

Popular FAQs – APRIL 2024

Here are answers to a dozen of our most asked questions. For a short overview of the new BEPS requirements, review the [Seattle BEPS: Guide to the New Policy](#) and the guide to the [GHGI Targets & Emissions Factors](#).

1. What BEPS deadlines do I need to prepare for?

By 2027, owners of buildings greater than 90,000 square feet must **verify** the building’s previous year’s energy and emissions data to ensure accuracy. They also must **report** current emissions performance and building equipment, and estimate a 2031 emissions (GHGI) target. By 2031, buildings greater than 220,000 square feet must meet initial GHGI targets. Smaller buildings have a longer runway to meet targets (see table below). **That said, it is not too soon to get prepared – it can take three or more years to meet the GHGI targets.** Resources like the [Seattle Clean Buildings Accelerator](#) provide free technical support for building owners and managers to get on the path to compliance.

Initial BEPS Deadlines (First Two Compliance Intervals)		
By October 1 st of Year Listed	Verify & Report ¹	Meet Target
>220,001 SF	2027	2031
90,001 to 220,000 SF	2027	2032
50,001 to 90,000 SF ²	2028	2033
30,001 to 50,000 SF	2029	2034
20,001 to 30,000 SF	2030	2035
1 - Verification & reporting also required 2031-35 and on-going for subsequent intervals. 2 - Campus, portfolios and connected buildings due.		

Please note that there is a new annual deadline for [Energy Benchmarking](#) reports beginning this year. Benchmarking data for all buildings must be submitted by **June 1st, 2024** for the 2023 reporting year.

2. How is greenhouse gas intensity (GHGI) defined and calculated?

GHGI is a measurement of a covered building’s greenhouse gas emissions from its energy use relative to its size. GHGI, which is typically expressed as kgCO₂e/SF/yr, is calculated by looking at all the different fuels used in a building (e.g., electric, gas, steam, etc.), and then looking at total usage. Each type of fuel source has an emissions factor, which is multiplied by the fuel use to obtain the building’s total greenhouse gas emissions. To get the GHGI, the greenhouse gas (GHG) amount is divided by the building’s total gross floor area. To learn more about GHGI and Seattle BEPS emissions factors, [check out this fact sheet](#). [This webinar](#) also includes a short demo of how to calculate GHGI and GHGI targets. Jump to 51:45 to watch it.

3. How will third-party data verification work? Will Seattle continue to use ENERGY STAR Portfolio Manager for benchmarking?

Third-party data verification is a required component of complying with BEPS to accurately establish the covered building's GHGI baseline. Every five years, covered buildings must verify emissions and energy performance and correct any errors, if needed. This is critical to evaluate if a building is on track to meet required emissions performance targets. Seattle will continue to use ENERGY STAR Portfolio Manager for energy benchmarking and will develop a benchmarking data verification report.

A **qualified person** – meaning a person having training, expertise, at least three years professional experience in building energy use analysis, and any of the following certifications or licenses – will be required to fulfill these reporting requirements.

- Licensed professional architect or engineer in the State of Washington
- Building Energy Assessment Professional (BEAP) certified by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)
- Certified Energy Auditor (CEA) certified by the Association of Energy Engineers (AEE)
- Building Operator Certification (BOC) Level II by the Northwest Energy Efficiency Council
- Certified Commissioning Professional (CCP) who is certified by an ANSI/ISO/IEC 17024:2012 accredited organization
- Certified Energy Manager (CEM) in current standing certified by the Association of Energy Engineers (AEE)
- Energy Management Professional (EMP) certified by the Energy Management Association.

4. Will newly constructed buildings or buildings under construction need to comply with BEPS?

A newly constructed building may receive an extension from all BEPS requirements for one compliance interval. Building owners must provide evidence of new construction in the form of a Certificate of Occupancy dated no more than three years before the building's compliance date and a construction permit issued by the Seattle Department of Construction and Inspections (SDCI). BEPS rulemaking will address the details and processes for extensions, and OSE will develop a short form to apply, likely similar to what is already required for Building Tune-Ups.

5. My building uses only electric energy. Do I still need to comply with BEPS?

All buildings greater than 20,000 SF (regardless of fuel use) are still required to annually benchmark and report energy data per the existing energy benchmarking requirements. Under BEPS, benchmarking verification will be required every 5 years, starting in 2027. If benchmarking verification confirms that a building uses only electric energy, that building will be exempt from meeting the greenhouse gas intensity targets. BEPS rulemaking will address the details and processes for exemptions and benchmarking verification.

6. Do single family homes need to comply with BEPS?

No, BEPS only applies to multifamily and commercial buildings greater than 20,000 square feet. Single family homes are not subject to the ordinance. The City of Seattle encourages decarbonizing single family buildings by transitioning from fossil fuels for space, water heating and other appliances to more efficient, electric equipment. The City's [Clean Heat Program](#) offers [instant rebates](#) and [no-cost conversions for income-qualified households](#) heating with oil. More resources about home electrification including rebates and tax incentives can be found at [The Switch Is On](#), a non-profit organization that the City is partnering with.

7. I own a residential condominium unit. What responsibilities do I have to comply with BEPS?

BEPS allows residential condo buildings to deduct emissions from fossil fuel equipment (e.g., in-unit gas water heaters or gas stoves) located within units that are individually owned by the condo residents. The City developed this provision based on conversations with condo owners about the potential cost of compliance for individual building owners. Centralized heating/cooling/water systems are covered by the requirements. If third-party data verification confirms that a residential condo is all-electric except for in-unit fossil fuel equipment, the building will be exempt from meeting GHGI targets and from submitting a GHGI emissions report.

