

# Seattle Building Emissions Performance Standard

## Guide to the Proposed Policy (NOVEMBER 2023)

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**Seattle’s proposed Building Emissions Performance Standard (BEPS) establishes carbon emissions targets that larger existing buildings must meet over the next two to three decades. The policy is projected to reduce building emissions 27% by 2050, making it one of the most impactful climate actions Seattle can take now.**

The BEPS proposal incorporates:

- An **emissions reduction requirement** for buildings greater than 20,000 SF to ensure we are on track to achieve Seattle’s goal to eliminate climate pollution from Seattle’s largest buildings.
- **Compliance flexibility and support for all owners**, as well as dedicated financial assistance to ensure buildings serving frontline<sup>1</sup> communities benefit from better performing facilities while mitigating potential cost burdens on owners and tenants.

## Proposed BEPS Regulations

The Seattle BEPS complements the [Washington Clean Buildings Performance Standard](#) (WA CBPS), which regulates energy use in existing buildings. The State Standard is important for energy efficiency, but its current energy targets would only reduce Seattle building emissions by about 4% by 2030. Seattle’s BEPS fills this gap with these building owner requirements:

- **Starting in 2027, verify previous year’s energy and emissions data** to ensure accuracy.
- **Starting in 2027, document current emissions performance** and building equipment, develop plans and start actions needed to meet upcoming **greenhouse gas intensity (GHGI) targets**.
- **Starting in 2031**, demonstrate that the building’s previous year emissions **meet GHGI targets**, or achieve alternative compliance.
- **By 2050** or earlier, depending on building size and type, **achieve net-zero building emissions**.

The BEPS proposal also sunsets Building Tune-Ups after its 2023-2026 compliance interval to reduce overlap with the State Standard, which has an operational requirement similar to Tune-Ups.

## Who Does BEPS Apply To?

**BEPS covers existing nonresidential & multifamily buildings greater than 20,000 square feet, excluding parking.** In Seattle, this is about 1,650 nonresidential buildings, largely downtown and in dense neighborhoods, like high and mid-rise offices, hotels, schools, large warehouses, and retail, and about 1,885 multifamily buildings (typically those with about 20 units on average or more). About 600 large buildings on campuses like colleges or hospitals are also covered. This is consistent with buildings that already must comply with Seattle [Energy Benchmarking & Reporting](#) and the WA CBPS. Buildings used for industrial and manufacturing purposes are exempt.

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<sup>1</sup> Frontline communities include black people, Indigenous people, sovereign tribal nations, communities of color, immigrants, refugees, youths, elders, houseless people, disabled people, LGBTQ+ people, people with low and no income, and people who work in outdoor occupations.

## BEPS Timing & Requirements

**BEPS is designed for action in Seattle’s largest buildings – those with the greatest emissions impact per building.** Building size cohorts are consistent with the WA CBPS to help building owners align compliance with both requirements. Smaller nonresidential and multifamily buildings have a longer runway, which allows greater flexibility and time for growing technical assistance and financial incentives.

Compliance starts with verification and reporting requirements to encourage owners to prepare, develop plans and, if not already below targets, start actions to meet upcoming emissions targets. Affordable multifamily housing<sup>2</sup> and human services are given a longer lead time to prepare. In each subsequent interval, buildings are required to meet progressively lower emissions targets.

BEPS Compliance Timing	
Year 1	>220,001 SF
Year 2	90,001 to 220,000 SF
Year 3	50,001 to 90,000 SF
Year 4	30,001 to 50,000 SF
Year 5	20,001 to 30,000 SF

2022 - 2026	2027 - 2030	2031 - 2035	2036 - 2040	2041 - 2045	2046 - 2050
Policy/Program Development	Verify Energy and Emissions Performance, Plan and Start Reductions	Nonresidential Buildings Meet 5-year Emissions Targets		Nonresidential Meets Net-Zero	
		Multifamily Buildings Meet 5-year Emissions Targets*			Multifamily Meets Net-Zero

*\*Affordable housing and human services exempt from meeting 2031-2035 emissions targets.*

