Washington State Department of Commerce

Clean Buildings Performance Standard Legislative Report

2025 report per RCW 19.27A.210 and RCW 19.27A.220

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Report to the Legislature

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ENERGY DIVISION

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Table of Contents

Executive summary **4**
Overview 4
Legislative and program developments 5
Challenges and strategic recommendations 5
Future outlook and goals 5
Legislative mandate 6
Key findings or highlights 6
Recommendations 6

Introduction **7**
Background 7

Progress to date **9**
Legislative activities 11
HB1390: Decarbonizing district energy systems 11
HB1976: Incentive payments for Tier 1 and 2 buildings 12
Budget Proviso: Clean buildings workgroup and report on the financial impact and cost of compliance 13
Incentive programs 14
Tier 1 Early Adopter Incentive Program 14
Tier 2 Early Adopter Incentive Program 15
Energy audit incentive for public buildings program 16
Database development 16
Outreach 17
Community partners 18
The Smart Buildings Center 18
Utility-sponsored accelerator program 18
The Association of Washington Cities (AWC) and the Washington State Association of Counties (WSAC) 19
Customer support 19
Expanding building owner support through an energy fellow network 21
Technical support 21

Recommendations **22**

Table 1 - Tier 1 versus Tier 2 covered buildings 7
Table 2 - Number of Tier 1 building by county 10
Table 3 - Clean Buildings legislative and rulemaking activities 2019-2024 11
Table 4 - Decarbonizing district energy systems rulemaking activities 12

Figure 1 - Tier 1 buildings by county 10
Figure 2 - Customer support inquires in 2023 versus 2024 19

Executive summary

Overview

The Washington State Legislature created the state's Clean Buildings Performance Standard (CBPS, or Standard) in Chapter 285, Laws of 2019, which applies to Tier 1 commercial buildings that are 50,000 square feet and larger. In 2022, the law expanded to include buildings larger than 20,000 square feet and multifamily residential buildings, referred to as Tier 2 buildings. The standard was created to improve the energy performance of existing large buildings to meet the state's greenhouse gas (GHG) reduction goals in RCW 70A.45.020. There are an estimated 8,387 Tier 1 buildings and 4,390 building owners. Tier 2 buildings are still being identified. The following is the reporting schedule by tier and size:

Tier 1 covered buildings reporting schedule

- June 1, 2026 – More than 220,000 sq. ft.
- June 1, 2027 – More than 90,000 sq. ft. but less than 220,001 sq. ft.
- June 1, 2028 – More than 50,000 sq. ft. but less than 90,001 sq. ft.

Tier 2 covered buildings reporting schedule

- July 1, 2027 – More than 20,000 sq. ft. but less than 50,001 sq. ft. and all multifamily residential buildings more than 20,000 sq. ft.

This report covers recent legislative activities, incentives provided to support mandatory compliance, financial impact on building owners, database development, outreach, technical assistance, customer support, and recommendations from Commerce to the Legislature. This report also supports Washington state's commitment to reducing GHG emissions through improved energy efficiency in the building sector. Through a robust combination of legislative actions, program development, technical support and financial incentives, the CBPS provides a pathway for both public and private building owners to align with the state's climate objectives. Ongoing efforts to streamline compliance, expand access to resources, and address unique challenges faced by smaller or under-resourced properties will be crucial as we approach the 2026 compliance deadlines and beyond. This report summarizes the progress and implementation of the CBPS and the administration of the Early Adopter Incentive Program.

In 2024, the Department of Commerce made significant strides in the CBPS program's implementation, supported by legislative initiatives and funding to facilitate compliance. Key achievements include:

- **Database and portal launch:** The Clean Buildings Database Portal offers building owners an efficient, centralized system to manage compliance and incentive applications.
- **Decarbonization rules:** Following Chapter 291, Laws of 2023 (HB 1390), Commerce completed rulemaking for decarbonization of district energy systems, providing a long-term compliance pathway to achieve decarbonization targets for state campus energy systems.
- **Increased outreach and support:** In response to a 98% increase in support requests, Commerce expanded its outreach and technical support efforts, particularly targeting rural areas, multifamily property owners and small businesses.
- **New funding and incentives:** Federal funding was secured to support energy services in underserved communities through energy fellowships.

- **Guidelines for Tier 2 compliance:** With the launch of the Tier 2 Early Adopter Incentive Program set for July 2025, Commerce developed detailed guidelines and facilitated public workshops to gather stakeholder input.

