



# Director's Rule 01-2025

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# Office of Sustainability and Environment Director's Rule

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## Building Emissions Performance Standard Requirement

### Section 1. Purpose

The purpose of this Rule is to clarify the requirements of Seattle Municipal Code (SMC) 22.925 — Building Emissions Performance Standard and the processes through which building owners and other affected parties shall comply with the requirements and report the results to the City of Seattle. This Rule provides additional details that are not otherwise covered in the code, plus explanations to make the code easier to understand.

### Section 2. Background

Pursuant to SMC 22.925 — Building Emissions Performance Standard, all buildings in the City of Seattle that meet specified size thresholds and use types must achieve incremental greenhouse gas emissions reductions and reach net-zero emissions no later than 2050.

Seattle's Building Emissions Performance Standard (BEPS) is designed for action in existing nonresidential and multifamily buildings greater than 20,000 square feet (SF), which have the greatest emissions impact per building. In Seattle, buildings are responsible for 40% of our city's greenhouse gas emissions.<sup>1</sup> These emissions pollute our air, accelerate climate change, harm people's health and the environment, and disproportionately impact communities of color and people with lower incomes. BEPS is projected to reduce emissions from buildings sector-wide by 27% by 2050, making it one of the most impactful climate actions Seattle is taking.

SMC 22.925 includes the following building owner requirements:

- **Starting in 2027, verify the previous year's energy and emissions benchmarking data** (reported to City per SMC 22.930) via Benchmarking Verification to ensure it is accurate and up to date.
- **Starting in 2027, document current greenhouse gas intensity (GHGI)**, estimated GHGI targets (GHGIT), building equipment, and actions needed to achieve targets via a GHG Report.
- **Starting in 2031, demonstrate that the building's previous year's emissions meet GHGIT or achieve alternative compliance.** (Unless approved for an **extension or exemption**).
- **Repeat this compliance process** for each five-year compliance interval.
- **By 2050 or earlier**, depending on building size and type, **achieve net-zero emissions**.

### Section 3. Definitions

Section 22.925.020 of the BEPS legislation defines most of the terms in this section. Those definitions are established by law and continue to apply. This section is intended to clarify those definitions, consistent with the code definition, in a way that references applicable sections of this Director's Rule rather than code sections for ease of use of this rule. Definitions not included in SMC 22.925.020 that are added as part of to this rule are noted with an asterisk (\*).

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<sup>1</sup> Per the 2022 Community Greenhouse Gas Inventory: <https://www.seattle.gov/environment/climate-change/climate-planning-and-data/greenhouse-gas-emissions-inventory>

1. **Alternate GHGIT** - the GHGIT in kgCO<sub>2</sub>e/SF/yr established from the baseline GHGI of an individual covered building, district campus, connected buildings, or public/nonprofit building portfolio, and calculated according to **Section 12** of this Rule.
2. **Alternative compliance payment (ACP)** - a payment that a building owner pays to the City to comply with SMC 22.925 in lieu of meeting GHGITs.
3. **Baseline GHGI** - the GHGI in kgCO<sub>2</sub>e/SF/yr for a particular 12-month period for a covered building, building portfolio, district campus, or connected buildings used to calculate compliance with certain alternative compliance options.
4. **Building activity type (BAT)** - means a building or building space type use listed in Table 5 of this Rule such as office, retail, hotel, or multifamily.
5. **Building owner** - an individual or entity possessing a fee interest in a covered building. Where a condominium is subject to SMC 22.925, “building owner” means the owners' association, except that, where the powers of an owners' association are exercised by or delegated to a master association, “building owner” means the master association.
6. **Building portfolio** - two or more covered buildings on one or more lots, all owned by the same public, private, or nonprofit entity. For the purposes of reporting, building portfolios may include district campuses and/or connected buildings. For the purposes of this definition, a building management company does not constitute an owner.
7. **Campus\*** - A general term for two or more co-located buildings that typically function together for a similar purpose, such as a college or hospital. A campus is owned and operated by the same entity, or by multiple entities under a shared agreement. Campus compliance with SMC 22.925 can be as individual buildings, connected buildings or a building portfolio. Campuses with district energy may use a District Energy Decarbonization Compliance Plan.
8. **Carbon dioxide equivalent (CO<sub>2</sub>e)** - the metric used to compute the combined emissions from carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O) on the basis of their global warming potential.
9. **Carbon offset** - a reduction or removal of emissions of carbon dioxide or other greenhouse gases made in order to compensate for emissions made elsewhere. Offsets are measured in tons of carbon dioxide equivalent (CO<sub>2</sub>e).
10. **Certificate of occupancy** - the certificate issued by the building official after final inspection, allowing the building to be occupied.
11. **City** - The City of Seattle.
12. **Compliance GHGI** - the GHGI in kgCO<sub>2</sub>e/SF/yr for a particular 12-month period for a covered building, building portfolio, district campus, or connected buildings used to show compliance with the GHGIT.
13. **Condominium** - real property, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions.
14. **Connected buildings** - two or more covered buildings owned by the same building owner that are situated on the same or adjacent parcels and have shared mechanical or metering equipment such as energy meters, building controls, heating, or ventilation or share a thermal envelope because they are physically connected. Where more than one owner shares mechanical or metering equipment under a joint agreement, one owner shall be deemed the building owner for the purpose of complying with SMC 22.925.

15. **Covered building** - a nonresidential building or multifamily building as defined in this definitions section and detailed in **Section 4** of this Rule.
16. **Decarbonization\*** - A general term for reducing GHG emissions in a covered building to meet low emissions or net-zero emissions over time.
17. **Director** - the Director of the Office of Sustainability and Environment or the Director's designee and includes any person or agency or representative of such person or agency to whom authority is delegated under SMC 22.925.
18. **District campus** - two or more covered buildings on the same or adjacent parcels owned by the same building owner that is served by a campus district heating, cooling, water reuse, and/or power system. Where more than one owner is part of a district campus under a joint agreement, one owner shall be deemed the building owner for the purposes of complying with SMC 22.925.
19. **District campus heating and/or cooling system** - a district heating and/or cooling system that serves a district campus.
20. **District thermal energy** - means thermal energy provided by a district thermal energy provider distributed to two or more buildings through a network of pipes from a central plant or combined heat and power facility for heating or cooling.
21. **District thermal energy provider** - any private person, company, association, partnership, joint venture, or corporation engaged in producing, transmitting, distributing, delivering, furnishing, or selling thermal energy to buildings owned by a person or entity other than the district thermal energy provider.
1. **Dwelling unit — small efficiency (SEDU)** - dwelling unit with an amount of square footage less than the minimum amounts specified for Efficiency Dwelling Units in the Seattle Building Code, and that meet the standards prescribed in Section 23.42.048.
2. **Energy** - electricity, including electricity delivered through the electric grid and electricity generated at the building premises using solar, wind, or other resources; natural gas; combined heat and power; district thermal energy; propane; fuel oil; wood; coal; or other fuels or thermal sources used to meet the energy loads of a building.
3. **Energy benchmarking** - the assessment of a building's energy use, greenhouse gas emissions, and efficiency as required in SMC 22.920.
4. **ENERGY STAR Portfolio Manager (ESPM)** - the tool developed and maintained by the United States Environmental Protection Agency that enables account holders to track and assess the energy, water, waste, and greenhouse gas emissions performance of their buildings.<sup>2</sup>
5. **Financial distress** -
  - a. A covered building that has had arrears of property taxes or water or wastewater charges that resulted in the building's inclusion, within the prior two years, on a King County annual tax lien sale list;
  - b. A covered building that has a court-appointed receiver in control of the asset due to financial distress;
  - c. A covered building that is owned by a financial institution through default by a borrower;

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<sup>2</sup> Per SMC 22.920.030 - ENERGY STAR Portfolio Manager or a similar rating system established by Director's rule may be used for energy and emissions benchmarking reports and, where available, energy and emissions performance ratings.

- d. A covered building that has been acquired by a deed in lieu of foreclosure within the previous 24 months; or
  - e. A covered building has a senior mortgage subject to a notice of default.
6. **Greenhouse gas (GHG)** - carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.
  7. **Greenhouse gas (GHG) emissions** - Scope 1 direct emissions from stationary (non-transport) combustion of fossil fuels (e.g., boilers, furnaces, or domestic hot water) serving a building or buildings, and Scope 2 indirect emissions from the purchase of electricity, steam, hot water, or chilled water that are delivered through a grid or district thermal energy source, as defined by the United States Environmental Protection Agency, and are reported as CO<sub>2</sub>e. “Greenhouse gas emissions” does not include fugitive emissions directly released into the atmosphere from various types of equipment and processes (e.g., refrigerants, industrial gases, fire suppression systems), as defined by the United States Environmental Protection Agency.
  8. **Greenhouse gas emissions factor** - the CO<sub>2</sub>e emissions associated with an energy source and reported in kgCO<sub>2</sub>e per thousand British thermal units (kgCO<sub>2</sub>e/kBtu).
  9. **Greenhouse gas emissions intensity (GHGI)** - a measurement of a covered building's greenhouse gas emissions from its energy use relative to its size. A building's GHGI is the sum of each energy fuel source consumed in one year multiplied by the emissions factor of that fuel, divided by the gross floor area of the building. GHGI is measured as a value of kgCO<sub>2</sub>e units per square foot per year (kgCO<sub>2</sub>e/SF/yr).
  10. **Greenhouse gas emissions intensity target (GHGIT)** - the target that limits a covered building's GHGI under this Rule. GHGIT is reported as a value of kgCO<sub>2</sub>e units per square foot per year (kgCO<sub>2</sub>e/SF/yr).
  11. **Greenhouse Gas Emissions (GHG) Report\*** - a report required every five years for BEPS compliance that documents current GHG emissions, GHGI target and other content as described in the reporting section.
  12. **Gross floor area (GFA)** - the total number of square feet measured between the exterior surfaces of the enclosing fixed walls, including all supporting functions such as offices, lobbies, restrooms, equipment storage areas, mechanical rooms, break rooms, and elevator shafts. Gross floor area includes both conditioned and unconditioned spaces. Gross floor area excludes parking, outside bays, and docks. The gross floor area of indoor atriums is the base floor area of the indoor portion of the atrium.
  13. **Housing, low-income** - as defined in SMC 23.84A.016.<sup>3</sup>
  22. **Housing, low-rent** - a multifamily building with the current contract rent and the contract rent for a minimum of ten years after the relevant compliance date in 2031–2035, including an allowance for basic utilities if not included in the contract rent, for over 60 percent of the total residential units is at or below either: (1) 60 percent of median income, or (2) 40 percent of median income for Dwelling unit — small efficiency (SEDU). Median income is as published by the Seattle Office of Housing. “Low-rent housing” is not low-income housing.

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<sup>3</sup> SMC Section 23.84A.016 as of the publication date of this Rule. If 23.84A.016 is revised or the definition is recodified in a different code section, this Rule shall follow the revised definition for “Housing, low-income” in the SMC.

14. **Human service use** - means “human service use” as defined in Section 23.84A.016<sup>4</sup>: a use in which structure(s) and related grounds or portions thereof are used to provide one or more of the following: emergency food, medical or shelter services; community health care clinics, including those that provide mental health care; alcohol or drug abuse services; information and referral services for dependent care, housing, emergency services, transportation assistance, employment or education; consumer and credit counseling; or day care services for adults. Human service uses provide at least one (1) of the listed services directly to a client group on the premises, rather than serve only administrative functions.
15. **Industrial building** - a building that has at least 50 percent of its use classified under Factory Industrial Group F in the Seattle Building Code as manufacturing or light industrial according to the building’s certificate of occupancy.
16. **Initial occupancy date** - the date that a certificate of occupancy was first issued for a building. If no certificate of occupancy was issued, the date that any utility service was first billed for the building.
17. **Multifamily building** - a building or portion of a building with greater than 20,000 square feet of gross floor area that is classified under the Seattle Building Code as a Residential Group R-2 or R-3 occupancy. A building is considered multifamily if more than 50 percent of the building is residential use.
18. **Natural gas** - fossil fuel derived mixtures of hydrocarbon gases and vapors consisting principally of methane, whether in gaseous or liquid form, not including gas that meets the definition of renewable natural gas.
19. **Net-zero emissions** - all energy sources used by a covered building have zero GHG emissions, including any carbon offsets purchased and retired by a natural gas utility or district thermal energy provider in accordance with and as authorized under the Climate Commitment Act, chapter 70A.65 RCW; and including any renewable energy credits purchased and retired by an electric utility in accordance with and as authorized under the Clean Energy Transformation Act, chapter 19.405 RCW; and except for certain emissions deductions as may be allowed by rule under Section 22.925.120.
20. **Nonresidential building** - a building or portion of a building with greater than 20,000 square feet of gross floor area, that is any classified occupancy under the Seattle Building Code other than a building classified as a Factory Industrial Group F-1 or F-2 or as Residential R-2 or R-3. A building is considered nonresidential if more than 50 percent of the building is nonresidential use.
21. **Normalization factor** - a numerical factor used to adjust the GHGIT of a building activity type to account for hours of operation for nonresidential activity types, or occupancy density for multifamily activity types.
22. **Notice of violation (NOV)** - a written notice issued to a building owner for failure to comply with the requirements of SMC 22.925 or for making any misrepresentation of any material fact in a document required to be prepared or disclosed by SMC 22.925 or rules adopted under it.
23. **OSE** - Office of Sustainability and Environment.
24. **Owners’ association** - the entity consisting exclusively of all the unit owners in a condominium. The association may be organized as a profit or nonprofit corporation.

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<sup>4</sup> SMC Section 23.84A.016 as of the publication date of this Rule. If Section 23.84A.016 is revised, this Rule shall follow the revised definition for “Human service use” in the SMC.

25. **Public/nonprofit building portfolio** - a building portfolio owned by the same public or nonprofit entity.
26. **Qualified person** - a person having training, expertise, and at least three years professional experience in building energy use analysis and any of the following certifications or licenses: a licensed professional architect or engineer in the State of Washington; a 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; a Certified Commissioning Professional (CCP) who is certified by an ANSI/ISO/IEC 17024:2012 accredited organization; a Certified Energy Manager (CEM) in current standing certified by the Association of Energy Engineers (AEE); an Energy Management Professional (EMP) certified by the Energy Management Association, or a Sustainable Building Science Technology Bachelor of Applied Science (BAS) degree. The Director may prescribe additional certifications and training to meet the minimum qualifications of a qualified person.
27. **Renewable energy certificate (REC)** - a tradable certificate of proof of one megawatt-hour of a renewable resource. The certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity. The certificate shall be verified by a renewable energy credit tracking system.
28. **Renewable natural gas (RNG)** - gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, or anaerobic digesters and that is fully interchangeable with conventional natural gas.
29. **Renewable thermal certificate (RTC)** - a representation of the environmental attributes associated with the production, transport, and use of one dekatherm of renewable natural gas.
30. **Standard GHGIT** - the calculated GHGIT in kgCO<sub>2</sub>e/SF/yr for a covered building, building portfolio, district campus, or connected buildings, based on the percent of gross floor area of each building activity type in Table 5 of this Rule and normalization factors, if applicable.
31. **Tenant** - a person occupying or holding possession of a building or premises pursuant to a rental agreement.
32. **Thermal energy** - heat or cold in the form of steam, heated, or chilled water, or any other heated or chilled fluid or gaseous medium.
33. **Utility** - an entity that distributes and sells natural gas, electric, or thermal energy services for buildings.
34. **Weather normalized** - a method for modifying the measured building energy use in a specific weather year to the energy use under typical weather conditions.

## Section 4. Acronyms

1. **BAT** - Building Activity Type
2. **BEPS** - Building Emissions Performance Standard, SMC 22.925.
3. **BTU** - British Thermal Units, a unit of energy representing the amount of heat needed to raise one pound of water by one degree Fahrenheit
4. **CCA** - Climate Commitment Act as defined in RCW 70A.65.010
5. **DHW** - Domestic Hot Water
6. **ESPM** - ENERGY STAR Portfolio Manager
7. **EUL** - Equipment Useful Life

8. **GFA** - Gross Floor Area
9. **GHG** - Greenhouse Gas
10. **GHGI** - Greenhouse Gas Emissions Intensity
11. **GHGIT** - Greenhouse Gas Emissions Intensity Target
12. **HVAC** - Heating Ventilation and Air Conditioning
13. **kBTU** - 1,000 British Thermal Units (BTUs)
14. **NOV** - Notice of Violation
15. **OSE** - Office of Sustainability and Environment
16. **REC** - Renewable energy certificate
17. **RNG** - Renewable natural gas
18. **RTC** - Renewable thermal certificate
19. **SDCI** - Seattle Department of Construction and Inspections
20. **SF** - Square Foot
21. **SMC** - Seattle Municipal Code
22. **WA CBPS** - Washington Clean Buildings Performance Standard

## Section 5. Buildings Subject to Requirement

The Building Emissions Performance Standard (BEPS) requirements apply to all multifamily and nonresidential buildings that have a gross floor area (GFA) greater than 20,000 square feet, excluding parking, that are located entirely within the City of Seattle. To determine if a building is subject to this requirement under SMC 22.925, a building's gross floor area should be calculated according to the definition in **Section 3** of this Rule.

This Rule further clarifies that the requirements of SMC 22.925 apply to the following buildings:

### 5.01 Nonresidential Buildings

For the purposes of this Rule, any building with over 20,000 gross square feet that is classified under the Seattle Building Code<sup>5</sup>, as an occupancy other than Residential Group R or Factory Industrial Group F is considered nonresidential. Some examples of the types of buildings that fall within this category include, but are not limited to, buildings used for the following:

- The gathering of people for purposes such as civic, social or religious functions (e.g. theaters, restaurants, libraries, places of worship, stadiums)
- Office, professional, or service-type transactions (e.g. banks, laboratories, professional service offices)
- Educational purposes (e.g. public or private schools, day care facilities)
- Uses in which people are cared for or live in a supervised environment (e.g. convalescent facilities, hospitals, nursing homes, prisons, detention centers)
- The display and sale of merchandise (e.g. department stores, drug stores, markets, retail or wholesale stores)
- Uses containing sleeping units where the occupants are primarily transient in nature (e.g. hotels, motels)

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<sup>5</sup> SDCI - 2021 Seattle Building Code, Chapter 3, Occupancy Classification and Use:  
<https://www.seattle.gov/documents/Departments/SDCI/Codes/SeattleBuildingCode/2021SBCChapter3.pdf>

- The storage of materials (e.g. warehouses)

## 5.02 Multifamily Buildings

For the purposes of this Rule, any building over 20,000 gross square feet that is classified under the Seattle Building Code<sup>6</sup> as a Residential Group R-2 or R-3 occupancy is considered multifamily. A building is considered multifamily if more than 50 percent of the building is residential use. Group R-2 includes all residential occupancies containing sleeping units or more than two dwelling units where the occupants are primarily permanent in nature. Group R-3 includes residential occupancies where the occupants are primarily permanent in nature and not classified as Group R-1, R-2, R-4, or I. Some examples of the types of buildings that fall within Group R-3 include, but are not limited to, buildings used for the following:

- Apartment houses
- Congregate living facilities (nontransient) with more than 16 occupants
  - Boarding houses
  - Convents
  - Dormitories
  - Fraternities and sororities
  - Monasteries
- Hotels (nontransient)
- Motels (nontransient)
- Vacation timeshare properties

### Clarifications:

- These occupancy types are established by the Seattle Building Code and are distinct from the property types used in ENERGY STAR Portfolio Manager and from the building activity types in the Building Emissions Performance Standard SMC 22.925. Covered buildings shall use the building activity types established in Table 7 of this Rule.
- In the case of land leases, the owner of the building structure is responsible for compliance with SMC 22.925, the Building Emissions Performance Standard, even if the parcel of land is leased to the building owner by a different ownership entity than the building owner.

## Section 6. Buildings Not Subject to Requirement

The Building Emissions Performance Standard requirements do not apply to the following building types:

1. **Buildings subject to the Climate Commitment Act (CCA):** Facilities that are covered entities as defined in RCW 70A.65.010 and subject to a cap on greenhouse gas emissions in RCW 70A.65.060<sup>7</sup>
  - a. Covered facilities are reported to the Washington State Department of Ecology<sup>8</sup>. Other facilities on the campus or other buildings that are not connected to or served by the CCA “covered entity” are subject to SMC 22.925.