## BEPS Emissions Performance Targets

BEPS specifies greenhouse gas intensity targets (or GHGITs) for 21 building activity types (e.g., office, retail, multifamily) for each compliance interval to net-zero emissions. The GHGITs are required for 2031-2035 and the Director, through rulemaking, can revise targets set for 2036-2040 and later based on building performance data, evolving technology, new regulations, or other relevant factors.<sup>3</sup>

- Building emissions are measured using greenhouse gas intensity (GHGI) in kgCO<sub>2</sub>e/SF/year and are calculated with weather-normalized energy multiplied by the emissions factor for each energy source.<sup>4</sup>
- GHGITs for multi-use buildings will be calculated based on a pro-rated mix of spaces and may also be normalized for hours of operation and multifamily occupancy density.<sup>5</sup>

## Penalties for Noncompliance

The City will encourage strong compliance through robust owner and tenant engagement and support programs and incentives for early compliance. Flat fines of \$15,000 and \$7,500, depending on building size, may be assessed for failure to report and inaccurate reporting. For failure to meet GHGI targets (2031 and later), non-compliance carries penalties of \$2.50/square foot for low-income housing/low-rent multifamily buildings, \$7.50/square foot for other multifamily and \$10.00/square foot for nonresidential buildings. The Director has authority to establish grace periods before penalties are levied and to mitigate fines.

<sup>2</sup> Affordable housing includes publicly funded low-income housing and other comparatively lower rent housing.

<sup>3</sup> Laboratory GHGIT for 2031-2035 and later intervals shall be revised by rule based on further evaluation of the unique characteristics of laboratory spaces, evolving technology, and any relevant national standards.

<sup>4</sup> Emissions factors are a numerical value that represent the relative greenhouse gas impact of energy sources like electricity, gas, and steam, expressed in kgCO<sub>2</sub>e/kBtu.

<sup>5</sup> For more about target setting analysis, review the *Seattle BEPS Targets Analysis Memo Appendix* in the *BEPS Director’s Report*.

## BEPS Paths to Compliance

Flexible options to accommodate buildings of various uses, size, type, ownership, age, and systems.<sup>6</sup>

### Path A

Meet GHGITs at each five-year compliance interval or exempt if already all-electric.

- **Standard GHGIT.** Individual buildings, building portfolios or campuses<sup>7</sup> can meet a GHGIT prorated for the mix of uses in a building, portfolio, or campus (e.g., a mix of office, retail, and restaurant spaces).
- **Alternate GHGIT.** A constant percent emissions reduction target from a covered building, district campus, connected buildings, or public/nonprofit building portfolio baseline GHGI to net-zero for unique buildings or those with extremely high emissions.
- **All Electric Energy Sources.** If a qualified person<sup>8</sup> verifies that the building only uses electric energy sources, it will be exempt from meeting a GHGIT and reporting that it has met the GHGIT.

### Path B

Small modifications like extensions, emissions deductions for certain energy uses or a compliance payment.

- **Alternative Compliance Payment.** A payment based on the total metric tons of carbon dioxide equivalent (MTCO<sub>2e</sub>) exceeding the target and the social cost of carbon for the five years of the compliance interval. Limited to 2031-35 to allow flexibility but ensure future action. Revenue will be prioritized to assist building owners to reduce emissions in under-resourced buildings.
- **Affordable multifamily housing and human service uses extension.** These buildings may be exempt from meeting the 2031-35 GHGITs but must still verify data and develop plans.
- **High vacancy rate extension.** Leased buildings with high rental vacancy (to be determined by rule) may be exempt from meeting a GHGIT- for one compliance interval.
- **Other exemptions.** Newly constructed buildings, buildings with pre-existing financial distress and buildings scheduled to be demolished.
- **Buildings with district energy contracts.** A 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 the 2031-2035 compliance interval.
- **Other emissions deductions.** Deductions (in some or all intervals) for emissions from uses like cooking, EV charging, communications equipment, laundry in hotels and hospitals, process loads in hospitals and labs, and emergency generators and back-up heat in hospitals and labs.