Legislative and program developments

Several incentives were implemented to encourage early compliance and support building owners with the costs of meeting the standard:

- **Early Adopter Incentive Program:** Chapter 85, Laws of 2024 (HB 1976) increased the financial incentive payments for early adopters to $2 per square foot, with an additional $0.05 per kBTU of energy saved above the baseline requirement. This initiative encourages building owners to implement energy efficiency improvements ahead of their compliance deadlines.
- **Tier 2 Incentive Program:** Slated to launch in 2025, this program will support Tier 2 building owners and is expected to serve up to 25,000 buildings by the 2027 compliance deadline. The program development includes workshops and feedback sessions to address the unique challenges of these smaller structures.
- **Energy audit incentive for public buildings:** The Energy Audit Program, launched in 2023, is funded at $20 million and targets public buildings that must conduct energy audits before mandatory compliance in 2026. To date, this program has received 38 applications, reserving $5.9 million in funds.

Challenges and strategic recommendations

This report identifies several challenges that building owners face in achieving compliance, including the high costs of energy efficiency improvements and limited access to resources, particularly for under-resourced and rural property owners. To address these barriers, Commerce has made recommendations, including:

- **Alternate compliance pathways:** Commerce requests authority to adopt alternative compliance options, which would provide building owners more flexibility in meeting energy use intensity (EUI) targets.
- **Funding for local technical assistance:** Increased funding for local utility-based technical assistance programs is recommended to support smaller or less-resourced buildings.
- **Enhanced incentive and grant funding:** Commerce recommends expanding funding for grant programs, enabling more building owners to invest in energy-efficient improvements without financial strain.

Future outlook and goals

Commerce has set forth several key goals to continue the successful implementation of CBPS, including:

- **Expanding support capacity:** The department aims to increase staffing levels to handle the anticipated rise in compliance applications and support requests as deadlines approach for Tier 1 and Tier 2 buildings.
- **Developing a qualified energy manager training program:** With the compliance deadline approaching, Commerce will launch training programs for energy managers to improve building energy management expertise across the state.
- **Enhanced stakeholder communication:** Through a combination of office hours, detailed guidance documents and a redesigned website, Commerce plans to simplify the compliance process and educate building owners on pathways to meet the standard.

- **Continuation of partnerships and outreach:** Commerce will build on current partnerships and initiate new collaborations with community organizations and local governments to expand outreach and technical support.

Legislative mandate

This report satisfies the requirements in section 3(14) of Chapter 285, Laws of 2019:

> By January 15, 2022, and each year thereafter through 2029, the department must submit a report to the governor and the appropriate committees of the Legislature on the implementation of the State Energy Performance Standard established under this section. The report must include information regarding the adoption of the ANSI/ASHRAE/IES standard 100-2018 as an initial model, the financial impact to building owners required to comply with the standard, the amount of incentives provided under sections 4 and 5 of this act, and any other significant information associated with the implementation of this section.

Key findings or highlights

The following significant actions were completed in 2024:

- Launched the early compliance application through the Clean Buildings Database Portal.
- Completed rulemaking for decarbonization of district energy systems according to Chapter 291, Laws of 2023 (HB 1390).
- Published a new, free downloadable version of the Clean Buildings Performance Standard Integrated Document in February 2024 and July 2024.
- Increased outreach efforts to rural cities, under-resourced building owners, multifamily building owners, and small businesses, engaging with over 3,000 people
- Approved seven incentive applications, reserving $1.46 million in incentive funds.
- Launched the energy audits for public buildings grant program, Engrossed Substitute Senate Bill 5950, Section 130 (7).
- Responded to a total of 1,639 customer support requests, this is a 98% more than the previous year.
- Developed the guidelines for the Tier 2 incentive program, which is scheduled to launch July 2025.
- Partnered with more organizations to expand funding opportunities, outreach, customer support, case studies, tools and resources.
- Obtained federal funding to support underserved communities with energy specialist fellows.

Recommendations

- Grant Commerce authority to adopt alternate compliance pathways and grant extensions for specific circumstances through rulemaking.
- Provide additional funding for local technical assistance programs, such as accelerator programs offered by utilities and local government
- Increase state funding for grant and incentive programs to assist building owners who are complying with requirements and making energy-use improvements to their buildings.