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<sup>6</sup> Ibid.

<sup>7</sup> RCW 70A.65.080: <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.65.080>

<sup>8</sup> GHG Reporting Program Publication: [https://data.wa.gov/Natural-Resources-Environment/GHG-Reporting-Program-Publication/idhm-59de/about\\_data](https://data.wa.gov/Natural-Resources-Environment/GHG-Reporting-Program-Publication/idhm-59de/about_data)

2. **Single-family residential buildings:** Buildings subject to the Seattle Residential Code<sup>9</sup>, which covers detached one- and two-family dwellings and multiple single-family dwellings (townhouses) not more than three stories in height with a separate means of egress, and their accessory structures.
3. **Manufacturing or industrial buildings:** Buildings used primarily for manufacturing or industrial purposes, demonstrated by submitting one of the following:
  - a. A valid certificate of occupancy or construction permit documenting that at least 50% of the building is classified under the Seattle Building Code as Factory Industrial Group F. This includes buildings used for assembling, disassembling, fabricating, finishing, manufacturing, packaging, repair, or processing operations.
  - b. OSE's Energy Benchmarking exemption form, in which the building owner has verified that:
    - i. Neither they nor OSE have been able to locate the certificate of occupancy for their building; and
    - ii. Their building meets the definition of a Factory Industrial Group F building as classified in the current Seattle Building Code.
  - c. If a building's use changes such that it is no longer primarily (at least 50%) used for manufacturing or industrial purposes, it shall meet all requirements of SMC 22.925 and this Rule.

**Clarifications:**

- Owners of buildings that meet any of the above conditions and have already been approved for an exemption from energy benchmarking are not required to resubmit documentation for BEPS.

## Section 7. Exemptions

*Per SMC 22.925.110.B, building owners with covered buildings with one or more of the following conditions may apply for an exemption from meeting GHGITS, Benchmarking Verification, and/or reporting requirements for one or more compliance intervals.*

Building owners requesting an exemption shall report and provide the documentation detailed in this Rule, and all exemptions are ultimately subject to approval by the Director.

Table 1: Overview of Exemptions							
Option	What	Who Can Use	Intervals Allowed 2027–2050				
			27–30 <sup>1</sup>	31–35	36–40	41–45	45–50
Electric-only Building	Exemption from GHGIT requirements and reporting for all intervals — must still verify benchmarking.	Any covered building: Benchmarking Verification confirms all-electric energy sources only.	yes	yes	yes	yes	yes

<sup>9</sup> 2021 Seattle Residential Code, Chapter 1, Administration:  
<https://www.seattle.gov/documents/Departments/SDCI/Codes/SeattleResidentialCode/2021SRCCChapter1.pdf>

Building Demolition	Exemption from all requirements and all intervals.	Any covered building: demolition scheduled within 3 years of compliance deadline.	yes	yes	yes	yes	yes
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### 7.01 Electric-Only Buildings

Per SMC 22.925.110.B, a covered building that has extremely low emissions due to using only electric energy may be exempt from meeting the GHGITS and from submitting a greenhouse gas emissions report for all compliance intervals but must meet Benchmarking Verification and reporting requirements for each compliance interval.

- **Eligibility Criteria:** Energy and Emissions Benchmarking Verification must confirm that the building is using only electric energy. Any existing non-electric meters must be inactive (not in use in ENERGY STAR Portfolio Manager) for the entire compliance interval.
- **How to Report:** Qualified persons must submit data verification every five years that confirms the building is using all electric energy sources for the duration of the compliance interval per **Section 9: Energy and Emissions Benchmarking Verification.**
  - **Reporting Deadlines:** Submit exemption request concurrently with Benchmarking Verification Report per the compliance schedule in Table 3.
  - **Documentation Required:** Benchmarking Verification Report
- **Clarifications:**
  - Buildings are still required to comply annually with SMC 22.920 Energy Benchmarking.
  - Residential condominiums may meet this exemption when Benchmarking Verification confirms that all space and water heating systems, and other equipment and appliances, under common ownership use only electric energy sources.
  - Buildings that use only electric energy except for allowed End Use Deductions per **10.08** (e.g., fossil fuel cooking equipment or emergency fossil fuel generators) are not eligible for this exemption and must comply with all requirements.

### 7.02 Buildings Scheduled for Demolition

Per SMC 22.925.110.B, a covered building scheduled to be demolished within three years of a compliance deadline for any compliance interval may be exempt from meeting all requirements of Chapter 22.925.

- **Eligibility Criteria:** A building must have an active application for a demolition or deconstruction permit issued by the Seattle Department of Construction and Inspections (SDCI), or a permit issued no more than three years prior to the covered building's BEPS compliance deadline.
- **How to Report:** Building owners must submit required documentation along with an application for an exemption.
  - **Reporting Deadlines:** Submit exemption request no sooner than two years in advance of the compliance deadline and no later than six months prior to the compliance deadline.
- **Documentation Required:** 1) Active demolition or deconstruction permit or 2) Demolition or deconstruction permit issued no more than three years prior to the BEPS compliance date.
- **Clarifications:**
  - "All requirements of Chapter 22.925" refers to Energy and Emissions Benchmarking Verification, submitting a GHG Report, and meeting the GHGITS.

- Buildings are still required to comply annually with SMC 22.920 Energy Benchmarking until demolition is complete. If a building is 100% vacant in preparation for demolition, it may be exempt from one year of energy benchmarking.
- Building owners who intend to demolish a building within three years of the compliance deadline but do not have an active permit should consider if their building meets the requirements of the High Rental Vacancy Extension.
- If the covered building is not demolished within three years of the exemption approval, the building owner shall comply with all subsequent requirements of BEPS, SMC Chapter 22.925, and this Rule.
- A permit is considered “active” if the building owner has submitted an application to SDCl that demonstrates they are working towards demolition. The permit shall remain “active” until the listed expiration date has passed.

## Section 8. Requirements of Qualified Person

A qualified person is responsible for all BEPS reporting, including 1) Energy and Emissions Benchmarking Verification, 2) the GHG Report and BEPS compliance reporting including Alternative Compliance options, and 3) Decarbonization Compliance Plans. A team that is under the direct supervision and oversight of a qualified person may work with the qualified person on reporting for BEPS. Except where explicitly noted as required in this Rule, a qualified person is not required for Exemption and Extension applications.

A qualified person means a person who has training, expertise and at least three years of professional experience in building energy use analysis and an approved and current credential listed in Table 2. A qualified person must be approved by OSE as such before they can submit reports. A qualified person may either be a third-party vendor or on-site staff, provided they meet the qualifications specified in Table 2. All certifications must be current as of the covered building's compliance deadline. Any report submitted by an individual who does not meet the qualifications will be rejected.

Table 2: Approved Certifications or Licenses	
Credential	Organization
Professional Architect	Licensed in the State of Washington
Professional Engineer (PE)	Licensed in the State of Washington
Building Energy Assessment Professional (BEAP)	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)
Certified Energy Auditor (CEA)	Association of Energy Engineers (AEE)
Building Operator Certification (BOC) Level II	Northwest Energy Efficiency Council (Building Potential)
Certified Commissioning Professional (CCP)	ANSI/ISO/IEC 17024:2012 accredited organization
Certified Energy Manager (CEM)	Association of Energy Engineers (AEE)
Energy Management Professional (EMP)	Energy Management Association
Sustainable Building Science Technology Bachelor of Applied Science (BAS) degree	South Seattle College

Other equivalent bachelor's or master's degree programs focused on commercial building energy management and conservation, as determined by the Director, may be added by Rule.

## Section 9. Energy and Emissions Benchmarking Verification

Per SMC 22.925.050.A, building owners shall have a qualified person, other than the person who prepared and submitted the benchmarking report pursuant to Chapter 22.920, verify the accuracy of the covered building's reported ENERGY STAR Portfolio Manager benchmarking data for the previous calendar year, January 1–December 31.

Benchmarking verification shall apply to any benchmarking data used to determine a covered building's compliance GHGs and baseline GHG, and for any other reporting obligations calling for verified benchmarking data under Chapter 22.925 or by rule.

### 9.01 Parties Responsible for Benchmarking Verification

A qualified person is required to conduct Benchmarking Verification and submit the Benchmarking Verification Report. This qualified person may not be the person who prepared and submitted the annual energy benchmarking report (i.e., may not be the ENERGY STAR Portfolio Manager Property Data Administrator). Per **Section 8**, a qualified person may either be a third-party vendor or on-site staff.

### 9.02 Information Required to be Verified

Qualified persons shall verify the accuracy of the covered building, connected buildings, district campus or building portfolio's reported ENERGY STAR Portfolio Manager benchmarking data for the calendar year prior to the building's BEPS compliance deadline (e.g., for covered buildings subject to the October 1, 2031 BEPS deadline, verification of data for January 1–December 31, 2030 is required) and for any other time period used to comply (e.g., a custom alternative compliance deadline). The following information must be verified and reported to OSE via the Benchmarking Verification Report by the compliance deadline:

#### (a) Fuel Sources and Utility Meters

1. **Identify all energy serving the building(s)**, including energy used in all common and tenant spaces for heating, cooling, hot water, cooking and any other activities.
  - a. For a district campus all energy serving the district heating and/or cooling system must be included.
2. **Obtain a comprehensive list of all utility meters** serving the building, connected buildings, building portfolio, or district campus and its district heating and/or cooling system via a walkthrough to inventory all utility meters OR by referencing utility bills OR by contacting tenants for meter numbers and addresses served.
3. **Confirm meter list** aligns with all current energy meters in ENERGY STAR Portfolio Manager.
  - a. If the ESPM account uses a utility-generated aggregate meter, obtain from each utility the list of included meters to compare to the information collected for items 1 and 2.

#### (b) Whole Building Gross Floor Area

1. **Validate gross floor area (GFA)**<sup>10</sup> listed in ENERGY STAR Portfolio Manager against substantiating documents. Acceptable sources to use include:
  - a. King County Department of Assessments' record for "Building Gross Sq Ft"
  - b. Report based on Building Owners and Managers Association International (BOMA) Floor Measurement Standard or International Property Measurement Standards (IPMS) that

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<sup>10</sup> See Definitions section for what to include.

- clearly shows GFA, accompanied with architectural drawings, plats, or site surveys as required by the standards
- c. Current architectural drawings, completed by a WA State registered architect or licensed contractor that are dimensioned
  - d. Survey documents with current building measurements completed by a WA State licensed surveyor
  - e. New or newly calibrated drawings documenting onsite measurements completed by a qualified person that clearly align with ENERGY STAR Portfolio Manager definition of how to measure GFA.
2. **If the qualified person finds that the GFA documentation reviewed differs from the GFA on record at OSE by more than 10 percent, the qualified person shall submit the documentation used to validate the reported GFA to OSE for review.**
- a. **If the submitted documents do not specifically show the GFA being claimed, or if they show a GFA that is different from the value being claimed, an explanation and/or supplemental calculation should address the difference.**
- (c) Building Uses and Floor Area
1. **Validate the building's space uses, and the floor area** associated with each building use (e.g., office, retail, etc.) and confirm they are correctly listed in ENERGY STAR Portfolio Manager.<sup>11</sup>
    - a. **Use the following protocol for reporting multiple building space types in ESPM:**
      - i. Different space uses (e.g., office, retail, laboratory) in the building which are greater than 5,000 square feet must be broken out into different types of uses.
      - ii. All restaurant spaces should be broken out regardless of floor area.
      - iii. Space uses less than 1,000 square feet should be combined with the largest space type (unless Restaurant).
      - iv. Spaces greater than or equal to 1,000 square feet but less than 5,000 square feet may be broken out or combined at the discretion of the qualified person.
      - v. Multiple spaces with the same use should be combined into one total floor area for that space type (e.g., add the floor area of each retail store into one combined retail square footage).<sup>12</sup>

### 9.03 Changes to Building Data

Provide additional documentation to OSE when completing Benchmarking Verification if any of the following occur:

1. The building's prior benchmarking records show gas or steam usage, but the building is no longer reporting gas or steam usage;
2. The building reports a significant change in year-over-year energy use;
3. The building has an increase or decrease in gross floor area by >10%; or
4. The building reports a change of the primary space use type

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<sup>11</sup> Property type definitions published by ENERGY STAR Portfolio Manager shall be followed, unless otherwise instructed by Energy Benchmarking and Reporting or BEPS rules.

<sup>12</sup> Total GFA must be used for ENERGY STAR Portfolio Manager. For ESPM space use break down, OSE will consider exceptions to the protocol listed in these rules for breaking out space types if the building is required to meet the WA CBPS EUI Target (nonresidential >50,000 SF). Qualified persons must note this when reporting to OSE.

#### 9.04 Correcting Errors in the ENERGY STAR Portfolio Manager Account

Per SMC 22.925.050.C, if there are errors in previously reported benchmarking data or discrepancies between previously reported data and verified benchmarking data, the qualified person shall correct benchmarking data in ENERGY STAR Portfolio Manager.

After the required corrections are made, the qualified person shall report again to OSE per energy benchmarking instructions.

#### 9.05 Reporting Obligations for Benchmarking Verification

The qualified person must complete the Benchmarking Verification Report and share it with the building owner. The qualified person shall submit the required information to OSE electronically via an online reporting tool.

#### 9.06 OSE Review of Benchmarking Verification

Benchmarking Verification Reports will be reviewed by OSE for accuracy. Reports with errors will be flagged and the person submitting the report may be asked to provide additional documentation or correct the error.

### Section 10. Compliance Requirements (Schedule, Emissions Factors, GHGI Targets, Calculations, Etc.)

#### 10.01 Compliance Schedule

Building owners shall meet their GHGIs or approved alternative compliance path, Benchmarking Verification, and reporting obligations for their covered building(s) by October 1 of each compliance year listed in Table 3.

Covered buildings approved for a custom Decarbonization Compliance Plan must submit the Benchmarking Verification Report and meet all Decarbonization Plan reporting following the custom deadlines for meeting their approved custom GHGIs. See **Path C: Decarbonization Compliance Plans** for further detail.

Table 3: Covered buildings compliance schedule for meeting GHGIs, Benchmarking Verification, and reporting obligations. <sup>1</sup>					
Gross floor area in square feet (SF):	Submit Benchmarking Verification Report and GHG Report	Meet GHGIT, Submit Benchmarking Verification Report and GHG Report			
≥220,001	2027	2031	2036	2041	2046
90,001–220,000	2027	2032	2037	2042	2047
50,001–90,000	2028	2033	2038	2043	2048
30,001–50,000	2029	2034	2039	2044	2049
20,001–30,000	2030	2035	2040	2045	2050
Building portfolios, district campus, and connected buildings	2028	2033	2038	2043	2048

*1 – Pursuant to Section 22.925.110, low-income housing, human service use, and low-rent housing are exempt from meeting the GHGI targets for 2031–2035 but are still required to meet Benchmarking Verification and all other reporting obligations for 2031–2035.*

## 10.02 Greenhouse Gas Emissions Factors & Renewable Energy

This section details the greenhouse gas emissions factors consistent with SMC 22.925.070.C that qualified persons shall use when calculating the GHGI of a covered building to determine if the building meets the GHGIT. GHGI calculations shall follow the formula in **10.05: Calculating Compliance Greenhouse Gas Intensity (GHGI)**.

- GHGI calculations which use energy data for the years 2019 through 2028 must use the factors shown for baseline GHGI in Table 4, whether using as a baseline for alternative compliance options, or for the GHG Report in 2027–2030.
- GHGI calculations using energy data for the years 2029 through 2030 may be calculated using the provisional emissions factors shown for baseline GHGI in Table 4, whether using as a baseline for alternative compliance options or for the GHG Report in 2027–2030. Final emissions factors for 2029 and 2030 baselines for alternative compliance options will be confirmed by rule by December 31, 2027.
- Emissions factors for the 2031–2035 compliance interval are provisional and shall be updated by rule by December 31, 2027. These finalized factors shall be used with energy data from 2029–2035 to calculate the compliance GHGI for 2031–2035 reporting.
- Emissions factors for each subsequent compliance interval shall be updated by rule by December 31 of 2031, 2036, and 2041.
- The emissions factors remain the same during each five-year compliance interval.

Energy source	Emissions factors (kgCO <sub>2</sub> e/kBtu)		
	For baseline GHGI (2019–2028)	<i>Provisional</i> — For baseline GHGI (2029–2030) <sup>1</sup>	<i>Provisional</i> — For compliance GHGI to meet GHGIT (2031–2035 reporting) <sup>1</sup>
Seattle City Light electricity	.0058	.0058	.0029
Puget Sound Energy natural gas	.053	.053	.053
CenTrio district thermal energy	.081	.081	.081

<sup>1</sup> — *Provisional emissions factors will be confirmed by rule by December 31, 2027.*

(a) Use of Emissions Factors for Planning and Reporting:

The emissions factors in Table 4 and those updated by future rulemaking will be used by OSE in an online reporting tool and applied to any GHGI calculations used for reporting and compliance.

(b) Renewable Energy Used to Replace On-Site Conventional Fossil Fuels

Renewable energy sources that replace a portion of a covered building's on-site conventional fossil fuel use may be used to meet a covered building's GHGIT. Such sources shall retain their environmental attributes and shall not be double counted or disaggregated. This means that the renewable energy product and the environmental attributes are "bundled." Examples of renewable energy that may be used for BEPS compliance include:

- **Renewable natural gas (RNG) purchased through Puget Sound Energy's voluntary program** in the form of renewable thermal certificates (RTCs) to replace a portion of a covered building's conventional fossil gas. This RNG has been purchased by the gas utility, is utilized directly in the gas pipeline, and is third-party verified, such as through M-RETS, Green-e or other renewable energy tracking registry, to ensure the environmental attributes are quantified and retired.
- **Biodiesel** that is purchased through service providers to replace a portion of a covered building's use of conventional diesel.

Unbundled renewable energy certificates (RECs), renewable thermal certificates (RTCs), carbon offsets, and purchased or traded carbon allowances under WA State's Climate Commitment Act cannot be used to meet the building's GHGI targets.

(c) Reporting and Documentation

At the covered building's BEPS compliance deadline, the building owner or qualified person must submit to OSE a standardized attestation of the renewable energy purchased which specifies the timeframe used, supply source and emissions factor of the renewable energy used, the quantity of the renewable energy purchased, and proof of "retirement" of all environmental attributes, if applicable. OSE may request additional information from the building owner if needed.

- For Puget Sound Energy's voluntary RNG program, the attestation must be in the standard form that the utility will develop ahead of the BEPS GHGIT reporting deadlines (e.g., October 1, 2031).
- A qualified person shall calculate the quantity of the renewable energy used in standard units (e.g., kBtu, therms) and incorporate this information and the emissions factor into the calculation for compliance GHGI in **10.05** or into any other calculations that may be required for Alternative Compliance.
- The building owner must also self-certify that they will purchase renewable energy for each of the subsequent four years until the next compliance deadline and maintain a record of attestations for each year or explain how they will otherwise meet the GHGIT.
  - At the covered building's next compliance deadline, a qualified person must provide the attestation records to OSE for each of the four years after the initial BEPS compliance deadline that confirm renewable energy was purchased to meet the target. (e.g., if the initial compliance deadline is October 1, 2031, the attestation records for 2031–2034 must be provided with compliance reporting for October 1, 2036). Owners failing to provide such records may be subject to a Penalty.

(d) On-site Solar or Other On-Site Renewables for Electricity

Solar and wind energy that is generated on-site must either be net-metered with Seattle City Light and/or have a separate production meter that provides annual kWh electricity production and consumption. If the renewable consumption is tracked in ENERGY STAR Portfolio Manager as electric energy use that is distinct from the grid electricity supplied by Seattle City Light, the renewable energy use shall use an emissions factor of zero (0) or the City Light emissions factor in Table 4.<sup>13</sup>

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<sup>13</sup> With the City Light emissions factor in Table 4 already being close to zero (0), using either zero or the Table 4 factor will typically have a very minor impact on the covered building's GHGI. Qualified persons are recommended to use the Table 4 factors prior to making any adjustments to ENERGY STAR Portfolio Manager metering and to contact OSE for further guidance.