8. Can buildings deduct their emissions generated from a private district thermal energy provider (e.g., CenTrio)? What do building owners need to do to be eligible for that deduction?

Yes, building owners may deduct the emissions generated from a private district thermal energy provider (steam, hot water and/or chilled water) from compliance GHGI for the 2031-2035 compliance period only. After 2035, these emissions can no longer be deducted from compliance GHGI.

To be eligible for this deduction, building owners must have an active contract with a private district thermal energy provider that was established prior to June 1, 2024 and that continues through the first compliance date (2031-2035). By June 1, 2024, building owners who have *never been* on private district energy may establish a new contract. Building owners with existing contracts that expire prior to June 1, 2024 will need to renew to ensure an active contract is in place by this date.

Further, a building with an existing contract with a private district thermal energy provider that was established prior to June 1, 2024 and that is then sold after June 1, 2024 may still qualify to use the 2031-35 deduction in as long as the new building owner continues receiving district thermal energy and has established a contract with the same thermal energy provider. The City recognizes that buildings may have changes of ownership prior to the 2031-35 compliance period. BEPS rulemaking will address the details and processes for using emissions deductions.

9. Why does Seattle's BEPS allow Renewable Natural Gas (RNG)?

The BEPS policy does not require the use of specific fuels, which gives building owners flexibility to reduce their building's emissions fully or partially while using their existing gas equipment. To reduce emissions from gas use, a building owner may purchase RNG through [Puget Sound Energy's voluntary program](#) to replace a portion of their conventional fossil gas. Importantly, BEPS only allows RNG that has been purchased by the gas utility, utilized directly in the gas pipeline, and is third-party verified to ensure the environmental attributes are quantified. Renewable Thermal Certificates, Carbon Offsets, and Renewable Energy Certificates are not allowed. OSE will work with PSE on potential ways to report the use of RNG as part of BEPS compliance, and a process will be proposed during rulemaking.

10. Does City Light have any studies about their ability to provide enough electric power in the future?

To gain important insights into the potential impacts of electrification on the utility and its customers, City Light worked with the industry-leading [Electric Power Research Institute \(EPRI\)](#) to conduct an [Electrification Assessment](#) that takes a wide-ranging look at simulated scenarios of electrification. The Electrification Assessment provides analysis that help City Light better understand the energy needed for the electrification of buildings, transportation, and commercial and industrial applications within City Light's service territory. It also provides insight into the available capacity on our existing distribution grid.

The results have been used to inform City Light's long-term planning and forecasting efforts, such as the [Integrated Resource Plan](#) and the load forecast. The assessment also informs the utility's [Building Electrification Strategy](#) and policy and program decisions as City Light considers how it can best facilitate

equitable electrification. City Light has been implementing a [grid modernization](#) roadmap (which includes rolling out a demand response pilot), securing external funding for electrification-enabling solutions, and continuing to invest in [energy efficiency](#) as ways to manage this transition affordably and equitably.

11. Will the City continue to require Building Tune-Ups after buildings have to comply with BEPS?

The [Seattle Building Tune-Ups](#) ordinance expires on 12/31/2028. Before the law sunsets, building owners must complete a second cycle tune-up. There will be no third tune-up cycle. The second cycle tune-up deadlines are:

- Cohort 1 (200k+ SF) due 10/1/23
- Cohort 2 (100-199k SF) due 10/1/24
- Cohort 3 (70-99 SF) due 10/1/25
- Cohort 4 (50-69k SF) due 10/1/26

As the City's tune-up ordinance ends, the [Washington State Clean Buildings Performance Standard \(CBPS\)](#) Operations & Maintenance (O&M) Program requirements begin. Timing the close of the Tune-Up ordinance with the start of the CBPS eliminates overlap between the City's and State's O&M mandates and lowers costs while maintaining buildings' performance.

12. Is it true that building owners can comply with BEPS by making a payment?

For the first compliance cycle (2031-2035) only, building owners may make an Alternative Compliance Payment (ACP). The ACP is based on the total metric tons of carbon dioxide equivalent (MTCO_{2e}) of the compliance GHGI that exceeds the GHGI target multiplied by the social cost of carbon (currently set in the ordinance at \$190 per MT) for the five years of the compliance interval.

The ACP is not a chance to opt-out of emissions reductions, but instead a short-term deferral option for owners that need flexibility while they plan for decarbonization. Buildings that fail to meet GHGI targets or comply with an approved alternative compliance pathway in 2036-2040 and beyond will be assessed a penalty. Alternative compliance payments must be submitted by the building's compliance deadline and calculated based on the buildings compliance GHGI. The payment is submitted once but calculated to cover the sum of emissions over the five-year compliance period.

Revenue from alternative compliance payments will be spent on programs and activities to reduce greenhouse gas emissions from buildings, including technical and financial assistance to building owners and tenants with a priority on buildings serving people with low or no incomes and communities historically most harmed by economic, racial, and environmental injustice. More details about how to use the process to use the ACP will be determined during BEPS rulemaking.

Got a question of your own?

Email us at cleanbuildings@seattle.gov or check the [website](#) for additional resources.