Introduction

Background

In 2019, the Legislature found that to meet the statewide greenhouse gas emissions limits in RCW 70A.45.020, the state must require performance standards for existing large buildings. Residential and commercial buildings are Washington's second-largest source of greenhouse gas emissions, accounting for 25% of statewide emissions.[1] With a building's life spanning 50 to 100 years, if not more, retrofitting existing buildings to reduce energy use is one of the most cost-efficient methods to significantly cut greenhouse gas emissions.

To improve energy efficiency in new and existing buildings and to maximize reductions of greenhouse gas emissions from the building sector, the Legislature passed the Clean Buildings Laws in Chapter 285, Laws of 2019 (HB 1257) and Chapter 177, Laws of 2022 (SB 5722) to:

1. Create an energy performance standard for non-residential buildings larger than 50,000 square feet; and

2. Require energy management planning, operations and maintenance, as well as tracking of energy use over time for nonresidential and multifamily buildings over 20,000 square feet.

The Clean Buildings Performance Standard (CBPS, or the Standard) consists of American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)[2] Standard 100-2018, Energy Efficiency in Existing Buildings, with state amendments WAC194-50. The standard applies to Tier 1 and Tier 2 covered buildings and buildings connected to a participating district energy system.

Table 1: Tier 1 versus Tier 2 covered buildings

	Tier 1 covered buildings	Tier 2 covered buildings
Building size	○ Greater than 50,000 square feet	○ Between 20,000 and 50,000 square feet and all multifamily buildings over 20,000 square feet
Requirements	○ Benchmark ○ Energy management plan ○ Operations and maintenance program • Meet the energy use Intensity target **or** • Meet the investment criteria	○ Benchmark ○ Energy management plan ○ Operations and maintenance program
Reporting deadlines	○ June 1, 2026 – More than 220,000 square feet ○ June 1, 2027 – More than 90,000 square feet but less than 220,001 square feet ○ June 1, 2028 – More than 50,000 square feet but less than 90,001 square feet	○ July 1, 2027

[1] Department of Ecology Greenhouse Gas Inventories
[2] American Society of Heating, Refrigerating and Air-Conditioning Engineers

Table 1 demonstrates the difference between Tier 1 and Tier 2 covered buildings. Tier 1 buildings are larger than 50,000 square feet, while Tier 2 buildings are between 20,000 and 50,000 square feet, including all multifamily residential buildings larger than 20,000 square feet.

Tier 1 and Tier 2 covered building owners are required to benchmark their building's energy use and develop and implement an energy management plan and operations and maintenance program in accordance with the Standard. However, only Tier 1 buildings are required to meet an energy performance metric by either:

- Meeting the energy use intensity target set by the state
- Meeting the investment criteria by conducting an energy audit, life cycle cost analysis, and implementing all cost effective energy efficiency measures, or
- Filing for exemption

Tier 1 compliance dates are based on the building size, and begin in 2026, spanning through 2028. Tier 2 reporting deadline is July 1, 2027.

Commerce was tasked with conducting rulemaking to establish administrative rules for the law, creating a database of covered buildings in the state, notifying building owners of the legal requirements, establishing an incentive program for early adopters of the standard, and providing customer support to the industry.

Progress to date

The program made significant strides in 2024. In 2020, the program began with six staff members and has grown to 19 staff members partially or fully supporting implementation of the standard. We increased staff capacity to better serve stakeholders by adding additional personnel to provide technical assistance as a result of increased demand as building owners take action towards compliance with the standard. In 2024, we achieved the following:

- Launched the early compliance application through the clean buildings portal
- Completed rulemaking for decarbonization of district energy systems
- Published CR103 for HB5722 Clean Buildings Tier 2 expansion
- Published a new, free downloadable version of the Clean Buildings Performance Standard Integrated Document in February 2024 and July 2024
- Increased outreach efforts to rural cities, under resourced building owners, multifamily, and small businesses
- Launched the energy audits for public buildings grant program
- Responded to 1,639 customer support inquiries, which is a 98% increase over 2023 requests
- Developed the guidelines for the Tier 2 incentive program
- Partnered with additional organizations to expand funding opportunities, outreach, customer support, case studies, tools, and resources

This year, Commerce has reviewed 59 exemption applications and 64 early compliance applications.[2] These application reviews have allowed us to better understand the staff capacity needed when compliance application volume increases during the first mandatory compliance cycle starting in 2026, refine the process to ensure efficiency, identify upgrades required in the portal, and develop guidance documents to increase stakeholder education in response to observed need.