(e) Recovered Thermal Energy

As of the date of this Rule, recovered thermal energy, sometimes called “waste heat,” is known to be used in a small fraction of covered buildings. Therefore, building owners that use thermal energy recovered from sources such as another building, data centers, sewer heat or industrial processes shall contact OSE to discuss accounting of the emissions factors relative to how the thermal energy is used by or shared between the buildings. OSE shall consider such factors as the energy source used that resulted in the thermal energy, and whether the source of the thermal energy is a building covered by BEPS. This information shall be used to inform future BEPS rulemaking, should this practice become common.

### 10.03 Greenhouse Gas Intensity Targets (GHGIs) by Building Activity Type

GHGIs are based on building activity types (e.g., office, lab, grocery, multifamily) as listed in Table 5 below. To determine the BEPS building activity type to use for ENERGY STAR Portfolio Manager property / space types, use Per SMC 22.925.140, revenue collected... from *finances, fees, and alternative compliance payments shall be spent on programs and activities to reduce greenhouse gas emissions from nonresidential, multifamily, and single family buildings, including technical and financial assistance to building owners and tenants with at least 40 percent of the revenue collected prioritized towards buildings serving people with low or no incomes and communities historically most harmed by economic, racial, and environmental injustice.*

Appendix A: Building Activity Type Classifications, which shows the 2024 ESPM property / space types that correspond to each of the BEPS building activity types and targets listed in Table 5.

<b>Table 5: Building activity type greenhouse gas intensity targets (GHGITs)</b>				
Building Activity Type	GHGITs (kgCO <sub>2</sub> e/SF/yr) by compliance interval			
	2031–2035	2036–2040 <sup>1</sup>	2041–2045 <sup>1, 2</sup>	2046–2050 <sup>1, 3</sup>
College/University	2.69	1.57	0.00	0.00
Data Center <sup>5</sup>	1.43	0.83	0.00	0.00
Entertainment/Public Assembly	1.18	0.69	0.00	0.00
Fire/Police Station	2.23	1.30	0.00	0.00
Hospital	4.68	2.73	0.00	0.00
Hotel	2.06	1.20	0.00	0.00
K-12 School	0.95	0.56	0.00	0.00
Laboratory <sup>1</sup>	6.30	3.68	0.00	0.00
Medical Office <sup>5</sup>	2.11	1.23	0.00	0.00
Multifamily Housing <sup>3,4</sup>	0.89	0.63	0.37	0.00
Museum <sup>5</sup>	2.11	1.23	0.00	0.00
Non-Refrigerated Warehouse	0.77	0.45	0.00	0.00
Office	0.81	0.47	0.00	0.00
Other	2.48	1.45	0.00	0.00
Recreation	3.22	1.88	0.00	0.00
Refrigerated Warehouse	0.98	0.57	0.00	0.00
Residence Hall/Dormitory	1.16	0.68	0.00	0.00
Restaurant	5.73	3.34	0.00	0.00
Retail Store	1.03	0.60	0.00	0.00
Self-Storage Facility	0.31	0.18	0.00	0.00
Senior Living Community	2.11	1.23	0.00	0.00
Services	1.36	0.79	0.00	0.00
Supermarket/Grocery Store	3.42	2.00	0.00	0.00
Worship Facility	1.20	0.70	0.00	0.00

1 — Targets may be revised by future rule, per SMC 22.925.070.A.  
 2 — Net-zero emissions by 2041–2045 for nonresidential.  
 3 — Net-zero emissions by 2046–2050 for multifamily housing.  
 4 — Pursuant to SMC Section 22.925.110, owners of low-income housing, human service use, and low-rent housing may receive an extension from meeting the GHGITs in 2031–2035 but still must meet Benchmarking Verification and all other reporting obligations for 2031–2035.  
 5 — Targets added by this Rule in June 2025.

**Clarifications:**

- Three additional building activity type GHGITs were added by rule: data center, medical office, and museum.

(a) Updates to GHGITs

Per SMC 22.925.070.A, the Director by rule may revise building activity type GHGITs for 2036–2040 by December 31, 2031, for 2041–2045 by December 31, 2036, and for 2046–2050 by December 31, 2041, based on building performance data, evolving technology, new regulations, public service impacts, or other relevant factors and by rule shall revise the laboratory GHGIT for 2031–2035 by December 31, 2027, for 2036–2040 by December 31, 2031, for 2041–2045 by December 31, 2036, and for 2046–2050 by December 31, 2041, based on further evaluation of the unique characteristics of laboratory spaces, evolving technology, any relevant national standards, and other relevant factors. If a relevant national laboratory standard has not been developed by December 31, 2027, the laboratory GHGIT may be deferred until the date a national laboratory standard has been developed.

#### 10.04 Normalization Factors

Per SMC 22.925.070.B, the Director by rule shall establish normalization factors including but not limited to hours of operation and multifamily occupancy density that may be used when calculating the GHGITs for covered buildings.

A normalization factor is a numerical factor used to adjust the GHGIT of a building activity type to account for hours of operation for nonresidential activity types, or occupancy density for multifamily activity types.

Normalization factors for hours of operation and multifamily occupancy density are set at “1” for all GHGIT calculations and no other normalization factors are allowed when calculating GHGITs.<sup>14</sup>

#### 10.05 Calculating Compliance Greenhouse Gas Intensity (GHGI)

The compliance GHGI is the GHGI in kgCO<sub>2</sub>e/SF/yr for a particular 12-month period for a covered building, building portfolio, district campus, or connected buildings used to show compliance with the GHGIT. For BEPS reporting, it is calculated as follows:

(a) Compliance GHGI for Individual Buildings

The compliance GHGI for an individual building is the sum of all GHG emissions, from all energy sources, from the covered building minus the sum of approved allowed GHG emissions deductions, divided by the gross floor area of the covered building. The process for calculating an individual building's compliance GHGI is as follows:

1. **Calculate GHG emissions:** GHG emissions are the sum of the annual weather normalized energy use of each energy source reported in ENERGY STAR Portfolio Manager in kBtu multiplied by the **Greenhouse Gas Emissions Factors** for each energy source in kgCO<sub>2</sub>e/kBtu.

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<sup>14</sup> As of the date of publication of this Rule, analysis of the suitability of using Washington State Clean Building Performance Standard (WAC 194-50) building operating shift normalization factors used for energy use intensity target setting, and inconclusive research findings from an investigation of multifamily normalization factors based on currently available energy benchmarking data, does not warrant the adoption of any factors other than one (1) to modify the 2031–2035 GHGITs. OSE may consider the suitability of normalization factors after verified energy benchmarking data reported during all 2027–2030 compliance intervals is available, and as part of rulemaking required by SMC 99.925 to finalize the provisional GHGITs for 2036 and later by December 31, 2031

$$\begin{aligned}
 & \text{GHG emissions (kgCO}_2\text{e/SF/yr)} \\
 &= \text{Energy Use A (kBtu/yr)} * \text{Emissions Factor A (CO}_2\text{e/yr)} \\
 &+ \text{Energy Use B (kBtu/yr)} * \text{Emissions Factor B (CO}_2\text{e/yr)} \\
 &+ \text{Energy Use C (kBtu/yr)} * \text{Emissions Factor C (CO}_2\text{e/yr)}
 \end{aligned}$$

Refer to **Section 10.02** for utility emissions factors and for information about the use of renewable energy sources.

- 2. Calculate the sum of the allowed GHG emissions deductions:** Calculation methods for GHG emissions end use deductions vary by deduction and are clarified in **10.08: End Use Deductions**. Inclusion of end use deductions in the compliance GHGI calculation is only required if they are needed or used to meet the building's BEPS compliance obligation.

$$\begin{aligned}
 & \text{GHG emissions deductions} \\
 &= \text{Allowed deduction A (kgCO}_2\text{e/yr)} \\
 &+ \text{Allowed deduction B (kgCO}_2\text{e/yr)} \\
 &+ \text{Allowed deduction C (kgCO}_2\text{e/yr)}
 \end{aligned}$$

- 3. Calculate the net GHG emissions:** Subtract the calculated GHG emissions deductions from the calculated GHG emissions.

$$\begin{aligned}
 & \text{Net GHG emissions} \\
 &= \text{GHG emissions (kgCO}_2\text{e/yr)} \\
 &- \text{GHG emissions deductions (kgCO}_2\text{e/yr)}
 \end{aligned}$$

- 4. Calculate the compliance GHGI for individual buildings:** Divide the net GHG emissions by the verified gross floor area of the building. See **9.02(b): Whole Building Gross Floor Area** for the process for verifying gross floor area.

$$\text{Compliance GHGI (kgCO}_2\text{e/SF/yr)} = \frac{\text{Net GHG emissions (kgCO}_2\text{e/yr)}}{\text{Gross Floor Area (SF)}}$$

(b) Compliance GHGI for Building Portfolios, Connected Buildings, and District Campuses  
 The compliance GHGI for building portfolios, connected buildings, and district campuses reporting using the Aggregate GHGIT is the sum of all GHG emissions from the covered buildings minus the sum of approved allowed GHG emissions deductions from the covered buildings, divided by the total gross floor area of the covered buildings. See **11.02** for further details.

- 1. Calculate the portfolio GHG emissions:** Sum the net GHG emissions for all covered buildings in the building portfolio.

$$\begin{aligned}
 & \text{Portfolio GHG emissions (kgCO}_2\text{e/SF/yr)} \\
 &= \sum_{\text{covered buildings}} (\text{GHG emissions (kgCO}_2\text{e/yr)})
 \end{aligned}$$

- 2. Calculate the portfolio GHG deductions:** Sum the allowed GHG emission deductions for all covered buildings in the building portfolio.

$$\begin{aligned}
 & \text{Portfolio GHG emissions (kgCO}_2\text{e/SF/yr)} \\
 &= \sum_{\text{covered buildings}} (\text{GHG emissions deductions } \left( \frac{\text{kgCO}_2\text{e}}{\text{yr}} \right))
 \end{aligned}$$

- 3. Calculate the net GHG emissions of the portfolio:** Subtract the sum of the calculated portfolio GHG emissions deductions from the sum of the calculated portfolio GHG emissions.

*Portfolio net GHG emissions*

*= Portfolio GHG emissions (kgCO<sub>2</sub>e/yr)*

*– Portfolio GHG emissions deductions (kgCO<sub>2</sub>e/yr)*

4. **Calculate the portfolio gross floor area:** Sum the gross floor area for all covered buildings in the building portfolio.

$$\text{Portfolio Gross Floor Area SF (kgCO}_2\text{e/yr)} = \sum_{\text{covered buildings}} \text{Gross Floor Area (SF)}$$

5. **Calculate the portfolio compliance GHGI:** Divide the portfolio net GHG emissions by the portfolio gross floor area for all covered buildings.

$$\text{Portfolio compliance GHGI (kgCO}_2\text{e/SF/yr)} = \frac{\text{Portfolio net GHG emissions}}{\text{Portfolio Gross Floor Area (SF)}}$$

**Clarifications:**

- **Building portfolios** — If a building owner owns buildings larger than and less than 20,000 SF, the total gross floor area of only the BEPS covered buildings (those greater than 20,000 SF) shall be included in the building portfolio. (See **11.02**).
- **Connected buildings and district campuses** — Owners must include any buildings less than 20,000 SF, unless the energy use is submetered and subtracted from the total.<sup>15</sup>

### 10.06 Calculating Greenhouse Gas Emissions Intensity Targets (GHGIT)

The greenhouse gas emissions intensity target (GHGIT) is the target that limits a covered building, building portfolio, district campus, or connected buildings' GHGI under this Rule. The GHGIT is based on the building activity types in Table 5 and referencing **Per SMC 22.925.140, revenue collected... from fines, fees, and alternative compliance payments shall be spent on programs and activities to reduce greenhouse gas emissions from nonresidential, multifamily, and single family buildings, including technical and financial assistance to building owners and tenants with at least 40 percent of the revenue collected prioritized towards buildings serving people with low or no incomes and communities historically most harmed by economic, racial, and environmental injustice.**

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<sup>15</sup> See **Submetering Requirements** for additional details on submetering requirements.

## Appendix A: Building Activity Type Classifications.

Use the following protocol for reporting multiple building space types in ENERGY STAR Portfolio Manager:<sup>16</sup>

1. All building floor area that meets the GFA definition must be included in the GHGIT calculation.
2. Different space uses (e.g., office, retail, laboratory) in the building which are greater than 5,000 square feet must be broken out into different types of uses.
3. All restaurant spaces should be broken out regardless of floor area.
4. Space uses less than 1,000 square feet should be combined with the largest space type (unless Restaurant).
5. Spaces greater than or equal to 1,000 square feet but less than 5,000 square feet may be broken out or combined at the discretion of the qualified person.
6. Multiple spaces with the same use should be combined into one total floor area for that space type (e.g., add the floor area of each retail store into one combined retail square footage).

The process for calculating a covered building's prorated GHGIT is as follows:

$$\begin{aligned} \text{Prorated GHGIT (kgCO}_2\text{e/SF/yr)} \\ &= \text{Space A (SF) / Gross Floor Area (SF) * Building Activity A GHGIT(CO}_2\text{e/yr)} \\ &+ \text{Space B (SF) / Gross Floor Area (SF) * Building Activity B GHGIT(CO}_2\text{e/yr)} \\ &+ \text{Space C (SF) / Gross Floor Area (SF) * Building Activity C GHGIT(CO}_2\text{e/yr)} \end{aligned}$$

### Clarifications:

- If complying as a building portfolio, connected buildings or district campus, building owners shall adhere to the above guidelines across all buildings and spaces included in the portfolio. Additional requirements for complying as a building portfolio, connected buildings, or district campus are in **Section 11.02**.
- OSE may require the use of an online reporting tool for any GHGIT calculations used for reporting and compliance.

## 10.07 Data Requirements for Calculating Compliance GHGI and GHGIT

To calculate the compliance GHGI and GHGIT, building owners shall use verified energy benchmarking data that can consist of either:

1. Twelve consecutive months of verified energy benchmarking data from the time period preceding the covered building's GHGIT compliance deadline. The twelve-month period may run from January 1–December 31 or from July 1–June 30; or
2. The annual average of twenty-four consecutive months of verified energy benchmarking data from the time period preceding the covered building's GHGIT compliance deadline. The twenty-four-month period may run from January 1–December 31 or from July 1–June 30.

No other time periods will be accepted by OSE for reporting.

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<sup>16</sup> Property type definitions published by ENERGY STAR Portfolio Manager shall be followed, unless otherwise instructed by Energy Benchmarking and Reporting or BEPS rules.

## 10.08 End Use Deductions

End use deductions are a flexibility measure in SMC 22.925.120 that allow building owners to deduct emissions from certain building uses, such as emissions from equipment required for health or life safety, or for certain equipment, such as fossil fuel cooking equipment in restaurant kitchens, that is in wide use and needs time for market transformation. This section details the allowed end uses and procedures that may be used to deduct these emissions from a building's total emissions when calculating the compliance GHGI per **Section 10.05: Calculating Compliance Greenhouse Gas Intensity (GHGI)**. End use deductions are available for one or more compliance intervals. Certain deductions do not expire whereas other deductions will expire over time.

### General Requirements:

- Documentation of end use deductions is only required if they are used to meet the building's BEPS compliance obligation.
- If a covered building's compliance GHGI already meets the GHGIT of the compliance interval, documentation of end use deductions is not required.
- Qualified persons shall follow the requirements of 10.09: **Submetering** or may optionally use a City-developed method to estimate end use deductions for certain equipment. This information will be available in forthcoming End Use Deduction Workbooks that can be submitted as documentation, as noted below. The workbooks are based on equipment usage data from Technical Reference Manuals (TRMs) created by the Northwest Regional Technical Forum (NW RTF) and Pacific Gas and Electric. OSE may update the estimates using available TRM data following the same schedule as GHGITs: for 2036–2040 by December 31, 2031, for 2041–2045 by December 31, 2036, and for 2046–2050 by December 31, 2041.

#### (a) Fossil Fuel Cooking Equipment in Any Covered Building

*Per SMC 22.925.120.A, building owners may deduct the sum of the annual GHG emissions from fossil fuel cooking equipment. This deduction may only be used for the 2031–2035 and 2036–2040 compliance intervals.*

- **Eligibility Criteria:** Any covered building may deduct emissions from this equipment from compliance GHGI, if it is included in the metered energy use reported for BEPS compliance.
- **Method(s) for metering or estimating deduction:** Building owners shall use the End Use Deduction Workbook to estimate emissions on a per-equipment basis OR submeter the eligible equipment.
- **Documentation Required:**
  - Upload End Use Deduction Workbook to compliance portal
  - If submetering, see **Section 10.09: Submetering** for submetering rules and documentation.
  - Include a short description of the type of cooking (e.g., commercial or residential). If commercial, describe the business use (e.g., restaurant, catering, cafeteria), and include the name of the business.
- **Clarifications:**
  - Eligible fossil fuel cooking equipment included in the End Use Deduction Workbook for which estimated deductions may be taken includes equipment such as:
    - Commercial Fryer

- Commercial Range
- Commercial Steamer
- Commercial Grill or Griddle (<= 6 SF)
- Commercial Grill or Griddle (>6 SF)
- Commercial Broiler
- Commercial Combination Oven
- Residential Oven & Range Combo
- Residential Standalone Gas Oven
- Residential Standalone Gas Range/Cooktop
- Residential Outdoor Grill
- Residential Pizza Oven

(b) Fossil Fuel High-Intensity Process Equipment in Hospitals or Laboratories

Per SMC 22.925.120.B, building owners may deduct the sum of the annual GHG emissions from fossil fuel high intensity process equipment used in hospitals and laboratories. This deduction may only be used for the 2031–2035 and 2036–2040 compliance intervals.

- **Eligibility Criteria:** Any covered building with a hospital or laboratory activity type may deduct emissions from this equipment from compliance GHGI if it is included in the metered energy use reported for BEPS compliance.
- **Method(s) for metering or estimating deduction:** Building owners shall use the End Use Deduction Workbook to estimate emissions on a per-equipment basis OR submeter the eligible equipment.
- **Documentation Required:**
  - Upload End Use Deduction Workbook to compliance portal
  - If submetering, see **Section 10.09: Submetering** for submetering rules and documentation.
- **Clarifications:**
  - Eligible fossil fuel high-intensity process equipment included in the End Use Deduction Workbook for which estimated deductions may be taken includes equipment such as:
    - Gas dryer
    - Gas hot water boiler for washing machines
    - Gas hot water boiler for sterilization
    - Steam hot water boiler for providing steam sterilization
    - Autoclave / sterilizers
    - Space conditioning humidification

(c) Fossil Fuel High-Intensity Laundry Equipment in Hotels or Healthcare

Per SMC 22.925.120.B, building owners may deduct the sum of the annual GHG emissions from fossil fuel high intensity laundry equipment used in hotels and healthcare. This deduction may only be used for the 2031–2035 and 2036–2040 compliance intervals.

- **Eligibility Criteria:** Any covered building with a hotel or healthcare-related building activity type (hospital, nursing home, rehabilitation center, etc.) may deduct emissions from this equipment from compliance GHGI if it is included in the metered energy use of the covered building.

