the 2025 BEPS Director's Rule for the purpose of programmatic compatibility. Additionally, the updated guidance establishes compatibility with the Washington Clean Buildings Performance Standard where possible.

Specific changes made include, but are not limited to:

- Incorporated definitions and terminology that match, or are consistent with, those in the BEPS Director's Rule.
- Underlined defined terms throughout the document, as is the practice in the BEPS Director's Rule.
- Revised the nonresidential Buildings, Multifamily Buildings, Buildings Not Subject to Requirements sections for consistency with their counterpart sections in the BEPS Director's Rule.
- Introduced new concepts related to the BEPS law, such as benchmarking verification, greenhouse gas intensity, and connected buildings.
- Integrated energy benchmarking guidance from the BEPS Director's Rule on topics like documenting property use details, measuring gross floor area, and configuring campuses/connected buildings.

2. *Benchmarking Guidance Update*

Since 2017, the Energy Benchmarking program has grown and evolved. As program requirements and technology solutions have changed over time, OSE has developed and provided in depth customer-facing guidance materials through its website (seattle.gov/energybenchmarking). However, the Energy Benchmarking Director's Rule has remained unchanged during that time. Several elements of the 2017 Director's Rule are no longer relevant to the annual benchmarking process. Conversely, there are several relatively new issues which the updated rule addresses.

Both ENERGY STAR Portfolio Manager and OSE's Energy Benchmarking data ecosystem have changed in significant ways that require updates to the Director's Rule. Most notably,

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OSE recently launched the Seattle Building & Energy Portal as the central hub for Energy Benchmarking and BEPS compliance moving forward. The broad elements of the new reporting process have been integrated into the new Directors Rule.

Specific changes made include, but are not limited to:

- Updated guidance on sub-building spaces (e.g., commercial condos) reporting as standalone properties for Energy Benchmarking.
- Updated the threshold reporting criteria for campuses, bringing it in line with current OSE administrative practices.
- Expanded prescriptive guidance on campus benchmarking approaches in ENERGY STAR Portfolio Manager.
- Clarified guidance on reporting requirements for commercial and residential condominium buildings.
- Removed inessential guidance on ENERGY STAR scores present in the 2017 Director's Rule. ENERGY STAR score is a metric of diminished importance to OSE in the BEPS era, where covered buildings are eventually required to meet greenhouse gas intensity targets.
- Clarified guidance on how to correctly exclude electricity consumption data related to electric vehicle (EV) charging stations from benchmarking.
- Added new guidance on benchmarking on-site renewable electricity generation (e.g., solar photovoltaic systems).
- Added new guidance on the Seattle Building & Energy Portal, a newly launched web tool for Energy Benchmarking and BEPS compliance.
- Updated monetary penalties in the Director's Rule for failure to comply, as described in the 2023 ordinance update to SMC 22.920.120.

3. Improve Readability

The text throughout the Director's Rule has been revised to improve clarity and ease of reading. Any grammatical or typographical errors found were corrected. Plain language has been employed to the extent feasible for a technical document.

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Director's Rule Authority

The proposed Director's Rule is an update to OSE Director's Rule 2017-01 relating to Chapter 22.920 SMC. Authority for promulgation of such rule(s) is found in Section 3.14.970 of the Seattle Municipal Code (SMC). Rules are processed according to the Administrative Procedures contained in Section 3.02.030 of the Seattle Municipal Code.