Although we have made significant progress, more work is still ahead. By June 2025, Commerce must:

- Improve the portal user experience, support the various compliance applications, and accommodate Tier 2 building data
- Identify Tier 2 buildings and notify building owners
- Establish systems to accept Tier 2 early compliance and incentive applications
- Accept participating district energy systems' decarbonization plans for review and approval
- Review a larger volume of incentive, exemption and early compliance applications
- Develop and produce a qualified energy manager training
- Increase customer support capacity to better serve the volume of building owners and industry professionals needing assistance

Figure 1 shows the Tier 1 covered buildings county by county. There are an estimated 8,387 total Tier 1 covered buildings and 4,390 building owners. Compliance deadlines are approaching quickly. For Tier 1 covered buildings, there are 1,156 buildings larger than 220,000 square feet. This cohort of buildings are required to comply by June 1, 2026. Our goal is that all building owners and their representatives are informed about the standard and can confidently comply with their respective deadlines.

[2] Compliance and Exemption Application Dashboard

Figure 1: Number of Tier 1 buildings by county

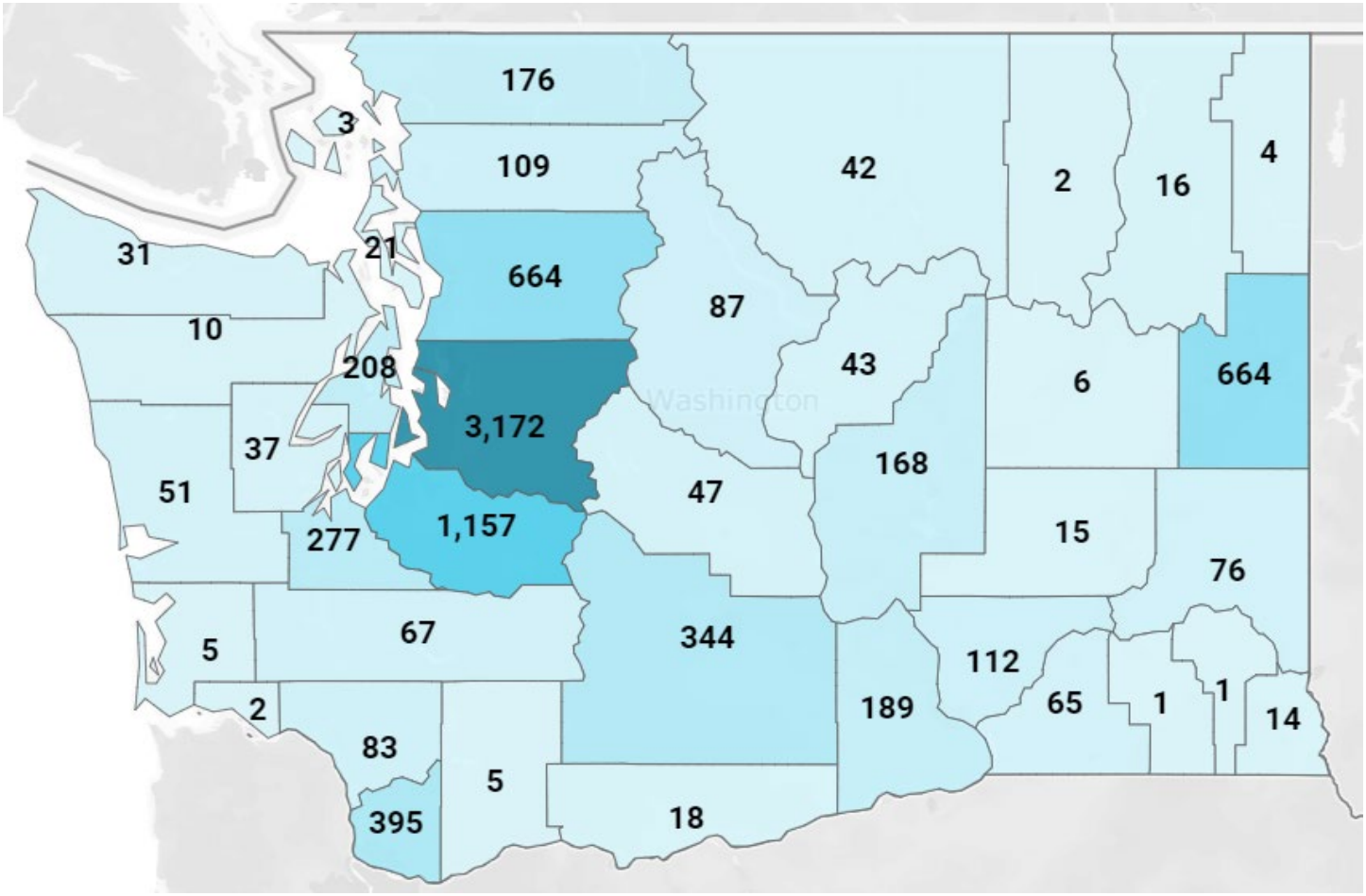


Table 2: Number of Tier 1 buildings by county

County	Building Count	County	Building Count	County	Building Count
Adams	15	Ferry	2	Kitsap	208
Asotin	14	Franklin	112	Kittitas	47
Benton	189	Garfield	1	Klickitat	18
Chelan	87	Grant	168	Lewis	67
Clallam	31	Grays Harbor	51	Lincoln	6
Clark	395	Island	21	Mason	37
Columbia	1	Jefferson	10	Okanogan	42
Cowlitz	83	King	3,172	Pacific	5
Douglas	43	Kitsap	208	Pend Oreille	4

County	Building Count	County	Building Count	County	Building Count
Pierce	1,157	Spokane	664	Whatcom	176
San Juan	3	Stevens	16	Whitman	76
Skagit	109	Thurston	277	Yakima	344
Skamania	5	Wahkiakum	2		
Snohomish	664	Walla Walla	65		

Legislative activities

Over the past five years, the Standard has evolved. Table 2 illustrates the various legislative and rulemaking activities since 2019.

Table 3: Clean buildings legislative and rulemaking activities 2019-2024

Year	Legislative Event
2019	HB1257: Clean Buildings Act
2020	Clean Buildings Performance Standard Rulemaking
2022	SB5722: Clean Buildings Expansion
2023	Tier 2 Rulemaking Exemption Emergency Rulemaking HB1390 Decarbonization of District Energy System
2024	HB1976: Incentive Payments for tier 1 and 2 buildings Decarbonization of District Energy System Rulemaking