- **Method(s) for metering or estimating deduction:** Building owners shall use the End Use Deduction Workbook to estimate emissions on a per-equipment basis OR submeter the eligible equipment.
- **Documentation Required:**
  - Upload End Use Deduction Workbook to compliance portal
  - If submetering, see **10.09: Submetering** for submetering rules and documentation.
  - Include a short description of the type of use and occupancy served by the equipment.
- **Clarifications:**
  - Eligible fossil fuel high-intensity laundry equipment included in the End Use Deduction Workbook for which estimated deductions may be taken includes equipment such as:
    - Dryers
    - Washers — based on per ton rated capacity
    - Hot water or steam boilers dedicated to laundry — per ton rated capacity

(d) Fossil Fuel Equipment in Individually Owned Residential Units in a Multifamily Condominium or Co-Op

*Per SMC 22.925.120.C, building owners may deduct the sum of the annual GHG emissions from fossil fuel equipment located within an individually owned residential unit within a multifamily condominium building.*

- **Eligibility Criteria:** A covered multifamily building that is a residential condominium or co-op that has individually owned units may deduct emissions from fossil fuel equipment located in the owner's unit from compliance GHGI if it is included in the metered energy use reported for BEPS compliance.
- **Method(s) for metering or estimating deduction:** Building owners shall use the End Use Deduction Workbook to estimate emissions on a per-equipment basis OR submeter the eligible equipment.
- **Documentation Required:**
  - Upload End Use Deduction Workbook to compliance portal
  - If submetering, see **Section 10.09: Submetering** for submetering rules and documentation.
- **Clarifications:**
  - Eligible in-unit fossil fuel equipment included in the End Use Deduction Workbook for which estimated deductions may be taken includes equipment such as:
    - Water Heater
    - Oven & Range Combo
    - Standalone Gas Oven
    - Standalone Gas Range/Cooktop
    - Furnace
    - Fireplace
    - Dryer
    - Patio Heater
    - Outdoor Grill
  - This deduction may be used in all compliance intervals (2027–2030, 2031–2035, 2036–2040, 2041–2045, and 2046–2050).

(e) Electric Vehicle Charging Equipment in Any Covered Building

Per SMC 22.925.120.E, building owners may deduct the sum of the annual GHG emissions from electric vehicle charging equipment that transfers electricity to batteries or other energy storage devices in electric vehicles.

- **Eligibility Criteria:** Any covered building with electric vehicle charging equipment may deduct emissions from this equipment from compliance GHGI.
- **Method(s) for documenting, metering, or estimating deduction:** Electric vehicle (EV) charging stations should be excluded from ENERGY STAR Portfolio Manager energy benchmarking data to the extent possible based on how the EV stations are metered:
  1. **If the EV energy use is on its own utility meter**, then leave out the charging station altogether and exclude the meter from energy benchmarking reported to OSE. Do not include the deduction in compliance GHGI.
  2. **If the energy use is on the main meter, but it is submetered**, then exclude it from the building energy use reported to OSE by entering an additional meter with negative entries. Do not include the deduction in compliance GHGI.
  3. **If the EV energy is on the main meter and not submetered** (or can't be broken out from utility aggregate meter), then include this energy when benchmarking. ENERGY STAR Portfolio Manager will calculate an estimate for “Electric Vehicle Charging Station — Portfolio Manager-Estimated Site Energy” that can be reported to OSE and deducted from compliance GHGI.
- **Clarifications:**
  - Eligible equipment must transfer electricity to batteries or other energy storage devices in electric vehicles.
  - This deduction may be used in all compliance intervals (2027–2030, 2031–2035, 2036–2040, 2041–2045, and 2046–2050).

(f) Communications Equipment Unrelated to Primary Building Purpose in Any Covered Building

Per SMC 22.925.120.D, building owners may deduct the sum of the annual GHG emissions from electric loads related to broadcast antennas, on-site cell phone towers or other communications equipment that is unrelated to the primary purpose of the building.

- **Eligibility Criteria:** Any covered building with communications equipment (e.g., antennas, cell towers, etc.) may deduct emissions from this equipment from compliance GHGI if the metered energy use for the equipment is included in the benchmarked electric energy use. In most cases, the energy used for this type of communications equipment is not included in benchmarked energy use, and therefore an emissions deduction should not be included in compliance GHGI.
- **Method(s) for documenting, metering, or estimating deduction:** Communications equipment should be excluded from energy benchmarking reported to OSE to the extent possible based on how it is metered.
  - **Documentation Required:** Qualified Providers must confirm that this energy use is included in the benchmarked electric energy use in order to take the deduction. To take the deduction:
    - Use **Section 10.09: Submetering** for submetering rules and documentation.

- **Clarifications:**

- This deduction may be used in all compliance intervals (2027–2030, 2031–2035, 2036–2040, 2041–2045, and 2046–2050).

(g) Emergency Fossil Fuel Generators in Any Covered Building

*Per SMC 22.925.120.E, building owners may deduct the sum of the annual GHG emissions from fossil fuel generators used exclusively for emergency power back-up power.*

- **Eligibility Criteria:** Any covered building with emergency backup generators may deduct emissions from this equipment from compliance GHGI.
- **Method(s) for documenting, metering, or estimating deduction:** If the backup generator runs on delivered fuels (e.g., diesel) or is separately metered, it should be left out of the ENERGY STAR Portfolio Manager benchmarking report and therefore an emissions deduction should not be included in compliance GHGI. If the generator is on the main meter but there is a submeter, then this submeter should be entered as an additional meter in benchmarking with negative entries.
  - **Documentation Required:** If taking the deduction, submit an attestation that this energy use is solely used for emergency uses or for periodic equipment testing.
- **Clarifications:**
  - If the backup generator is on the main meter and not submetered, then contact OSE regarding how to quantify emissions and energy usage from the equipment.
  - This deduction may be used in all compliance intervals (2027–2030, 2031–2035, 2036–2040, 2041–2045, and 2046–2050).

(h) Emergency Backup Heat in Hospital or Laboratory

*Per SMC 22.925.120.E, building owners may deduct the sum of the annual GHG emissions from fossil fuel equipment used for backup emergency heat in hospitals and laboratories.*

- **Eligibility Criteria:** Any covered hospital or healthcare-related building activity type (nursing home, rehabilitation center, etc.) with vulnerable patients or laboratory facility may deduct emissions from this equipment from compliance GHGI.
- **Method(s) for documenting, metering, or estimating deduction:** Building owners shall use the End Use Deduction Workbook to estimate emissions based on tons of heating capacity OR submeter the eligible equipment.
  - **Documentation Required:**
    - Upload End Use Deduction Workbook to compliance portal
    - If submetering, see **Section 10.09: Submetering** for submetering rules and documentation
  - Provide a brief explanation of the purpose of the backup heat as a need for building occupants or processes.
- **Clarifications:**
  - All equipment must be connected to a gas line to be eligible for GHG deductions.
  - This deduction may be used in all compliance intervals (2027–2030, 2031–2035, 2036–2040, 2041–2045, and 2046–2050).

(i) District Energy Contract in Place from Provider

Per SMC 22.925.120.F, building owners may deduct the sum of the annual GHG emissions from district energy steam, hot water and/or chilled water provided by a private district energy provider. This deduction may only be used: (1) for the 2031–2035 compliance interval, and (2) if the building owner has a contract for district thermal energy with a private district energy provider that was established prior to June 1, 2024, where a breach of contract would impose a financial penalty on the building owner.

- **Eligibility Criteria:** Any covered building with a contract in place before June 1, 2024, for district thermal energy with a private district energy provider may deduct emissions from steam, hot water and/or chilled water from compliance GHGI.
- **How to Apply:**
  - **To take the deduction, the district energy use must first be benchmarked as follows:**
    - The usage from the private district energy meter must be tracked in ENERGY STAR Portfolio Manager.
    - The ENERGY STAR Portfolio Manager account must show a current automated upload from the private district energy provider via a “Data Exchange” property share. A copy of a bill for the required BEPS reporting interval may be submitted if the data is being manually entered.
  - **In addition, one of the following must be provided to confirm the contract was established prior to June 1, 2024:**
    - A copy of one bill dated prior to June 1, 2024, showing service was provided at the building’s address.
    - Or, an affidavit from the private district energy provider stating service was provided at the building’s address prior to June 1, 2024.
- **Clarifications:**
  - A building with an existing private district energy contract established prior to June 1, 2024, that is sold after June 1, 2024, may still qualify to use the 2031–35 deduction.
  - SMC 22.925.120 notes that this deduction may only be used if a breach of contract would impose a financial penalty on the owner. For the purposes of this Rule, no documentation of financial penalty is required as it is assumed that all contracts include such a penalty.

## 10.09 Submetering Requirements

The energy use of a building or an end use (e.g., equipment level) may be submetered for the purpose of complying with this Rule. Such meters that are installed by the owner or a service provider (not a utility) working on behalf of the owner shall meet the metering and data acquisition system standards of Washington Administrative Code Section 409.4.<sup>17,18</sup>

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<sup>17</sup> This is in alignment with submetering standards allowed by the WA CBPS per CBPS Guidance Document 007 published 8/1/2022. See <https://www.commerce.wa.gov/wp-content/uploads/2022/07/CBPS-Guidance-Document-007-Submetering-Guidance.pdf>.

<sup>18</sup> WAC 409.4: <https://app.leg.wa.gov/wac/default.aspx?cite=51-11C-40904>.

- **Documentation:** At least 12 consecutive months of submetered data that align with the timeframe of the data requirements in **Section 10.07** shall be provided to OSE if required to demonstrate compliance.

## 10.10 Greenhouse Gas Emissions Report

Per SMC 22.925.090.B, building owners shall submit to the Director a Seattle greenhouse gas emissions report, completed by a qualified person.

A Greenhouse Gas Emissions Report or “GHG Report,” must be submitted by a qualified person by the covered building’s applicable deadline per the Compliance Schedule (Table 3). Reporting will be done through an online reporting tool developed by OSE and will require documentation of the following:

- (a) Reporting Requirements for 2027–2030
  1. Calculate the expected GHGIT for 2031–2035, as well as estimates for 2036–2040, 2041–2045, and if applicable, 2046–2050, based on current spaces in the building following the methods in **10.06**.
  2. Estimate the compliance GHGI for the 2031–2035 compliance interval following the methods in **Section 10.05: Calculating Compliance Greenhouse Gas Intensity (GHGI)**.
  3. If the building does not currently meet the 2031–2035 GHGIT:
    - Provide a short description of the high-level actions recommended by the qualified person to meet the 2031–2035 GHGIT. The qualified person should indicate if they recommended the building owner seek an evaluation of the building’s load and electric capacity to meet the 2031–2035 GHGIT.
    - Indicate whether the owner expects to use alternative compliance for the 2031–2035 compliance interval and if so which pathway. Certain alternative compliance pathways may require an application to be submitted before the 2031–2035 compliance interval. Refer to the requirements in **Section 12. Path B: Comply with Alternative Compliance or an Extension**.
    - Indicate whether building may be eligible for an exemption or extension in 2031–2035 and if so which one.
  4. Provide a list of major building mechanical equipment, such as equipment used for space heating and cooling, water heating, cooking, and information about the equipment such as age and fuel sources.
- (b) Reporting Requirements for 2031–2035 and Later
  1. Calculate the GHGIT for 2031–2035 as well as estimates for 2036–2040, 2041–2045, and if applicable, 2046–2050 based on current spaces in the building following the methods in **10.06**.
  2. Calculate the compliance GHGI for the 2031–2035 compliance interval following the methods in **Section 10.05: Calculating Compliance Greenhouse Gas Intensity (GHGI)**.
    - The estimated compliance GHGI shall include documentation of eligible end use deductions.
  3. If actions were required to meet the GHGIT, submit documentation of the actions completed by the qualified person to meet the applicable GHGIT, including any impacts on electric capacity.
    - If work is in progress and the resulting emissions reductions are not yet evident in the reported GHGI at the date of compliance but is expected to be available by the next annual benchmarking deadline, the following will be required by OSE as evidence:

- Construction permits pulled.
  - Project timeline and scope.
  - Measurement & Verification (M&V) report of the actions and expected emissions impact.
  - Photos and/or plans.
4. If the building does not currently meet the subsequent GHGIT:
    - Provide a short description of the high-level actions recommended by the qualified person to meet the subsequent GHGIT. The qualified person should indicate if they recommended the building owner seek an evaluation of the building's electric capacity to meet the subsequent GHGIT.
    - Indicate whether the owner expects to use alternative compliance for the subsequent compliance interval and if so which pathway.
    - Indicate whether the covered building may be eligible for an exemption or extension in the subsequent compliance interval and if so which one.
  5. If the building used alternative compliance, submit the documentation required per **Section 12** of this Rule.
  6. Provide or update a list of major building mechanical equipment, such as equipment used for space heating and cooling, water heating, cooking, and other activities and their age and fuel sources.

## Section 11. Path A: Meet Standard GHGIT or Aggregate GHGIT at All Five-Year Compliance Intervals

### 11.01 Compliance for One Building: Standard GHGIT

Building owners shall reduce the GHGI of the covered building to meet the calculated standard GHGIT at the relevant compliance deadlines per Table 3, unless approved for an extension, exemption, or alternative compliance pathway. Once buildings have achieved net-zero emissions, building owners shall maintain the covered buildings at net-zero emissions in perpetuity.

The compliance process for one building using the standard GHGIT is as follows:

1. **2027–2030:** By October 1 of the compliance year, in accordance with Table 3, a qualified person for a covered building must complete the Benchmarking Verification and submit a GHG Report.
2. **2031–2035:** In accordance with Table 3, a qualified person for a covered building must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the GHGIT target by October 1 of the compliance year.
3. **2036–2040:** In accordance with Table 3, a qualified person for a covered building must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the GHGIT target by October 1 of the compliance year.
4. **2041–2045:** In accordance with Table 3, a qualified person for a covered building must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the GHGIT target by October 1 of the compliance year.
5. **2046–2050:** In accordance with Table 3, a qualified person for a covered building must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the GHGIT target by October 1 of the compliance year.

Refer to **Section 9** for detailed Benchmarking Verification requirements and **Section 10.10** for detailed GHG Report requirements.

## 11.02 Compliance with More than One Building: Aggregate GHGIT

Building owners with more than one building may comply with the emissions standards by using an Aggregate GHGIT based on a prorated blend of spaces for all their buildings' square footage combined, in lieu of building-by-building compliance.<sup>19</sup> This alternative compliance option is allowed as a flexibility measure for owners with portfolios of multiple buildings, however they may comply with each building individually if desired.

To be eligible for this pathway, the buildings must meet one of the following criteria:

1. **Building Portfolio (private, public, or nonprofit ownership):** Two or more covered buildings on one or more lots, all owned by the same public, private, or nonprofit entity. Building portfolios may include district campuses and/or connected buildings.
2. **Connected Buildings:** Two or more covered buildings owned by the same building owner that are situated on the same or adjacent parcels and have shared mechanical or metering equipment such as energy meters, building controls, heating, or ventilation or share a thermal envelope because they are physically connected. For example, a campus or an apartment building complex without a district energy system.
3. **District Campus:** Two or more covered buildings on the same or adjacent parcels owned by the same building owner that is served by a campus district heating, cooling, water reuse, and/or power system.

### Clarifications:

- While building portfolios may include district campuses and/or connected buildings, qualified persons should use straightforward configurations to simplify reporting and management and create distinct connected building or district campus configurations for each geographically contiguous campus (e.g., Ballard Campus, South Seattle Campus).
  - Connected buildings and district campuses may use the Aggregate GHGIT when more than one owner shares mechanical or metering equipment under a joint agreement. One owner shall be deemed the building owner for the purpose of complying with this Rule with the exception that penalties for non-compliance (**Section 14**) may be prorated by owner.
  - For all uses of the Aggregate GHGIT, a primary contact for the report must be designated, which may or may not be a qualified person. That person shall be the key contact for OSE and be the liaison among all owners, property managers, and qualified persons involved with a building portfolio, district campus, or connected buildings report.
  - While eligible for the Aggregate GHGIT, district campuses should consider using a District Campus Decarbonization Plan, detailed in **Section 13.05**. Aggregate GHGIT Compliance Process and Timeline
1. **2027–2030:** In accordance with Table 3, a qualified person for the covered buildings must complete Benchmarking Verification and submit a GHG Report for OSE review. A qualified

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<sup>19</sup> For example, the Aggregate GHGIT is based on the sum of all office space, all retail space, and all restaurant space across a building portfolio, divided by the total GFA of the building portfolio. OSE will issue additional guidance on calculation procedures prior to reporting deadlines.

person for the covered buildings must also apply to use the Aggregate GHGIT and identify which buildings will be included per this timeline:

- a. **October 1, 2027:** Window for applying to use the Aggregate GHGIT opens. OSE will review the application and may request corrections if needed.
  - b. **October 1, 2028:** Deadline to apply to use Aggregate GHGIT for 2031–2035 compliance interval. OSE will review the application and may request corrections if needed.
  - c. **April 1, 2029:** Required corrections to application and/or building list must be made by this date.
2. **2031–2035:** In accordance with Table 3, a qualified person for the covered buildings must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the GHGIT target.
- a. **October 1, 2032:** Window for submitting Benchmarking Verification and GHG Report opens. Any changes to the list of buildings included in Aggregate GHGIT must be made by this deadline.
  - b. **October 1, 2033:** Compliance deadline for buildings complying as a building portfolio, connected buildings, or district campus.
3. **2036–2040:** In accordance with Table 3, a qualified person for the covered buildings must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the GHGIT targets.
- a. **October 1, 2037:** Window for submitting Benchmarking Verification and GHG Report opens. Any changes to the list of buildings included in Aggregate GHGIT must be made by this deadline.
  - b. **October 1, 2038:** Compliance deadline for buildings complying as a building portfolio, connected buildings, or district campus.
4. **2041–2045:** In accordance with Table 3, a qualified person for the covered buildings must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the GHGIT targets.
- a. **October 1, 2042:** Window for submitting Benchmarking Verification and GHG Report opens. Any changes to the list of buildings included in Aggregate GHGIT must be made by this deadline.
  - b. **October 1, 2043:** Compliance deadline for buildings complying as a building portfolio, connected buildings, or district campus.
5. **2046–2050:** In accordance with Table 3, a qualified person for the covered buildings must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the GHGIT targets.
- a. **October 1, 2047:** Window for submitting Benchmarking Verification and GHG Report opens. Any changes to list of buildings included in Aggregate GHGIT must be made by this deadline.
  - b. **October 1, 2048:** Compliance deadline for buildings complying as a building portfolio, connected buildings, or district campus.

(a) Reporting Obligations for Aggregate GHGIT: List of Included Buildings

In addition to the GHG Report, a qualified person representing the owner of buildings complying as part of a building portfolio, connected buildings, or district campus shall submit a list of buildings included in

the Aggregate GHGIT by October 1, 2028. The list shall be submitted via the online reporting tool and shall contain the following elements:

1. Name, OSE ID, ENERGY STAR Portfolio Manager ID, and address of included buildings
2. Gross floor area and building activity types of included buildings
3. Owner name of each building, parent company name (if applicable), and documentation of building portfolio, connected buildings, or district campus ownership.

(b) Aggregate GHGIT Exclusions

- Buildings less than 20,000 square feet shall not be included in a building portfolio for the purpose of complying with the Aggregate GHGIT.
- Connected buildings or district campus buildings that are less than 20,000 square feet may be excluded from the Aggregate GHGIT if their energy use is submetered. Otherwise, both the emissions and floor area shall be included.
  - Buildings less than 20,000 square feet are not required to make emissions reductions.
- Buildings approved for the following alternative compliance pathways shall not be included in the Aggregate GHGIT unless they cannot be metered out:
  - Demolition Exemption
  - New Construction Extension
  - Financial Distress Extension
  - High Rental Vacancy Extension
  - Multifamily Prescriptive Path
  - Net-Zero Decarbonization Plan
  - Low Emissions Decarbonization Plan
- Buildings approved for the following alternative compliance pathways shall not be included in the Aggregate GHGIT unless they cannot be metered out OR unless all buildings included in the Aggregate GHGIT are using the same extension.
  - Low-Income Housing Extension
  - Human Service Uses Extension
  - Low-Rent Housing Extension
- Building owners can choose between two options for excluding or including all-electric buildings in the Aggregate GHGIT:
  - Option 1: Take All-Electric Building Exemption & Exclude from Aggregate GHGIT
    - Buildings that are verified as using only electric energy are exempt from GHGIT requirements & GHG reporting (see **7.01**)
    - Exempted all-electric buildings cannot be included in the Aggregate GHGIT.
  - Option 2: Do Not Take All-Electric Building Exemption & Include in Aggregate GHGIT
    - If included in the Aggregate GHGIT, all-electric buildings must a) meet all GHG reporting requirements and b) use the electric emissions factor set in the ordinance.