### Path C

Special consideration and flexibility for extenuating circumstances. Buildings must meet eligibility criteria to use.

- **Net-zero by 2041-2050 Decarbonization Compliance Plan.** A plan, created by a qualified person, that shows how a building will achieve net-zero by 2041-2050. Plan must include details such as an energy/emissions audit, cost analysis, GHGIT schedule, and planned actions.
- **Low Emissions by 2041-2050 Decarbonization Compliance Plan.** A plan, by a qualified person, that shows how a building will achieve a low carbon target by 2041-2050. Plan must include details such as an energy/emissions audit, cost analysis, GHGIT schedule, and planned actions.
- **District Campus Decarbonization Compliance Plan.** A customized plan, by a qualified person, that shows how a campus will upgrade its district energy plant to generate cumulative emissions reductions from 2028 – 2050 equal to or greater than the reductions achievable by meeting the standard GHGIT.

## Support and Financial Assistance

Support for all owners and tenants of covered buildings will include:

- Fact sheets and guidance outlining financial resources such as, utility incentives, federal tax incentives, WA C-PACER, and other financing.
- Outreach and materials like case studies and online tools to understand and calculate emissions.
- Phone and email support.
- Training and informational workshops for building owners and managers and energy service providers.
- Financial incentives to support engineering and capital investments, as funding allows.

### Seattle Clean Buildings Accelerator

Launched in 2022, the [Seattle Clean Buildings Accelerator](#) is a no-cost support and training program for building owners and managers to meet [WA Clean Buildings](#) requirements and reduce emissions. It includes self-led education for all audiences, and light coaching prioritized for buildings that serve or are in frontline communities. The 2023 and endorsed 2024 budgets include funding to support program expansion with a new full-time position to grow the Accelerator into a robust resource hub that will reach more buildings and \$400K/year on-going for a consultant to support and coach program participants.

### Capital Investments & Engineering: Over \$9 Million Already Committed Through 2024

- **\$2.3M** U.S. Department of Energy grant for decarbonizing publicly funded low-income housing.
- **\$2M** in Seattle Payroll Expense Tax-PET Opportunity Fund for publicly funded low-income multifamily housing electrification, starting in 2023.
- **\$4.5M** in 2024 endorsed budget (PET) to support in-depth engineering design and capital support for affordable housing, non-profit owned buildings, and buildings serving frontline communities.
- **\$550-600K** City of Seattle and U.S. Department of Energy support for audits and in-depth engineering design for 6-12 private or nonprofit owned buildings, beginning 2023 (pending final DOE agreement).
- **New staff position** in 2024 to help low-income housing providers reduce building emissions and secure additional project funding.
- Coordinated efforts by City departments to pursue federal, state, and other funding opportunities to support building decarbonization.

### Supporting an Inclusive Clean Energy Workforce

BEPS is estimated to generate 150-270 annual jobs in the clean energy economy, increasing demand for electricians and heating and cooling (HVAC) refrigerant workers, while transitioning existing workers over time to a clean energy future and providing expanded career paths for women, BIPOC, and women/minority-owned businesses (WMBEs). City action and investment to date includes:

- **\$1M/year** for pre-apprenticeship and job readiness programs for clean energy careers.
- Dedicated **Climate and Workforce Development Advisor** in the Office of Sustainability and Environment to advance workforce development and prepare existing workers for the transition to clean energy.
- Dedicated **Green Economy Advisor** in the Office of Economic Development and a cross-departmental Clean Energy Workforce Committee.

### Learn more about Seattle BEPS

Contact [cleanbuildings@seattle.gov](mailto:cleanbuildings@seattle.gov) or visit [seattle.gov/building-performance-standards](https://seattle.gov/building-performance-standards).

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<sup>6</sup> Please refer to the legislation for complete list, allowed compliance intervals and eligibility criteria.

<sup>7</sup> Two or more covered buildings on one or more lots, all owned by the same public, private, or nonprofit entity.

<sup>8</sup> A “qualified person” means a person having training, expertise and at least three years professional experience in building energy use analysis and one of several certifications or licenses. Please refer to the legislation definition for details.