In 2024, legislative activities related to clean buildings included:

- Rulemaking for decarbonization of district energy systems
- Passing agency requested legislation, Chapter 85, Laws of 2024 (HB1976), authorizing Commerce to provide incentives greater than the base incentive payment for Tier 1 and Tier 2 buildings
- Fulfilling the budget proviso that instructed Commerce to form a Clean Buildings workgroup to create a list of strategies and recommendations to support building owners and to analyze the costs of Tier 1 compliance

HB1390: Decarbonizing district energy systems

On May 4, 2023, House Bill 1390 (Chapter 291, Laws of 2023) was signed into law, amending the Clean Buildings law to add a new section on buildings connected to district energy systems. A district energy system is a system that provides heating, cooling, or heating and cooling to a campus through a distributed system providing steam, hot water, or cool water to buildings. The bill acknowledges that decarbonizing buildings is essential to meet the state's climate goals and highlights the benefits of upgrading existing district energy systems while considering the timeline for implementing these upgrades.

A decarbonization plan can span 15 years or more, providing building owners with a flexible timeline to comply with the Clean Buildings Performance Standard (CBPS). These plans, which must include strategies for decarbonizing the heating plant and reducing energy usage, offer a structured yet adaptable approach to the transition. While complying with decarbonization is mandatory for state campus district energy systems, it is optional for campus district energy systems owned by private entities to opt in to this compliance pathway.

In December 2023, Commerce initiated the rulemaking process by filing the CR-101. Commerce held four workshops from January 2024 to March 2024, focusing on the components of the decarbonization plan, compliance reporting, and the alternate compliance pathway of the Clean Buildings Performance Standard. Each rulemaking workshop was followed by a two-week comment period. Commerce received 20 officially submitted comments from universities, energy consultants, local governments and healthcare institutions in addition to dozens of emails and meetings with stakeholders.

The CR-102 was filed on May 1, 2024, and the public hearing occurred on June 4, 2024. The CR 103 was filed on July 30, 2024, to finalize the rules for decarbonizing participating campus district energy systems.