### 11.03 Documentation of Building Portfolio Ownership

To comply with BEPS as a building portfolio, building owners must provide an attestation of shared ownership and supporting documentation may be required by OSE. The following forms of documentation are acceptable:

1. Evidence that all buildings included in a building portfolio have the same Owner as listed in the records of the King County Department of Assessments
  2. A copy of a deed that shows the LLC is part of the parent company or a copy of a title transfer from the LLC to the parent company
  3. A certificate signed by the corporate secretary for the owner that affirms they are the majority owner of a property
  4. A certificate signed by the Executive Director of a charitable organization that affirms all buildings are owned or partly owned by the same charitable organization
- (a) Additional Requirements for Complying as a Building Portfolio:
- A building shall not be in more than one building portfolio.
  - For private or nonprofit building portfolios, building owners must attest that all included LLCs and part owners are informed and consent to be included in the building portfolio for BEPS compliance.
  - For connected buildings or district campuses, if more than one owner shares mechanical or metering equipment under a joint agreement, the district campus entity must attest that such owners are informed and consent to be included in the connected buildings or district campus report for BEPS compliance.
  - Buildings included in a building portfolio, connected buildings, or district campus are still required to comply with annual energy benchmarking.
    - Building portfolios will still use individual ENERGY STAR Portfolio Manager reports.
    - Connected buildings and district campuses will use ENERGY STAR Portfolio Manager “campus” set-up in most cases (parent building with child buildings).<sup>20</sup>
  - The list of buildings included in a building portfolio, connected buildings, or district campus is assumed to be the same for all compliance intervals.
    - Per **Section 7**, the list of included buildings must be resubmitted for OSE review if there are any changes to the included buildings.
- (b) Notifying OSE of Changes to Building Portfolios
- The list of buildings included in a building portfolio must be approved one year prior to the building portfolio's compliance date. No changes may be made to the building portfolio after that point unless:
    - A building included in the portfolio is sold or falls under financial distress.
    - A building included in the portfolio is demolished
    - The building owner has an unexpected major problem with the building (e.g., fire) or an unforeseen circumstance that impacts the portfolio

## Section 12. Path B: Comply with Alternative Compliance or an Extension

*Per SMC 22.925.100, building owners may apply for...alternative compliance options, in lieu of meeting standard GHGITS, in one or more compliance intervals.*

This section explains those alternative compliance options and extensions including eligibility criteria, documentation, and calculations required.

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<sup>20</sup> OSE will issue additional guidance prior to reporting deadlines.

## 12.01 Alternative Compliance: Alternate GHGIT

The Alternate GHGIT option allows owners to calculate GHGITs against a baseline GHGI for the covered building(s) and to set interim targets from that baseline to net-zero emissions. The option provides flexibility for public entities and for individual buildings with uncommon uses such that GHGI are much higher than the “other” building activity GHGIT, as well as buildings with very high GHGI relative to the calculated standard GHGIT. For nonresidential buildings the incremental targets are set for emissions reductions of thirty-three percent (33%) every five years from 2027–2030 until 2041–2045. For multifamily buildings the incremental targets are set for emissions reductions of twenty-five (25%) every five years from 2027–2030 until 2046–2050.

### Eligibility Criteria:

For individual building compliance, owners may use the Alternate GHGIT option in lieu of the standard GHGIT if a building meets one of the following criteria:

1. A nonresidential building with more than 50 percent of the covered building with the building activity type of "Other" or of a type not covered in Table 5.
2. A covered building that has a baseline GHGI 3.5 times greater than the covered building's standard GHGIT for the 2031–2035 compliance interval.
3. A district campus, connected buildings, or public/nonprofit building portfolio.

### Clarifications:

- Private sector building portfolios are not eligible to use the Alternate GHGIT.
- Allowed end use deductions must be accounted for when determining if the covered building GHGI is 3.5 times greater than the GHGIT (e.g., determine if the GHGI is 3.5 times greater than the GHGIT after deducting emissions using the “District Energy Contract in Place” end-use deduction).

#### (a) Calculating Baseline GHGI Emissions

To calculate baseline GHGI emissions, building owners shall use verified energy benchmarking data from the year 2024 or later\* that consists of either:

1. Twelve consecutive months of verified energy benchmarking data from the time period preceding the covered building's GHGIT compliance deadline. The twelve-month period shall run from January 1–December 31 or from July 1–June 30; or
2. The annual average of twenty-four consecutive months of verified energy benchmarking data from the time period preceding the covered building's GHGIT compliance deadline. The twenty-four-month period shall run from January 1–December 31 or from July 1–June 30.

\*Entities complying using a District Campus Decarbonization Compliance Plan may use verified energy benchmarking data from the year 2019 or later and using the above timeframes.

No other time periods or data years will be accepted by OSE for reporting.

The baseline GHGI is the sum of all GHG emissions from the covered building (or building portfolio, connected building, etc.) minus the sum of approved allowed GHG emissions deductions per **Section 10.08: End Use Deductions**, divided by the gross floor area of the covered building.

$$\text{Baseline GHGI}(\text{kgCO}_2\text{e/SF/yr}) \\ = \frac{\sum \text{GHG emissions}(\text{kgCO}_2\text{e/yr}) - \sum \text{GHG deductions}(\text{kgCO}_2\text{e/yr})}{\text{Gross Floor Area}(\text{SF})}$$

(b) Calculating Alternate GHGIT

1. A **nonresidential building's** Alternate GHGIT for their compliance deadline in each compliance interval shall be calculated as follows:

- a. **2031–2035:** Sixty-six percent of the baseline GHGI  
 $\text{Alternate GHGIT}(\text{kgCO}_2\text{e/yr}) = \text{Baseline GHGI}(\text{kgCO}_2\text{e/yr}) \times 0.66$
- b. **2036–2040:** Thirty-three percent of the baseline GHGI  
 $\text{Alternate GHGIT}(\text{kgCO}_2\text{e/yr}) = \text{Baseline GHGI}(\text{kgCO}_2\text{e/yr}) \times 0.33$
- c. **2041–2045:** Net-zero emissions  
 $\text{Alternate GHGIT}(\text{kgCO}_2\text{e/yr}) = \text{Baseline GHGI}(\text{kgCO}_2\text{e/yr}) \times 0$

2. A **multifamily building's** Alternate GHGIT for their compliance deadline in each compliance interval shall be calculated as follows:

- a. **2031–2035:** Seventy-five percent of the baseline GHGI  
 $\text{Alternate GHGIT}(\text{kgCO}_2\text{e/yr}) = \text{Baseline GHGI}(\text{kgCO}_2\text{e/yr}) \times 0.75$
- b. **2036–2040:** Fifty percent of the baseline GHGI  
 $\text{Alternate GHGIT}(\text{kgCO}_2\text{e/yr}) = \text{Baseline GHGI}(\text{kgCO}_2\text{e/yr}) \times 0.50$
- c. **2041–2045:** Twenty-five percent of the baseline GHGI  
 $\text{Alternate GHGIT}(\text{kgCO}_2\text{e/yr}) = \text{Baseline GHGI}(\text{kgCO}_2\text{e/yr}) \times 0.25$
- d. **2046–2050:** Net-zero emissions  
 $\text{Alternate GHGIT}(\text{kgCO}_2\text{e/yr}) = \text{Baseline GHGI}(\text{kgCO}_2\text{e/yr}) \times 0$

(c) Recalculating Baseline Emissions and Alternate Targets

Per SMC 22.925.100.C, a building owner may apply to amend the Alternate GHGIT or baseline GHGI when one or more of the metrics used to calculate the Alternate GHGIT or baseline GHGI have changed.

This Rule further clarifies that the building owner may apply to amend the alternate target when:

1. The gross floor area of an individual building has increased or decreased by more than 10%
2. The gross floor area of a building portfolio has increased or decreased by more than 10%

(d) Alternate GHGIT Compliance Process and Timeline

A building owner shall apply for and receive approval for an Alternate GHGIT before the covered buildings' first compliance deadline per Table 3 and shall use the approved Alternate GHGIT for each subsequent compliance interval.

1. **2027–2030:** In accordance with Table 3, a qualified person for the covered buildings must complete Benchmarking Verification and submit a GHG Report. Building owners that plan to use the Alternate GHGIT for compliance in the 2031–2035 compliance interval must apply for approval to do so when submitting the GHG Report. If applying to use the Alternate GHGIT as a district campus, connected buildings, or a public/nonprofit building portfolio, building owners must also submit the list of included buildings for OSE review by October 1, 2028.
  - a. OSE may grant an extension to individual buildings that meet the eligibility criteria for the Alternate GHGIT to apply after submitting the GHG Report.

2. **2031–2035:** In accordance with the compliance deadlines listed in Table 3, a qualified person for the covered building must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the Alternate GHGIT.
  - a. **October 1, 2032:** Window for submitting Benchmarking Verification and GHG Report opens for buildings complying as a building portfolio, connected buildings, or district campus. Any changes to the list of buildings included in the Alternate GHGIT must be made by this deadline.
3. **2036–2040:** In accordance with the compliance deadlines listed in Table 3, a qualified person for the covered building must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the Alternate GHGIT.
  - a. **October 1, 2037:** Window for submitting Benchmarking Verification and GHG Report opens for buildings complying as a building portfolio, connected buildings, or district campus. Any changes to the list of buildings included in the Alternate GHGIT for a district campus, connected buildings, or a public/nonprofit building portfolio must be made by this deadline.
4. **2041–2045:** In accordance with the compliance deadlines listed in Table 3, a qualified person for the covered building must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the Alternate GHGIT.
  - a. **October 1, 2042:** Window for submitting Benchmarking Verification and GHG Report opens for buildings complying as a building portfolio, connected buildings, or district campus. Any changes to the list of buildings included in the Alternate GHGIT for a district campus, connected buildings, or a public/nonprofit building portfolio must be made by this deadline.
5. **2046–2050:** In accordance with the compliance deadlines listed in Table 3, a qualified person for the covered building must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as meet the Alternate GHGIT.
  - a. **October 1, 2047:** Window for submitting Benchmarking Verification and GHG Report opens for buildings complying as a building portfolio, connected buildings, or district campus. Any changes to the list of buildings included in the Alternate GHGIT for a district campus, connected buildings, or a public/nonprofit building portfolio must be made by this deadline.

(e) Reporting Obligations for Alternate GHGIT: List of Included Buildings

In addition to the GHG Report, a qualified person representing the owner of buildings complying as part of a portfolio, connected buildings, or district campus shall submit a list of buildings included in the Alternate GHGIT by October 1, 2028. The list shall be submitted via the online reporting tool and shall contain the following elements:

1. Name, OSE ID, ENERGY STAR Portfolio Manager ID, and address of included buildings,
2. Gross floor area and building activity types of included buildings,
3. Owner name of each building, parent company name (if applicable) and documentation of building portfolio, connected buildings, or district campus ownership. See **11.03: Documentation of Building Portfolio Ownership** for additional requirements.

## 12.02 Alternative Compliance: Alternative Compliance Payment

Per SMC 22.925.100.A, building owners may meet up to 100 percent of a covered building's emissions reductions required to meet the GHGIT for the 2031–2035 compliance interval with an ACP.

The ACP is based on the difference between the GHGI the building has achieved and the GHGIT, up to 100% of the reductions needed to meet the emissions target, thereby enabling a building owner to make partial progress towards meeting the GHGIT. The ACP shall be the greater of:

1. \$1,250 for covered buildings with a gross floor area of 50,000 square feet or less or \$2,500 for covered buildings with a gross floor area greater than 50,000 square feet
2. The total annual metric tons (MT) of CO<sub>2</sub>e a covered building emits in excess of its GHGIT multiplied by the five years in the compliance interval and by the MTCO<sub>2</sub>e cost.
  - a)  $ACP = Total\ Annual\ MTCO_2e/yr \times 5 \times Cost\ of\ MTCO_2e$
  - b)  $Total\ Annual\ MTCO_2e/year = [Compliance\ GHGI\ ((kgCO_2e/SF)/year) - GHGIT\ (kgCO_2e/SF)/year] \times Gross\ Floor\ Area/1000$

Per SMC 22.925.100.A, the cost of each MTCO<sub>2</sub>e is \$190 per MTCO<sub>2</sub>e for the 2031–2035 compliance interval. No later than December 31, 2027, the Director by rule may raise the dollar amount per MTCO<sub>2</sub>e for the 2031–2035 compliance interval to adjust for inflation and to account for adjustments to the social cost of carbon by a relevant government agency.

The ACP shall not exceed the penalty amount for failure to meet the GHGIT (calculated using the gross floor area of the covered building) for the same compliance interval.

### Clarifications:

- Buildings are still required to complete Benchmarking Verification and submit a GHG Report to accurately calculate the ACP.
- Buildings using the Aggregate GHGIT to comply as a building portfolio, connected buildings, or district campus may use the ACP.
- The mechanism for payment will be determined in a future Director's Rule, in advance of the 2031–2035 compliance deadline.
  - Building owners may not use the ACP in advance of their 2031–2035 compliance deadline because payment is based on the actual MTCO<sub>2</sub>e above the GHGIT at the time of compliance.

## 12.03 Alternative Compliance: Multifamily Prescriptive Option

Per SMC 22.925.100.D, a building owner may utilize one or more prescriptive options for a multifamily building in lieu of meeting its GHGIT during the 2031–2035, 2036–2040, or 2041–2045 compliance intervals. Each prescriptive option shall only be used for one compliance interval.

This option offers owners of multifamily buildings a means to comply without conducting energy modeling to determine if emissions reductions from planned actions would meet the standard GHGIT. This option also supports an owner's ability to implement upgrades closer to the compliance deadline because compliance doesn't rely on measuring the previous year's GHGI.

To use this option, building owners may either:

1. Replace existing fossil fuel combustion service hot water system(s) with electric heat pump water heating (HPWH) system(s) in compliance with the current Seattle Energy Code, including all systems serving the residential units and residential common areas. In residential condominium buildings, only the mechanical systems, equipment, and appliances serving common areas and/or multiple residential units need to be replaced.
2. Replace existing fossil fuel combustion HVAC heating system equipment with electric heat pump systems or in-unit electric resistance in compliance with the current Seattle Energy Code, including all equipment serving the residential units and residential common areas. In residential condominium buildings, only the systems serving common areas and/or multiple residential units need to be replaced.

**Clarifications:**

- This option requires replacement with fully electric service hot water or HVAC system(s). Seattle Energy Code exceptions shall not apply.
- (a) Multifamily Prescriptive Option Compliance Process and Timeline
1. **2027–2030:** In accordance with Table 3, covered buildings must complete Benchmarking Verification and submit a GHG Report for OSE review. Owners planning to use the Multifamily Prescriptive Path for a covered building must notify OSE of their intent to do so as part of the GHG Report.<sup>21</sup>
  2. **2031–2035, 2036–2040, and 2041–2045:** In accordance with Table 3, covered buildings must complete Benchmarking Verification and submit a GHG Report for OSE review, as well as document that they have satisfied the requirements of the Multifamily Prescriptive Option. Building owners must submit one of the following:
    - a. Evidence that equipment was installed (e.g., completed work order, paid invoices, photos)
    - b. Completed Seattle Department of Construction & Inspections inspection report after equipment has been installed

**12.04 Extensions**

*Per SMC 22.925.110.A, building owners with covered buildings with one or more of the following conditions may apply for an extension from meeting GHGITS, Benchmarking Verification, and/or reporting requirements for one or more compliance intervals.*

Buildings that receive an extension are still required to comply with the annual energy benchmarking reporting of SMC 22.920.

Table 6 summarizes the extensions, eligibility criteria, and allowable timeframe for each extension. The details of how to apply for each extension and the documentation required follow the table.

<b>Table 6: Summary of Eligibility Criteria for Extensions</b>			
<b>Option</b>	<b>What</b>	<b>Eligible Buildings</b>	<b>When Allowed</b>

<sup>21</sup> Notification is for City and owner planning purposes only. Intent does not require using this option for compliance.

			27–30 <sup>1</sup>	31–35	36–40	41–45	45–50
New Construction	One-time extension from all requirements of initial compliance date.	Any covered building with a certificate of occupancy less than 3 years before compliance date.	yes	yes	yes	yes	yes
Financial Distress	One-time extension from all requirements for one compliance interval. (Owners may reapply).	Any covered building with pre-existing financial distress per ordinance definition.	yes	yes	yes	yes	yes
High Rental Vacancy Rate	One-time extension from GHGIT requirements for one compliance interval. Must still verify benchmarking and report. (Owners may reapply).	Covered building with a rental vacancy rate greater than or equal to 35% during a consecutive 12-month period within the 36 months preceding the compliance date.	NA	yes	yes	yes	yes
Low-Income Housing	One-time extension from meeting GHGIT in 2031–2035. Must still verify benchmarking and report and meet 2036–2040 and later GHGITs.	Multifamily that meets low-income housing definition	NA	yes	no	no	no
Human Service Uses	One-time extension from meeting GHGIT in 2031–2035. Must still verify benchmarking and report and meet 2036–2040 and later GHGITs.	A covered building with >50% occupancy by human service uses.	NA	yes	no	no	no
Low-Rent Housing	One-time extension from meeting GHGIT in 2031–2035. Must still verify benchmarking and report and meet 2036–2040 and later GHGITs.	Multifamily not meeting low-income housing definition where contract rent and utility allowance meets requirements published by Office of Housing.	NA	yes	no	no	no
Low-Income Housing: Pre-established refinancing date conflict	One-time extension from meeting GHGIT in 2036–2040. Must still verify benchmarking and report and meet subsequent GHGITs.	Multifamily that meets low-income housing definition and had a pre-established refinancing date that will not occur until after 2036–2040.	NA	NA	yes	no	no
Change of ownership	One-time extension from all requirements for one year.	A covered building with a date of purchase within one year of the compliance deadline.	yes	yes	yes	yes	yes

(a) New Construction

Per SMC 22.925.110.A, a newly constructed covered building that receives a certificate of occupancy less than three years before its compliance date may receive an extension for one compliance interval from meeting the requirements of Chapter 22.925.

- **Eligibility Criteria:** A covered building constructed no more than three years before the building's compliance date.
- **How to Apply:** Building owners must submit the required documentation along with an application for an extension.
  - **Application Deadlines:** Extension applications must be submitted to OSE no sooner than two years in advance of the compliance deadline and no later than six months prior to the compliance deadline.
  - **Documentation Required:** 1) Certificate of occupancy dated no more than three years before the building's compliance date AND 2) Construction permit issued by SDCI.
- **Clarifications:**
  - Buildings will receive an extension from Benchmarking Verification, meeting the GHGIT, and completing a GHG Report.
  - Buildings must meet the GHGIT for the subsequent compliance deadlines (e.g., a building that receives an extension in 2031 must meet the 2036 GHGIT by October 1, 2036) or use Alternative Compliance.

(b) Financial Distress

Per SMC 22.925.110.A, covered buildings under pre-existing financial distress at their compliance date may receive an extension from meeting the requirements of Chapter 22.925 for each compliance interval they remain under financial distress.

- **Eligibility Criteria:** Covered buildings under pre-existing financial distress as defined in this Rule and SMC 22.925.020.
- **How to Apply:** Building owners must submit the required documentation along with an application for an extension.
  - **Application Deadlines:** Extension applications must be submitted to OSE no sooner than two years in advance of the compliance deadline and no later than six months prior to the compliance deadline.
  - **Documentation Required:** Evidence of meeting one of the eligibility criteria for pre-existing financial distress. If the building is controlled by a court-appointed receiver or financial institution, OSE will accept documentation from them.
- **Clarifications:**
  - Buildings will receive an extension from Benchmarking Verification, meeting the GHGIT, and completing a GHG Report.
  - Owners may reapply for a new extension five years before their compliance deadline if the building remains under financial distress.
  - Buildings approved for the financial distress extension may have an additional five years to meet the GHGIT after receiving the extension (e.g., a building that receives an extension in 2031 would be required to meet the 2031 target during the 2036–2040

compliance interval) However, all buildings must meet net-zero emissions by 2046–2050.

(c) High Rental Vacancy Rate

Per SMC 22.925.110.A, a covered building with a high rental vacancy rate, as determined by rule, during a consecutive 12-month period within the 36 months preceding the relevant compliance date may receive an extension from meeting the GHGIT for one compliance interval. Building owners must still meet Benchmarking Verification and all reporting obligations.

- **Eligibility Criteria:** A building must have a rental vacancy rate equal to or greater than 35% for an entire consecutive 12-month period within the 36 months preceding the BEPS compliance date. Rental vacancy refers to vacant space that is for rent but is unleased. This does not include hallways, lobbies, mechanical room space or other common area spaces. For the purposes of this Rule, commercial spaces leased free of charge for public benefit may be included in a building's calculation of vacant space. "Market-based incentives" such as free months of rent as part of a paid rental agreement may not be included in the calculation of vacant space.
- **How to Report:** Building owners must submit documentation demonstrating that the building meets or exceeds the vacancy threshold for the required time period along with an application for an extension.
  - **Application Deadlines:** Extension applications must be submitted to OSE no sooner than two years in advance of the compliance deadline and no later than six months prior to the compliance deadline.
  - **Documentation Required:** Vacancy can be documented by submitting rent rolls, lease records, or other owner-supplied verifiable documentation that clearly demonstrates the building meets the vacancy threshold.
- **Clarifications:**
  - Spaces where tenants primarily work from home are not considered vacant.
  - Buildings must meet the GHGIT for the subsequent compliance deadlines (e.g., a building that receives an extension in 2031 must meet the 2036 GHGIT by October 1, 2036) or use Alternative Compliance.
  - Owners may reapply for a new extension five years before their compliance deadline if the building remains equal to or greater than 35% vacant.

(d) Change of Ownership

Owners of covered buildings with a date of purchase within one year prior to the compliance deadline or on the exact date of the compliance deadline may apply for a one-year extension from Benchmarking Verification, meeting the GHGIT, and completing a GHG Report.

- **Eligibility Criteria:** A building must have been purchased by a new owner within one year or on the exact date of the October 1 compliance deadline.
- **How to Report:** Building owners must submit documentation demonstrating that the building was purchased within one year of the BEPS compliance deadline.
  - **Application Deadlines:** Extension applications must be submitted to OSE no sooner than one year in advance of the compliance deadline. OSE will accept extension applications up to the compliance deadline.

- **Documentation Required:** Provide the date of sale, contact name for the new owner, and new owner's phone number. In addition, a copy of the change of ownership deed or title is required.
- **Clarifications:**
  - Buildings must meet the GHGIT in the following compliance year (e.g., a building that receives an extension in 2031 must meet the GHGIT by October 1, 2032) or use Alternative Compliance.

(e) Low-Income Housing

Per SMC 22.925.110.A, low-income housing may receive an extension from meeting the GHGITs in the 2031–2035 compliance interval. Building owners must meet Benchmarking Verification and all reporting obligations for the 2031–2035 compliance interval and must meet the GHGITs for all subsequent compliance intervals.

- **Eligibility Criteria:** The covered building(s) must meet the definition of “Housing, low-income” per SMC 23.84A.016.
- **How to Report:** Building owners must submit documentation demonstrating that the building meets the required criteria along with an application for an extension.
  - **Application Deadlines:** Extension applications must be submitted to OSE no sooner than two years in advance of the compliance deadline and no later than six months prior to the compliance deadline.
  - **Documentation Required:** If the building can't be verified by OSE as low-income housing with restrictive housing covenants recorded on the current title via publicly available records, the building owner will be asked to provide a completed Office of Housing Low-Income Housing Checklist, including the recording number for the regulatory agreement that includes restrictive housing covenants consistent with the definition of “Housing, low-income” per SMC 23.84A.016.
- **Clarifications:**
  - Buildings must meet the GHGIT for the subsequent compliance deadline (e.g., a building that receives an extension in 2031 must meet the 2036 GHGIT by October 1, 2036) or use Alternative Compliance.

(f) Human Service Uses

Per SMC 22.925.110.A, covered buildings with more than 50 percent of the building occupied by human service uses may receive an extension from meeting the GHGITs in the 2031–2035 compliance interval. Building owners must meet Benchmarking Verification and all reporting obligations for the 2031–2035 compliance interval and must meet the GHGITs for all subsequent compliance intervals.

- **Eligibility Criteria:** More than 50 percent of the covered building(s) must be occupied by human services per SMC 23.84A.016.
- **How to Report:** Data verification conducted by a qualified person must confirm that the building meets the required criteria along with an application for an extension.
  - **Application Deadlines:** Extension applications must be submitted to OSE no sooner than two years in advance of the compliance deadline and no later than six months prior to the compliance deadline. Extension applications may be provisionally approved until the

Benchmarking Data Verification Report is submitted at the compliance deadline and confirms the space uses.

- **Documentation Required:** Benchmarking Data Verification Report
- **Clarifications:**
  - Human service use must provide at least one of the listed services directly to a client group on the premises, rather than serve only administrative functions.
  - Buildings must meet the GHGIT for the subsequent compliance deadline (e.g., a building that receives an extension in 2031 must meet the 2036 GHGIT by October 1, 2036) or use Alternative Compliance.

(g) Low-Rent Housing

Per SMC 22.925.110.A, low-rent housing may receive an extension from meeting the GHGITs in the 2031–2035 compliance interval. Building owners must meet Benchmarking Verification and all reporting obligations for the 2031–2035 compliance interval and must meet the GHGITs for all subsequent compliance intervals.

- **Eligibility Criteria:** The covered building(s) must meet the definition of “Housing, low-rent” per SMC 22.925.020.
- **How to Report:** Building owners must submit documentation demonstrating that the building meets the required criteria along with an application for an extension.
  - **Application Deadlines:** Extension applications must be submitted to OSE no sooner than two years in advance of the compliance deadline and no later than six months prior to the compliance deadline.
  - **Documentation Required:** Building owners shall provide the current rent roll to OSE, which must demonstrate that the contract rents are consistent with the definition of “Housing, low-rent.” All private information such as tenant names, contact information, and payment history must be redacted from the rent roll prior to sharing. The rent roll must also include, for each residential unit in the building, the number of private bedrooms and net unit area (i.e., square footage), which excludes any exterior and common areas.
    - Building owners shall resubmit an updated rent roll during the 2036–2040 compliance interval to demonstrate that they have met the requirement to maintain the contract rent at or below (1) 60 percent of median income, or (2) 40 percent of median income for SEDUs for a minimum of ten years after the relevant compliance date in 2031–2035.
- **Clarifications:**
  - Income and rent limits based on area median income are published annually by the Seattle Office of Housing.<sup>22</sup>
  - For the purposes of this Rule, a residential unit with net unit area, as measured according to SMC 23.86.007.B, as 400 square feet or less, will be considered a small efficiency dwelling unit.<sup>23</sup>

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<sup>22</sup> As of the date of publication of this Rule, reference tables are available on the Income & Rent Limits webpage: <https://www.seattle.gov/housing/property-managers/income-and-rent-limits>

<sup>23</sup> The 400 SF net unit area threshold aligns with Seattle’s Mandatory Housing Affordability Act (SMC 23.58C.050) and the Multifamily Tax Exemption unit size thresholds (SMC 23.58A.004).

- Low-rent housing is not low-income housing.

(h) Low-Income Housing: Pre-established Refinancing Date Conflict

*Per SMC 22.925.110, low-income housing may receive an extension from meeting the GHGITS in the 2036–2040 compliance interval when a pre-established refinancing date would not occur until after the covered building's compliance deadline in 2036–2040. Building owners must meet Benchmarking Verification and all reporting obligations for the 2036–2040 compliance interval and must meet the GHGITS for all subsequent compliance intervals.*

- **Eligibility Criteria:** The covered building(s) must meet the definition of “Housing, low-income - as defined in SMC 23.84A.016. ” per SMC 23.84A.016 and have a pre-established refinancing date that does not occur until after the covered building's compliance deadline in 2036–2040.
- **How to Report:** Building owners must submit documentation demonstrating that the building meets the required criteria along with an application for an extension.
  - **Application Deadlines:** Extension applications must be submitted to OSE no sooner than two years in advance of the compliance deadline and no later than six months prior to the compliance deadline.
  - **Documentation Required:** If the building can't be verified by OSE as low-income housing with restrictive housing covenants recorded on the current title via publicly available records, the building owner will be asked to provide a completed Office of Housing Low-Income Housing Checklist, including the recording number for the regulatory agreement that includes restrictive housing covenants consistent with the definition of “Housing, low-income” per SMC 23.84A.016. In addition, the building owner must provide documentation of a pre-established refinancing date, such as documentation showing the maturity date of existing debt or the date of expiration of the Low-Income Housing Tax Credit (LIHTC).

## Section 13. Path C: Decarbonization Compliance Plans

*Per 22.925.100.E, building owners with extenuating circumstances that make complying with the compliance schedule or meeting the GHGITS a significant hardship for an individual building may apply to use a decarbonization compliance plan for achieving net-zero greenhouse gas emissions or an approved low emissions GHGIT by 2041–2050.*

**Two Decarbonization Compliance Plan options for individual buildings are available**, depending on the type of extenuating circumstance:

1. **Achieve net-zero emissions by 2041–2050.** This plan enables owners of individual buildings to develop custom incremental GHGITS towards a final target of net-zero emissions, instead of meeting the standard GHGITS at the building's size-based deadlines per Table 3. The final target must be a net-zero target to be reached by October 1 between 2041–2050. Net-zero is as defined in SMC 22.925 and in the definitions section of this Rule. To use this plan, a qualified person must first demonstrate the building meets the extenuating circumstances eligibility criteria in this section by submitting the documentation required. If approved, a Decarbonization Compliance Plan must be created following the plan requirements in **Section 13.03**.

2. **Achieve an approved low emissions GHGIT by 2041–2050.** This plan enables owners of individual buildings to develop custom incremental GHGI targets to meet a final low emissions target along a custom timeline, instead of meeting the building's size-based deadlines per Table 3. The final target must be the approved low emissions target to be reached by October 1 between 2041–2050. To use this plan, the owners' qualified person must first demonstrate their building meets the extenuating circumstances eligibility criteria in this section by submitting the documentation required. If approved, a draft plan must be created following the plan requirements in **Section 13.03**.

If the owner is approved to create a low emissions decarbonization compliance plan, a qualified person shall develop a plan that achieves one of the following:

1. A 90% reduction in the building's emissions by 2050 from the building's selected baseline year, excepting emissions from end use deductions per **Section 10.08** allowed in 2041–2050.
2. In select circumstances, a custom low emissions target may be allowed by the Director if the approved extenuating circumstance(s) preclude achieving option 1. Approval for a custom low-emissions target will be conditional pending review of a final updated plan prior to the building's compliance deadline during 2041–2050.

**Clarifications:**

- BEPS allows one narrow exception for a portfolio of buildings, rather than individual buildings to use either a net-zero or low emissions plan, per SMC 22.925.100.E, which states: *the public owner of a building portfolio whose primary purpose is to provide education at no cost and who is funded through state and local taxes may apply to use a decarbonization compliance plan covering multiple buildings within the owner's building portfolio*. Owners that meet these conditions shall be subject to demonstrate eligibility for the extenuating circumstance(s) but may do so at a portfolio level for multiple buildings. All other requirements of this sub-section shall be completed at the portfolio level.

### 13.01 Net-Zero by 2041–2050 Decarbonization Compliance Plan

A building owner may apply to use a Decarbonization Compliance Plan to achieve net-zero emissions by 2041–2050 when the owner can demonstrate that meeting the compliance schedule (Table 3) or meeting the GHGITs is a significant hardship due to an extenuating circumstance. This section further explains the seven allowable extenuating circumstances for a net-zero plan, how to apply for them, how to demonstrate the building meets the extenuating circumstance, and the documentation required. Building owners must first demonstrate the building meets the extenuating circumstance to be approved to proceed with a Decarbonization Compliance Plan.

(a) Substantial alteration

Per SMC 22.925.100E, *when a substantial alteration under Section 307 of the Seattle Existing Building Code will be undertaken concurrently with building upgrades necessary to meet a covered building's GHGIT*.

A building owner may apply to use a Decarbonization Compliance Plan to achieve net-zero emissions by 2041–2050 if substantial alterations, according to Section 311 of the Seattle Existing Building Code

(SEBC),<sup>24</sup> need to occur at the same time as the upgrades essential for meeting the greenhouse gas intensity target, such that it makes meeting the GHGITs or net-zero by the building's compliance deadlines per Table 3 infeasible. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a Decarbonization Compliance Plan.

- **Eligibility Criteria:** Owners must demonstrate that their building is or will be undergoing a substantial alteration under the Seattle Existing Building Code.
- **How to Apply:** Apply to OSE up to three years prior and no later than one year prior (October 1) to the building's standard compliance deadline in 2031–2035 per Table 3.<sup>25</sup>
- **Documentation Required:** Stamped permitting record(s) from SDCI showing the scope of alteration and verifying that the planned work meets substantial alteration thresholds.

(b) Seismic upgrades of unreinforced masonry (URM) buildings

Per SMC 22.925.100.E, *when seismic upgrades for a covered building with unreinforced masonry will be undertaken concurrently with building upgrades necessary to meet the covered building's GHGIT.*

A building owner may apply to use a Decarbonization Compliance Plan to achieve net-zero emissions by 2041–2050 when seismic upgrades to a covered building will contribute to a code-compliant retrofitted unreinforced masonry (URM) building as defined in the 2021 Seattle Existing Building Code (SEBC) Section 202. The URM upgrades must be undertaken concurrently with upgrades necessary to meet the covered building's GHGIT, such that it makes meeting the GHGITs or net-zero by the building's compliance deadlines per Table 3 infeasible. For example, structural modifications are required for the building to meet seismic regulations, resulting in sufficient disruption or reconstruction to necessitate major system replacement opportunities. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a Decarbonization Compliance Plan.

- **Eligibility Criteria:** Owners must demonstrate that their building is or will be undergoing a seismic upgrade contributing to a code-compliant retrofitted URM building as defined in 2021 SEBC Section 202.<sup>26</sup>
- **How to Apply:** Apply to OSE up to three years prior and no later than one year prior (October 1) to the building's standard compliance deadline in 2031–2035 per Table 3.
- **Documentation Required:** A signed and stamped structural engineering report describing the seismic work scope and timeline, referencing mandated structural code requirements and demonstrating the alterations align with the owner's Decarbonization Compliance Plan.

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<sup>24</sup> The 2021 SEBC substantial alteration content is in Section 311 and this Rule will always use whatever SEBC is currently in force. See Seattle Existing Building Code Chapter 3:

<https://www.seattle.gov/documents/departments/sdci/codes/existingbuildingcode/2021sebcchapter3.pdf>

<sup>25</sup> In other words, owners seeking to use a Decarbonization Compliance Plan in lieu of meeting the October 1, 2031, standard GHGIT compliance deadline, must apply by October 1, 2030. However, owners that want to use a plan as alternative compliance for any 2031–2035 compliance deadlines are strongly encouraged to apply for eligibility as part of their 2027–2030 compliance interval reporting to ensure ample time for OSE review.

<sup>26</sup> The 2021 SEBC URM Section 202 is available at:

<https://www.seattle.gov/documents/departments/sdci/codes/existingbuildingcode/2021sebcchapter2.pdf>

(c) Significant electrical infrastructure upgrades

Per SMC 22.925.100.E, *When building upgrades necessary to meet the GHGIT include the installation of significant electrical infrastructure upgrades to increase electric capacity in the building, such as adding a new transformer vault.*

Building owners may apply to use a Decarbonization Compliance Plan to meet net-zero emissions by 2041–2050 when building upgrades that would be needed to meet the incremental standard GHGITs by the building's compliance schedule per Table 5 include significant electrical infrastructure upgrades. For example, meeting the GHGIT would require a major increase in the building's electric capacity, such as adding a new transformer vault. Building owners must apply to demonstrate the building meets this extenuating circumstance and be approved to proceed with a Decarbonization Compliance Plan.

- **Eligibility Criteria:** Upgrades must significantly expand electrical capacity or modernize infrastructure to support electrification to enable the building to meet their specified GHGIT. Allowable electric upgrades that qualify as “significant electrical infrastructure” are as follows:<sup>27</sup>
  - A new utility transformer located in the existing building, or an enlargement of the floor area of such a vault.
  - Trenching across the vehicle lanes of a public way.
  - The estimated constructed cost (of the electric upgrades) exceeds 50% of the project valuation. Cost shall be documented by an ACE Level 3 or equivalent cost estimate including required demolition, construction, site work, and utility fees.
- **How to Apply:** Apply to OSE no later than one year prior (October 1) to the building's standard compliance deadline in 2031–2035 per Table 3.
- **Documentation Required:** Audit results or a feasibility study signed and stamped by a professional electrical engineer licensed in Washington State verifying that the scope of work is required or unavoidable to decarbonize heating, hot water, or other major building systems. The study must include a load analysis of the building based on Seattle Electrical Code Section 220.87. It must also include a review of energy efficiency measures that were considered to avoid a significant electrical infrastructure upgrade.

(d) Equipment vested under the Seattle Energy Code before 2024

Per SMC 22.925.100E, *When building upgrades necessary to meet the GHGIT would require the replacement of HVAC heating system equipment or service hot water equipment already vested under the Seattle Energy Code by January 12, 2024, and that equipment has not yet reached a defined percentage of life expectancy.*

Building owners may apply to use a Decarbonization Compliance Plan to meet net-zero emissions by 2041–2050 when building upgrades necessary to meet the GHGIT would require the replacement of HVAC heating system equipment or service hot water equipment already vested under the Seattle Energy Code by January 12, 2024, and that equipment has not yet reached 100% of equipment useful

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<sup>27</sup> The conditions align with the 2021 Seattle Energy Code Chapter 5, 503.4.6 Exception 4:  
<https://www.seattle.gov/documents/departments/sdci/codes/seattleenergycode/2021secchapter5.pdf>

If the energy code is updated prior to submittal of the application for eligibility and this impacts the applicant, applicants may use the updated code.

life. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a Decarbonization Compliance Plan.

The standardized equipment useful life (EUL) allowable reference for HVAC heating system equipment or service hot water equipment is *Preventative Maintenance Guidebook: Best Practices to Maintain Efficient and Sustainable Buildings* ©2010 Building Owners and Managers Association (BOMA) international, Washington, D.C.<sup>28</sup>

- **Eligibility Criteria:**
  - Equipment must be used for HVAC heating systems or service hot water, or in hotels or healthcare buildings with hot water or steam boilers dedicated to laundry. This provision is not intended for distribution equipment, such as ducting, piping, pumps, or fans.
  - Equipment must not have reached 100% of its useful life per the allowed EUL documentation as of the building's compliance deadline.
  - Equipment must have been permitted on or before January 12, 2024.
- **How to Apply:** Apply to OSE up to three years prior and no later than one year prior (October 1) to the building's standard compliance deadline in 2031–2035 per Table 3.
- **Documentation Required:**
  - Documentation of equipment age and condition from a qualified person based on equipment install date, nameplate or other reference. Identify allowed EUL reference equipment age used for comparison.
  - Feasibility analysis or audit results demonstrating that the only means to meet the building's GHGIT is by replacing the equipment.
  - Copy of the equipment permit showing issuance on or before January 12, 2024.

(e) Non-interruptible operations in laboratory or healthcare

Per SMC 22.925.100E, *When the building upgrades necessary to meet the GHGIT would require access to a laboratory, or an in-patient or emergency healthcare facility, that must maintain non-interruptible operations.*

A building owner may apply to use a Decarbonization Compliance Plan to meet net-zero emissions by 2041–2050 when the building upgrades necessary to meet the GHGIT would require access to a laboratory, or an in-patient or emergency healthcare facility that must maintain non-interruptible operations, such that it makes meeting the GHGITs or net-zero by the building's standard schedule per Table 5 infeasible. This also may include critical spaces where work would require stopping utility service would impact the critical operations. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a Decarbonization Compliance Plan.

- **Eligibility Criteria:** Spaces impacted and classified as the following Building Activity Type per Table 5 shall be eligible: Hospital, Laboratory. A building with impacted spaces not of these

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<sup>28</sup> This reference was selected to support alignment with the WA CBPS standards, which also use this reference document. The document may be purchased from BOMA International directly, or the BOMA *Preventative Maintenance Guidebook Building Systems Useful Life Table* may be accessed at no charge on the WA Department of Commerce website: <https://deptofcommerce.app.box.com/s/g38qzhfbrwlrbsfzc37fjk9dw0rflx>

activity types, but that provides state-licensed skilled nursing, and/or hospice care may also be eligible.

- **How to Apply:** Apply to OSE up to three years prior and no later than one year prior (October 1) to the building's standard compliance deadline in 2031–2035 per Table 3.
- **Documentation Required:** An owner representative in a role such as chief medical officer, laboratory director, or hospital administrator must provide an affidavit that explains the necessity of non-interruptible operations (e.g., continuous operations without shutdown options), and explains how patient safety requirements or research integrity precludes decarbonization measures necessary to meet the GHGIT.
  - OSE may require a qualified person to confirm that the only means to meet the building's GHGIT is by accessing and/or conducting work in the relevant space.

(f) Lease precludes owner access to equipment

Per SMC 22.925.100.E, *When the owner of a covered building has a tenant lease in place by January 12, 2024, or earlier that specifically precludes owner access to equipment on which work would be required to meet the GHGIT. This extenuating circumstance is only available for the 2031–2035 compliance interval.*

A building owner may apply to use a Decarbonization Compliance Plan to meet net-zero emissions by 2041–2050 when the owner of the covered building has a tenant lease in place before January 12, 2024, that specifically precludes owner access to equipment on which work would be required to meet the GHGIT, such that it makes meeting the GHGIT or net-zero by the building's standard schedule per Table 5 infeasible. Use of this extenuating circumstance is limited to the 2031–2035 compliance interval. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a Decarbonization Compliance Plan.

- **Eligibility Criteria:**
  - A lease that will be in force at the time of compliance that includes language which explicitly bars owner access to HVAC or service hot water systems.
  - Lease must be executed on or before January 12, 2024, with no feasible path to renegotiate or amend the lease for compliance.
  - The building must also exceed the 2031–2035 GHGIT calculated for the building.
- **How to Apply:** Apply to OSE up to three years prior and no later than one year prior (October 1) to the building's standard compliance deadline in 2031–2035 per Table 3.
- **Documentation Required:** A fully executed lease agreement highlighting the prohibition on equipment access. (Confidential language that is not relevant shall be redacted.)

(g) No practicable low and zero GHG emissions alternatives

Per SMC 22.925.100.E, *When there are no practicable low and zero GHG emissions alternatives available on the market for a necessary function.*

- **Eligibility Criteria:** The building can't achieve its GHGITs per the schedule in Table 3 because doing so would require replacing equipment used for a necessary, specialized function for which no low and zero GHG emissions products or technologies currently exist on the market.
- **How to Apply:** Apply to OSE up to three years prior and no later than one year prior (October 1) to the building's standard compliance deadline in 2031–2035 per Table 3.

- **Documentation Required:** A third-party engineering study or technical memo by a qualified person documenting the necessary function and the technology issue. The study or memo must share an exploration of alternatives that were considered and why they were rejected.

### 13.02 Low Emissions by 2041–2050 Decarbonization Compliance Plan

A building owner may apply to use a Decarbonization Compliance Plan to achieve low emissions by 2041–2050 when the owner can demonstrate that meeting the compliance schedule (Table 3) or meeting the GHGITs is a significant hardship due to an extenuating circumstance. This section further explains the five allowable extenuating circumstances for a low emissions plan, how to apply for them, how to demonstrate the building meets the extenuating circumstance, and the documentation required. Building owners must first demonstrate the building meets the extenuating circumstance to be approved to proceed with a Decarbonization Compliance Plan.

#### (a) Net-zero infeasible in low income multifamily

Per SMC 22.925.100.E, *When upgrades necessary to meet net-zero emissions in a low-income housing multifamily building are infeasible.*

When upgrades necessary to meet net-zero emissions by 2050 in a low-income housing multifamily building are infeasible and the only alternative by 2050 is a low emissions target. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a Decarbonization Compliance Plan.

- **Eligibility Criteria:** The covered building must meet the definition of “Housing, low-income” per SMC 23.84A.016. Criteria that are considered infeasible include:
  - No viable tenant relocation options.
  - Mechanical room or exterior space constraint to accommodate net-zero HVAC or DHW equipment that would serve all residents.
- **How to Apply:** Apply to OSE up to three years prior and no later than one year prior (October 1) to the building’s standard compliance deadline in 2031–2035 per Table 3.
- **Documentation Required:** If the building can’t be readily verified by OSE as low-income housing via information public data sources such as Seattle Office of Housing, King County Assessor, or other records, the building owner will be required to provide documentation that the building meets the code definition. The building owner with supporting evidence from a qualified person must document that the decarbonization measures to meet net-zero are infeasible per the criteria. Documentation may include:
  - Results of a feasibility analysis, including all potential space options, conducted by a qualified person showing that the necessary mechanical space to accommodate the equipment needed to meet net-zero emissions is not available either within the building or on the building site.
  - Affidavit from the organization’s leadership (e.g., executive officer, property or operations officer roles) that significant tenant relocation would be required for the work, describing the options considered, and why none of those options are viable.

#### (b) Historic buildings

Per SMC 22.925.100.E, *When building upgrades necessary to meet net-zero emissions would adversely affect the special features or characteristics of a landmark identified in the designating ordinance or*

*designation report, or would compromise the historic integrity of a building within a historic district, as determined by either the City's Historic Preservation Officer, or historic board or commission, whichever has authority to grant or deny a Certificate of Approval for the building upgrades.*

When building upgrades necessary to meet net-zero emissions by 2041-2050 would adversely affect the special features or characteristics of a landmark identified in the designating ordinance or designation report or would compromise the historic integrity of a building within a historic district, as determined by either the City's Historic Preservation Officer, or historic board or commission, whichever has authority to grant or deny a Certificate of Approval for the building upgrades. Therefore, the only alternative by 2041–2050 is a low emissions target. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a Decarbonization Compliance Plan.

- **Eligibility Criteria:** Historic landmark buildings must be officially designated as a local or national historic landmark or part of a registered historic district. The building owner must demonstrate that upgrades recommended by a qualified person to meet net-zero emissions would conflict with preservation or character-defining features protected under governing regulations. There must be no reasonable alternative approach using current available technology to net-zero that can achieve compliance without undermining historic protections.
- **How to Apply:** Apply to OSE up to three years prior and no later than one year prior (October 1) to the building's standard compliance deadline in 2031–2035 per Table 3.
- **Documentation Required:**
  - Documentation from the relevant historic preservation authority (either the City's Historic Preservation Officer, or historic board or commission) confirming the building's status.
  - Condition assessment by qualified preservation professional explaining why the energy or emissions retrofits recommended by the qualified person cannot be made without compromising the historic integrity of the building.
- **Exclusions**
  - Historic buildings that can comply with the GHGI targets in the compliance intervals without compromising features protected under landmark or historic designation.

(c) A characteristic(s) of the building precludes structural or electrical capacity upgrade(s) Per SMC 22.925.100.E, *When structural or electrical capacity upgrades necessary to meet net-zero emissions are infeasible due to distinct technical and/or physical limitations of the covered building.*

When structural or electrical capacity upgrades necessary to meet net-zero emissions by 2050 are infeasible due to distinct technical and/or physical limitations of the covered building. Therefore, the only alternative by 2050 is a low emissions target. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a Decarbonization Compliance Plan.

- **Eligibility Criteria:**
  - The electrical capacity upgrades that would be required to enable the building to meet net-zero must meet the eligibility criteria for “Significant electrical infrastructure upgrades” per the Net-Zero Decarbonization Compliance Plan eligibility criteria section.

- In addition, a load study, engineering or architectural evaluation of the building must confirm that a technical or physical limitation of the building precludes the structural or electrical capacity upgrades necessary to meet net-zero emissions.
- **How to Apply:** Apply to OSE up to three years prior and no later than one year prior (October 1) to the building's standard compliance deadline in 2031–2035 per Table 3.
- **Documentation Required:** Building owners must submit documentation by a qualified person demonstrating why the electrical and/or structural upgrades are infeasible.
  - **Electrical documentation:** Audit results or a feasibility study signed and stamped by a professional electrical engineer licensed in Washington State verifying that the scope of work is required or unavoidable to enable future or concurrent electrification of heating, hot water, or other major building systems. The study must include a load analysis and review of any possible energy efficiency measures that were considered to reduce the building's load and avoid triggering this extenuating circumstance.
  - **Structural Documentation:** A structural engineering report or feasibility study by a licensed structural engineer that describes the distinct technical and/or physical barriers of the building that prevent the structural alterations needed for the scope of work.
- **Exclusions**
  - Barriers rooted only in cost without technical justification.

(d) Incremental cost of net-zero creates financial distress

Per SMC 22.925.100.E, *When a cost analysis of the measures necessary to meet net-zero emissions and a property valuation or other business financial analysis, whose content shall be determined by rule, can demonstrate that the incremental cost of meeting net-zero would create financial distress to the building.*

This extenuating circumstance applies when the cost to meet net-zero is infeasible as determined via a financial analysis, such that the cost to meet net-zero, above and beyond standard asset management costs under code, would create financial distress as defined in SMC 22.92.020 and contained in this Rule.

OSE will work with stakeholders to develop the rules for this extenuating circumstance as part of SMC required rulemaking to be completed by December 31, 2027. This will include developing the content required by rule for the property valuation or business financial analysis.<sup>29</sup>

Covered buildings already experiencing financial distress are eligible for an extension per **Section 12.04(b)** and should use that option.

(e) No practicable zero GHG emissions alternatives

Per SMC 22.925.100.E, *When there are no practicable zero GHG emissions alternatives available on the market for a necessary function.*

- **Eligibility Criteria:** The building can't achieve the required net-zero emissions target in 2041–2050, because doing so would require replacing equipment used for a necessary, specialized function for which no zero GHG emissions products or technologies exist on the market.

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<sup>29</sup> The City wants to be responsive to stakeholder concerns to develop equitable rules that can be inclusive of financial impacts on different property ownership models and types and therefore is recommending this additional engagement.

- **How to Apply:** Apply to OSE up to three years prior and no later than one year prior (October 1) to the building's standard compliance deadline in 2031–2035 per Table 3.
- **Documentation Required:** A third-party engineering study or technical memo by a qualified person documenting the necessary function and the technology issue. The study or memo must share an exploration of alternatives that were considered and why they were rejected. If relevant, confirmation of specialized processes that cannot be satisfied via available zero-GHG systems.

### 13.03 Decarbonization Compliance Plan Requirements – Net-Zero and Low Emissions

Decarbonization Compliance Plans must include:

#### 1. Building Energy and Greenhouse Gas Emissions Audit

- An audit completed by a qualified person must be completed no earlier than four years prior to the submission of the Decarbonization Compliance Plan or for its use in verifying extenuating circumstances.<sup>30</sup>
- If the floor area of the primary use of the building or the gross floor area of the building has increased or decreased by more than 10%, the audit must be updated to reflect the current floor area.
- The audit must:
  - At a minimum, meet the standards of an ASHRAE Level 1 audit. Energy benchmarking as part of the Level 1 audit may consist of reviewing the building's existing energy benchmarking data per the BEPS Benchmarking Data Verification requirements in **Section 9**.
  - Include an equipment inventory, including HVAC, service/domestic hot water, electrical, lighting, and conveyance systems, with installation dates or age estimates if unavailable.
  - Include an analysis of any upgrades to building equipment relevant to the decarbonization plan that will reach end of useful life during the timeframe of the plan. The standardized equipment useful life (EUL) allowable reference for HVAC heating system equipment or service hot water equipment is *Preventative Maintenance Guidebook: Best Practices to Maintain Efficient and Sustainable Buildings* ©2010 Building Owners and Managers Association (BOMA) international, Washington, D.C.<sup>31</sup> The upgrades must meet current Seattle Building Code and Seattle Energy Code requirements.<sup>32</sup>

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<sup>30</sup> A prior audit completed within the timeframe specified may be updated with the information required in this rule. For example, an audit used for WA Clean Buildings Compliance may be used and updated as needed.

<sup>31</sup> This reference was selected to support alignment with the WA CBPS standards, which also use this reference document. The document may be purchased from BOMA International directly, or the BOMA *Preventative Maintenance Guidebook Building Systems Useful Life Table* may be accessed at no charge on the WA Department of Commerce website: <https://deptofcommerce.app.box.com/s/g38qhzfhpbwlrbsfzc37fjk9dw0rflx>

<sup>32</sup> Although exceptions exist for certain building types or situations, the 2021 Seattle Energy Code generally does not allow electric resistance and fossil fuel heating equipment. See: <https://www.seattle.gov/documents/departments/sdci/codes/seattleenergycode/2021secchapter5.pdf>

- Include an analysis of the planned energy efficiency and greenhouse gas emissions reduction actions.
  - Include a list of measures and operational changes to achieve required emissions reductions, including any other planned or necessary asset replacement or upgrades that need alignment in the context of emissions reduction measures.
  - Include a cost/savings analysis for achieving both incremental and final GHGIs for each compliance interval. The analysis should account for:
    - Implementation costs for each measure or group of measures. If applicable, include both the total cost and any cost that may exceed the cost required to meet the Seattle Energy Code. Cost shall be documented by an AACE Level 3 or equivalent cost estimate.<sup>33</sup>
    - The social cost of carbon metric as specified in SMC 22.925.100.A.<sup>34</sup>
    - Financial considerations such as utility cost savings, grants, incentives, tax deductions, and other financial mechanisms.
- 2. Energy Efficiency and Greenhouse Gas Emissions Reduction Actions**
- The plan must outline the building's proposed actions to achieve net-zero greenhouse gas emissions by 2041–2050. This plan should be based on technology and equipment currently available on the market as of the date of the Decarbonization Compliance Plan submission.
  - If applicable, the qualified person shall identify any building functions for which no practicable zero GHG emissions alternatives currently exist. This information should be updated for any consideration of new technologies as part of progress reporting.
  - Any allowable BEPS end use deductions planned to be used (see **10.08**) shall be incorporated into the plan for each relevant compliance deadline.
  - The plan must also identify the analytical methods and calculation software used to determine energy savings and emissions reductions and describe how the energy savings and emissions reductions are calculated using these methods/software.
- 3. Incremental and final Greenhouse Gas Emissions Intensity Targets (GHGIs)**
- The plan must specify custom Greenhouse Gas Emissions Intensity Targets (GHGIs) for each custom compliance deadline and specify the net-zero or low-emissions target, depending on plan type, to be met no later than October 1, 2050. If any of the custom GHGIs do not incrementally decrease building emissions, work in the building that clearly advances the building towards meeting the next GHGI must be included as a substitute milestone in the Plan.
- 4. Alignment with Seattle Energy Code “Future Decarbonization Plan” (If Applicable)**
- The qualified person must determine if the building owner has submitted a schematic design to SDCI for a “Future Decarbonization Plan” due to any approved

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<sup>33</sup> This aligns with the 2021 Seattle Energy Code Chapter 5, 503.4.6 Exception 4:

<https://www.seattle.gov/documents/departments/sdci/codes/seattleenergycode/2021secchapter5.pdf>.

<sup>34</sup> This is specified as \$190 per MTCO<sub>2</sub>e for the 2031–2035 compliance interval. No later than December 31, 2027, the Director by rule may raise the dollar amount per MTCO<sub>2</sub>e for the 2031–2035 compliance interval to adjust for inflation and to account for adjustments to the social cost of carbon by a relevant government agency.

Seattle Energy Code exceptions for fossil fuel equipment.<sup>35</sup> If so, the schematic design, cost estimate, and any required SDCI forms must be appended to the Plan. The decarbonization schema and cost estimates used for the SDCI Future Decarbonization Plan requirements may be used for the BEPS Decarbonization Compliance Plan requirements as relevant.

**5. Other Plan Requirements**

- All Plans must identify the analytical methods, calculations, and calculation software used to determine energy savings and emissions reductions.

### 13.04 Reporting Obligations for Net-Zero and Low Emissions Decarbonization Compliance Plans

1. **2027–2030 Compliance Obligations:** In accordance with the deadlines in Table 3, a qualified person for the covered building must complete Benchmarking Verification per **Section 9** and submit a GHG Report per **Section 10.10**.
2. **Apply to Use a Decarbonization Compliance Plan:** Building owners that want to demonstrate their building meets an extenuating circumstance to use a Decarbonization Compliance Plan must apply with the required documentation per **Section 13.01** or **Section 13.02** for approval per the following timeline:
  - a. Up to three years prior and no later than one year prior to the building's standard compliance deadline in 2031–2035 per Table 3 (e.g., for a 250,000 SF building, a qualified person may apply between October 1, 2028–October 1, 2030.)
  - b. OSE will review the applications in the order received.
  - c. After approval from OSE, a qualified person shall develop the draft Plan.
3. **Submit the Draft Decarbonization Compliance Plan for Review:** A qualified person must submit the draft plan to OSE for review per the following timeline:
  - a. No later than six months prior (April 1) to the building's standard compliance deadline in 2031–2035 per Table 3 (e.g., for a 250,000 SF building, a qualified person must submit the draft plan by April 1, 2031.)
  - b. OSE will review the applications in the order received.
  - c. If the draft plan is approved by OSE, it shall be considered the final plan. If modifications are required, the qualified person shall make the modifications and submit as part of step 4.
4. **2031–2035 Compliance Obligations:** In accordance with the deadlines in Table 3, a qualified person for the covered building must:
  - a. Complete Benchmarking Verification per **Section 9**.
  - b. If not already approved as part of step 3 above, a qualified person must also submit the final Decarbonization Compliance Plan. The final plan shall fulfill the reporting obligations of the GHG Report.
5. **2036–2040 Compliance Obligations:** In accordance with the custom timeline specified in the covered building's approved final decarbonization plan, a qualified person must:
  - a. Complete Benchmarking Verification per **Section 9** for the 12-month time period prior to the building's custom GHGIT deadline.

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<sup>35</sup> Per section C503.4.6 of the 2021 Seattle Energy Code:  
<https://www.seattle.gov/documents/Departments/SDCI/Codes/SeattleEnergyCode/2021SECChapter5.pdf>

- b. Submit a progress report on the decarbonization plan.<sup>36</sup>
  - c. Report on the building's first custom GHGIT and/or milestone. (e.g., a 250,000 SF building may have a custom deadline of October 1, 2039, for a qualified person to complete and report on energy efficiency measures that were essential to reduce load prior to decarbonization.)
6. **2041–2045 Compliance Obligations:** In accordance with the custom timeline specified in the covered building's approved final decarbonization plan, a qualified person must:
- a. Complete Benchmarking Verification per **Section 9** for the 12-month time period prior to the building's custom GHGIT deadline.
  - b. Submit a progress report on the decarbonization plan.
  - c. Report on progress towards the building's second custom GHGIT and/or milestone. (e.g., a 250,000 SF building may have a custom deadline of October 1, 2044, for a qualified person to complete and report on a 40% emissions reduction target.)
7. **2046–2050 Compliance Obligations:** In accordance with the custom timeline specified in the covered building's approved final decarbonization plan, a qualified person must:
- a. Complete Benchmarking Verification per **Section 9** for the 12-month time period prior to the building's custom GHGIT deadline.
  - b. Submit a final progress report on the decarbonization plan.
  - c. Report on progress towards the building's net-zero or low emissions target and other relevant milestones, if applicable. (e.g., a 250,000 SF building may have a custom deadline of October 1, 2049, for a qualified person to complete and report on the net-zero target.)

**Plan Modifications:** Building owners may apply to make modifications to an approved Decarbonization Compliance Plan. This may be done as part of their regular progress reporting but should be done in advance of progress reporting if there is a risk of not meeting an approved custom GHGIT on schedule. Modification proposals must include all the following:

- A summary of the specific changes requested and rationale for each change.
- The impact on custom GHGITs or milestones and the timeline for which the GHGITs will be met.
- Documentation of input from relevant organizational or building decision-makers.
- Supporting materials necessary to substantiate the reason for the proposed modifications.

**Clarification for Penalties:**

- If the Director finds that a building owner has failed to complete Benchmarking Verification and report progress on their Decarbonization Compliance Plan at each custom compliance deadline in their approved plan, a penalty for failure to report per SMC 22.925.180 shall be issued. If the Director finds that a building owner has failed to meet a custom interim GHGIT or the net-zero

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<sup>36</sup> The progress report to be submitted at each compliance deadline shall fulfill the reporting obligations of the GHG Report. OSE shall develop administrative guidance for the Decarbonization Compliance Plan progress report, but at a minimum the report shall be an update on progress and steps taken to meet the custom GHGI target or milestones as well as the documentation of the building's GHGI. Additional details relevant to the extenuating circumstance of the building shall also be included (e.g., progress on the substantial alteration, seismic upgrade or electrical infrastructure upgrades).

or low emissions target per the timeline in the approved plan, a penalty for noncompliance per SMC 22.925.180 shall be issued.

### 13.05 District Campus Decarbonization Compliance Plan

Per SMC 22.925.020, A district campus that can demonstrate through a campus decarbonization compliance plan that upgrades to the district campus plant will generate cumulative emissions reductions from 2028–2050 that are equal to or greater than the cumulative emissions reductions that would be achieved by meeting standard or alternate GHGITS may submit a campus decarbonization compliance plan to OSE for approval.

Building owners must demonstrate that the district campus meets the criteria to be approved to proceed with a Decarbonization Compliance Plan.

#### (a) Eligibility for District Campus Decarbonization Plan

- **Eligibility Criteria:** Building owners that want to apply for a District Campus Decarbonization Compliance Plan must own the private district energy system that serves two or more buildings on the same or adjacent parcels per the definition of district campus in SMC 22.920.020 and **Section 3** of this Rule. After or at the same time as the application, they must submit a draft plan to decarbonize their district campus for OSE review that demonstrates the project will result in cumulative emissions reductions from the GHGI baseline to 2050 that will be equal to or greater than the cumulative emissions reductions that would be achieved by meeting the Alternate GHGIT method per **Section 12.01** or the standard GHGITS.<sup>37</sup>
- **How to Apply:** Apply to OSE by October 1, 2028, as part of district campus reporting required in 2027–2030 per Table 3.
- **Documentation Required:**
  - Affidavit from the owner or a senior level employee in asset or facilities management that the owner owns and is responsible for operations of the district system.
  - Description of the district energy system, number of buildings served by it, total GFA served and a map of the system. If applicable, a list and GFA of buildings not owned by the district energy owner that are on the district system and the ownership name.

#### (b) District Campus Decarbonization Compliance Plan Requirements

The District Campus Decarbonization Compliance Plan must include, at a minimum, the following components:

##### 1. District Campus Description

- Include a description and map of the district energy system and a list of each building on the system, as well as the GFA for each building. If there is more than one owner, the plan must identify the additional owners and their respective buildings for compliance with SMC 22.925 and include verification of a joint agreement and the timeframe of the agreement. (Note: Future additions or changes of owners must be included in progress reporting).

##### 2. Audits, Studies or Other Plans

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<sup>37</sup> This Rule clarifies that using the Alternate GHGIT method and starting at the campuses' own baseline year of 2019 or later through 2050 may be used for a more straightforward calculation.

- Building and district system audits and district energy decarbonization studies that have informed the decarbonization plan.
- A copy of the WA CBPS District Campus Decarbonization Plan, if one was approved by Washington State Department of Commerce.

### 3. Total District Campus Gross Floor Area

- The total district campus GFA for the year used for the baseline energy and emissions must use verified benchmarking data. Any of the substantiating documents allowed for Benchmarking Verification (**Section 9**) may be used to document and/or measure the sum of the building floor areas connected to the district system.<sup>38</sup>
- The gross floor area (excluding parking) must include each of the following:
  - The GFA for each covered building greater than 20,000 square feet served by the district plant.
  - GFA of any buildings with allowed exemptions per **Section 7** greater than 20,000 SF served by the district plant.
  - Total GFA of buildings not covered by SMC 22.925 (e.g., buildings less than 20,000 square feet, industrial buildings, etc.) served by the district plant.
  - The GFA may optionally include other buildings >20,000 SF that are located on and function as part of the district campus but are not served by the district plant. If these are included in the GFA, they must be included in the campus description and map.

### 2. Documentation of Baseline Energy Use and Baseline Emissions

- The year 2019 or later may be used as a baseline. The baseline year must be the same for each energy source and must run from January 1 to December 31.
- The baseline energy use, in total annual kBtu, must include all energy sources used by the district campus.<sup>39</sup> This includes, but is not limited to:
  - Utility-supplied electricity and natural gas, bulk fuels, and thermal imports to the district plant.
  - Other energy used by buildings on the district campus that are served by the district plant, such as buildings connected to an active (in use) gas or electric utility meter.
  - Owners may optionally include energy use from other buildings >20,000 SF that are located on and function as part of the district campus but are not served by the district plant.
    - Delivered fuels used exclusively for emergency back-up at the building level may be excluded.
- Following the submetering requirements in 10.09 of this rule, baseline energy use may optionally exclude:
  - End-use deductions allowed per **10.08**
  - Energy used by exempted buildings per **Section 7**

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<sup>38</sup> OSE may accept the total GFA used for an approved WA CBPS District Campus Decarbonization plan, as long it includes the GFA of all buildings >20,000 SF connected to the district system and each individual building subtotal is broken out in the BEPS District Campus Decarbonization Compliance Plan. The GFA must align with the year used for the baseline energy and emissions. A copy of the approved WA CBPS plan must be included.

<sup>39</sup> Most district campuses should already have this information in ENERGY STAR Portfolio Manager.

- Structures not considered a covered building per SMC 22.925.020
  - Energy exports not used by the campus, if applicable (e.g., co-generation, following the submetering requirements in **10.09** of this rule)
  - When calculating baseline emissions, in total kgCO<sub>2</sub>e, use the emissions factors and rules per **Section 12.01(a)**.
- 3. Documentation of Baseline GHGI**
- Provide a calculation of the baseline GHGI of the district campus as total baseline emissions divided by total district campus GFA.
- 4. Projected Emissions Reductions, Actions and Analysis**
- Provide the timeline for the projected incremental emission reductions and other milestones key to decarbonizing the district campus that will be achieved and/or reported on at each compliance deadline per Table 3 (e.g., October 1 of 2033, 2038, 2043, etc.).
    - The plan must clearly specify an emissions target or percent emissions reduction that will be met by either October 1, 2038, or October 1, 2043. (e.g., scope of work and energy efficiency measures by October 1, 2033, energy efficiency measures and projected emissions target or reduction by 2038; projected emissions target or reduction by 2043, net-zero by 2050.)
  - For each timeframe, detail the measures that will be taken to decarbonize the district energy system. This must include projected emissions reductions from the decarbonization measures, and any rationale for relying on any emerging technologies (if planned). Key project steps that are required for decarbonization (e.g., energy efficiency measures to reduce load, timing of permits, agreements with service providers, or future connected buildings) must be included.
    - If buildings >20,000 SF not served by the district plant but on the “campus” are included in the plan and baseline, include the planned decarbonization measures and timeline for them, if applicable.<sup>40</sup>
  - Include emissions reductions from any improvements already made since the baseline year and all planned upgrades.
  - Demonstrate that the timeline and actions for achieving cumulative emission reductions from the GHGI baseline to 2050 will be equal to or greater than the cumulative emissions reductions that would be achieved by meeting the Alternate GHGIT method per **Section 12.01**.
  - Include a summary of known project risks and contingency plans. If applicable, an alternate timeline for the decarbonization measures may be included.
- 5. Supporting Documentation**
- Names, qualifications, and responsibilities of key staff or contractors managing the plan.
  - Include references to other key related plans or institutional commitments to decarbonization, if applicable (e.g. campus sustainability plan, climate action plan, etc.).

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<sup>40</sup> These emissions reduction measures may be counted toward the cumulative emission reductions required under this plan.

- All Plans must identify the analytical methods, calculations and calculation software used to determine energy savings, emissions reductions and cumulative emissions reductions over time.
- (c) Reporting Obligations for District Campus Decarbonization Plans
1. **2027–2030 Compliance Obligations:** In accordance with the deadlines in Table 3, a qualified person for the district campus must complete Benchmarking Verification per **Section 9Section 9** and submit a GHG Report by October 1, 2028.
    - a. **Apply to Use a District Campus Decarbonization Compliance Plan:** A building owner that wants to use a Decarbonization Compliance Plan must apply with the required documentation per **13.05** of this rule for approval per the following timeline:
      - i. A qualified person must submit the application (or application and a draft plan) By October 1, 2028.<sup>41</sup>
      - ii. OSE will review the applications (and draft plans) in the order received.
      - iii. After approval from OSE, a qualified person shall develop a plan or make modifications as requested to the draft plan.
    - b. **Submit the District Campus Decarbonization Compliance Plan for Review:** If a draft plan was not already submitted, submit a plan to OSE for review per the following timeline:
      - i. By October 1, 2030.
      - ii. OSE will review the applications in the order received.
      - iii. If the plan is approved by OSE, it shall be considered the final plan. If modifications are required, the qualified person shall make the modifications by April 1, 2031.
  2. **2031–2035 Compliance Obligations:** A qualified person for the district campus must:
    - a. Complete Benchmarking Verification by October 1, 2033.
    - b. Submit a progress report on the district campus decarbonization project.<sup>42</sup>
  3. **2036–2040 Compliance Obligations:** A qualified person for the district campus must:
    - a. Complete Benchmarking Verification by October 1, 2038.
    - b. Submit a progress report on the district campus decarbonization project.
    - c. Meet the emissions target or percent emissions reduction specified in the approved plan (if applicable).
  4. **2041–2045 Compliance Obligations:** A qualified person for the district campus must:
    - a. Complete Benchmarking Verification by October 1, 2043.
    - b. Submit a progress report on the district campus decarbonization project.
    - c. Meet the emissions target or percent emissions reduction specified in the approved plan (if applicable).
    - d. Provide an update on the expected cumulative emissions reduction.
  5. **2046–2050 Compliance Obligations:** A qualified person for the district campus must:

<sup>41</sup> OSE will also accept an application and a draft plan for review at the same time as early as October 1, 2028.

<sup>42</sup> The progress report to be submitted at each compliance deadline shall fulfill the reporting obligations of the GHG Report. OSE shall develop administrative guidance for the progress report, but at a minimum the report shall include an update on key project milestones taken on the district plant decarbonization, documentation of the district campus GHGI, report on progress towards meeting the emissions targets, and details about any additional buildings added or planned to connect to the district plant.

- a. Complete Benchmarking Verification by October 1, 2048.
  - b. Submit a progress report on the district campus decarbonization project.
  - c. Meet the emissions target or percent emissions reduction specified in the approved plan (if not already met).
  - d. Provide an update on the expected cumulative emissions reduction (if not already met).
6. **Final Report:** If not already submitted, a qualified person for the district campus must submit a final progress report on the district campus decarbonization project as well as provide an update on the required cumulative emissions reduction by October 1, 2050.

**Plan Modifications:** Building owners may apply to make modifications to an approved District Campus Decarbonization Compliance Plan. This may be done as part of their regular progress reporting but should be done in advance of progress reporting if there is a risk of not meeting an approved emissions target or percent emissions reduction on schedule. Modification proposals must include all the following:

- A summary of specific changes requested and the rationale for each change.
- The impact on timeline for the district plant decarbonization and cumulative emissions.
- Documentation of input from relevant building decision-makers.
- Any supporting materials necessary to substantiate the reason for the proposed modifications.

**Clarification for Penalties:**

- If the Director finds that a district campus building owner has failed to complete Benchmarking Verification and report progress on their District Campus Decarbonization Compliance Plan at each compliance deadline, a penalty for failure to report per SMC 22.925.180 shall be issued. If the Director finds that a district campus owner has failed to meet the interim target agreed to in their custom plan and/or meet the cumulative emissions criteria by 2050, a penalty will be assessed per SMC 22.925.180 based on the total gross floor area of all buildings greater than 20,000 square feet connected to the district plant or included in the plan. The penalty will be prorated by square foot if there are multiple owners of a district campus.

## Section 14. Enforcement and Penalties for Non-Compliance

### 14.01 Enforcement

*Per SMC 22.925.170.A, the Director is authorized to investigate and determine if any building owner, tenant or other person has complied or not complied with the requirements of SMC 22.925.*

If the Director is not able to determine compliance by reviewing the reports and other documentation as submitted, the Director may require a building owner to have an additional third-party site visit conducted to further investigate compliance. If the Director determines that the requirements of SMC 22.925 or this Rule have been violated, the Director may issue a notice of violation (NOV) to the building owner, tenant, or other person subject to SMC 22.925. A determination of non-compliance may be made for the following reasons:

1. Failure to comply with the reporting obligations. Examples include:
  - a. Failure to submit a Benchmarking Verification Report

- b. Failure to submit a GHG Report
- 2. Inaccurate or incomplete reporting. Examples include:
  - a. Failure to report accurate square footage or correct building activity type(s)
  - b. Failure to document or report accurate end use deductions
- 3. Failure to meet the greenhouse gas intensity target (GHGIT).

Owner responses to the notice of violation and related procedures are outlined in SMC subsections 22.925.190 through 22.925.280.

(a) Enforcement Grace Periods

Per SMC 22.925.180.C, *the Director may establish grace periods for imposing fines for any class of structure upon a finding that such grace period will facilitate the submission of reports, accurate reporting, compliance with greenhouse gas emissions reduction requirements.*

Information about grace periods will be provided on OSE's Building Emissions Performance Standard website.

### 14.02 Penalties

Per SMC 22.925.180.A, penalties shall be imposed 360 days after the compliance deadline. Penalties are issued once per compliance interval pursuant to the compliance schedule in 22.925.060 (not annually). Penalties for failure to comply per SMC 22.925.180.A are as follows:

Building Size	Failure to report	Inaccurate or incomplete reporting
Greater than 50,000 square feet excluding parking	\$15,000	\$15,000
50,000 square feet or fewer excluding parking	\$7,500	\$7,500
Building Category	Failure to meet GHGIT (or meet Alternative Compliance option)	
Nonresidential buildings	\$10.00/SF	
Multifamily buildings	\$7.50/SF	
Low-income or low-rent housing	\$2.50/SF	

Per SMC 22.925.180.A, if a verified benchmarking report has not been submitted to OSE, fines shall be based on the covered building's gross square feet, excluding parking, listed in the King County Assessor's property detail record.

Owners of covered buildings using the building portfolio, district campus or connected buildings reporting options will be assessed a fine based on the total gross floor area of all buildings greater than 20,000 square feet in the building portfolio, district campus or connected buildings, and prorated by square foot if multiple owners of a district campus or connected buildings.

(a) Tenant Obligations and Penalties

Per SMC 22.925.180.B, unless otherwise restricted by state or city regulations, tenants shall allow building owners access to mechanical systems and utility information as necessary to comply. If the Director determines that a tenant has failed to allow access to mechanical systems or provide utility information to a building owner as required under Section 22.925.130, the Director may impose a fine on the tenant as follows:

Gross floor area	Building Category	Penalty
Greater than 20,000 square feet	Nonresidential buildings	\$10.00/SF
	Multifamily buildings	\$7.50/SF
	Low-income or low-rent housing	\$2.50/SF
Greater than or equal to 5,000 square feet but not more than 20,000 square feet	All buildings	\$2,500
Less than 5,000 square feet	All buildings	\$500

(b) Penalty Adjustments

Per SMC 22.925.180.A, the Director is authorized to adjust the fine amount imposed through the appeal process on the building owner for the following reasons:

1. If a building has achieved a GHGI that is no more than 120 percent of the GHGIT, the fine may be adjusted in consideration of the proportional impact on the building's compliance GHGI.
2. If an owner is a public entity funded through state and/or local taxes, the fine may be adjusted in consideration of any potential conflicting impacts related to climate change and delivery of public services.
3. If a building fails to meet the required GHGITs due to a tenant's failure to provide access to mechanical systems, the fine may be adjusted in consideration of the proportional impact on the building's compliance GHGI.

(c) Revenue Expenditures

Per SMC 22.925.140, *revenue collected... from fines, fees, and alternative compliance payments shall be spent on programs and activities to reduce greenhouse gas emissions from nonresidential, multifamily, and single family buildings, including technical and financial assistance to building owners and tenants with at least 40 percent of the revenue collected prioritized towards buildings serving people with low or no incomes and communities historically most harmed by economic, racial, and environmental injustice.*

## Appendix A: Building Activity Type Classifications

Table 7 shows the 2024 ENERGY STAR Portfolio Manager Property / Space Types that correspond to each of the BEPS building activity types. In determining an ENERGY STAR Portfolio Manager space type, the definitions published by ENERGY STAR Portfolio Manager shall be followed, unless otherwise instructed by Energy Benchmarking and Reporting or BEPS rules. If ENERGY STAR Portfolio Manager updates the property / space types listed in Table 7, the Office of Sustainability & Environment may update Table 7 to reflect those changes in future rules, BEPS compliance guidance documents and in any reporting tools.

<b>Table 7: ENERGY STAR Portfolio Manager Property / Space Types Mapped to BEPS Building Activity Types</b>	
<b>Portfolio Manager Property / Space Types (as of October 2024)</b>	<b>BEPS Building Activity Types</b>
Adult Education	Other
Ambulatory Surgical Center	Hospital
Aquarium	Museum
Bank Branch	Retail Store
Bar/Nightclub	Restaurant
Barracks	Other
Bowling Alley	Other
Casino	Other
College/University	College/University
Convenience Store with Gas Station	Other
Convenience Store without Gas Station	Other
Convention Center	Entertainment/Public Assembly
Courthouse	Other
Data Center	Data Center
Distribution Center	Non-Refrigerated Warehouse
Drinking Water Treatment & Distribution	No Target (Exempt from BEPS)
Enclosed Mall	Retail Store
Energy/Power Station	Other
Fast Food Restaurant	Restaurant
Financial Office	Office
Fire Station	Fire/Police Station
Fitness Center/Health Club/Gym	Recreation
Food Sales	Supermarket/Grocery Store
Food Service	Restaurant
Hospital (General Medical & Surgical)	Hospital
Hotel	Hotel
Ice/Curling Rink	Other
Indoor Arena	Other
K-12 School	K-12 School
Laboratory	Laboratory
Library	Services

Lifestyle Center	Entertainment/Public Assembly
Mailing Center/Post Office	Services
Manufacturing/Industrial Plant	No Target (Exempt from BEPS)
Medical Office	Medical Office
Movie Theater	Entertainment/Public Assembly
Multifamily Housing	Multifamily Housing
Museum	Museum
Non-Refrigerated Warehouse	Non-Refrigerated Warehouse
Office	Office
Other	Other
Other – Education	Other
Other - Entertainment/Public Assembly	Entertainment/Public Assembly
Other - Lodging/Residential	Hotel
Other – Mall	Retail Store
Other - Public Services	Services
Other – Recreation	Recreation
Other - Restaurant/Bar	Restaurant
Other – Services	Services
Other - Specialty Hospital	Hospital
Other - Stadium	Other
Other - Technology/Science	Other
Other - Utility	Other
Outpatient Rehabilitation/Physical Therapy	Medical Office
Parking	No Target (Exempt from BEPS)
Performing Arts	Entertainment/Public Assembly
Personal Services (Health/Beauty, Dry Cleaning, etc.)	Services
Police Station	Fire/Police Station
Pre-school/Daycare	Entertainment/Public Assembly
Prison/Incarceration	Other
Race Track	Other
Refrigerated Warehouse	Refrigerated Warehouse
Repair Services (Vehicle, Shoe, Locksmith, etc.)	Services
Residence Hall/Dormitory	Residence Hall/Dormitory
Residential Care Facility	Senior Living Community
Restaurant	Restaurant
Retail Store	Retail Store
Roller Rink	Other
Self-Storage Facility	Self-Storage Facility
Senior Living Community	Senior Living Community
Single Family Home	No Target (Exempt from BEPS)
Social/Meeting Hall	Entertainment/Public Assembly
Stadium (Closed)	Other
Stadium (Open)	Entertainment/Public Assembly
Strip Mall	Retail Store
Supermarket/Grocery Store	Supermarket/Grocery Store

Swimming Pool	Other
Transportation Terminal/Station	Entertainment/Public Assembly
Urgent Care/Clinic/Other Outpatient	Medical Office
Vehicle Dealership	Retail Store
Veterinary Office	Medical Office
Vocational School	College/University
Wastewater Treatment Plant	No Target (Exempt from BEPS)
Wholesale Club/Supercenter	Supermarket/Grocery Store
Worship Facility	Worship Facility
Zoo	Museum