After the rules were finalized, Commerce published an updated version of the Clean Buildings Performance Standard for free download, including the general compliance and reporting requirements for decarbonizing district energy systems.[3] Using the District Energy Systems Registration and Opt-in form, 34 state campus district energy systems have registered, while three privately owned campus district energy systems have opted in.

Table 4: Decarbonizing district energy systems rulemaking activities

Date	Rulemaking Activity	Attendees
12/11/2023	Filed CR-101	N/A
1/18/2024	HB1390 rulemaking kick-off: Introduction to the decarbonization of district energy systems	122
2/08/2024	Rule integration and compliance timeline	104
3/07/2024	CBPS and the decarbonization plan	105
3/21/2024	Comprehensive review	91
5/01/2024	Filed CR-102	N/A
6/04/2024	Public hearing	44
7/30/2024	Filed CR-103	N/A

HB1976: Incentive payments for Tier 1 and 2 buildings

Last year, in Chapter 85, Laws of 2024, Commerce requested that the Legislature increase the early adopter incentive from 85 cents per square foot to provide a more compelling financial incentive. This occurred when HB1976 was enacted into law. The bill authorizes Commerce to increase early adopter incentives greater than the base incentive payment for Tier 1 and Tier 2 buildings.

[3] Clean Buildings Performance Standard July 2024 Version

Commerce hosted a workshop attended by 149 individuals to solicit feedback from building owners, utility providers and energy consultants regarding the enhanced payment. Based on public feedback, Commerce will now award a $2 per square foot rate and an additional 5 cents per kBTU of energy saved beyond the 15 kBTU/sf/year minimum energy use intensity (EUI) reduction required by the early adopter incentive program. Since announcement of the enhanced incentive, Commerce has received positive feedback and a 265% increase in inquiries about the program.

Budget Proviso: Clean buildings workgroup and report on the financial impact and cost of compliance

Report on the financial impact and cost of compliance
In the 2023-25 enacted capital budget, a proviso instructed Commerce to form a Clean Buildings workgroup to analyze the costs of Tier 1 compliance for certain building types, including higher education, state-owned buildings, and more. Commerce contracted with SBW Consulting in partnership with Unrooz Solutions and 2050 Institute ("SBW team") in September 2023 to facilitate the Clean Buildings workgroup and conduct associated analyses.

The first of two key deliverables of the proviso is a memo on the preliminary analysis of financial investments required for owners of Tier 1 covered buildings, which was submitted by December 15, 2023.

This analysis aimed to better understand costs and other barriers to compliance with the CBPS. The memo provided insight into the landscape of Tier 1 building types, the percentage of buildings that likely already comply with the CBPS energy use intensity targets (EUIts), and preliminary analysis of the financial investments required by non-complying buildings to meet their EUIts.

The preliminary financial analysis highlights:

- 67% of benchmarked Tier 1 buildings in Seattle meet the targets[4]
- Lifetime benefits exceed costs
- Benefits were found across size cohorts
- Public buildings had higher first costs than private buildings and lower benefit-cost ratios

Clean Buildings workgroup recommendations and the final financial analysis report
The Clean Buildings workgroup met between November 2023 and July 2024 to develop 10 recommendations and 57 strategies to support building owners and managers with compliance with the CBPS. The workgroup worked collaboratively to meet the second deliverable required in the budget proviso.

The second final report deliverable includes additional compliance cost analysis, a description of the workgroup facilitation process, and a list of strategies and recommendations put forward for the Legislature's consideration.

The final report builds on the preliminary analysis and is representative of a cost survey of workgroup members and case studies of six buildings. The highest ranked recommendations involve:

- Increasing and unlocking additional funding for all sectors
- Ensuring public and privately owned buildings have the human resources for ongoing compliance

[4] Preliminary Financial Analysis of WA State Building Energy Performance Standard

- Adjusting the CBPS to create more clarity on energy efficiency and greenhouse gas reduction goals, better match the needs of building owners and managers, and ensure alignment between various pieces of existing legislative requirements
- Develop new compliance pathways

In addition to the high-level recommendations, more granular strategies were developed to provide actionable items that meet the intent of the recommendations. These include the following:

- Providing clarification around financing and payback options for public institutions
- Utilizing Climate Commitment Act funding to expand existing programs and create new funding opportunities for public and private institutions
- Funding to support energy manager or resource conservation manager positions for public institutions
- Increase funding available to support building owners and managers with metering
- Adding additional flexibility to the conditional compliance pathway
- Allowing non-profit institutions to be considered public entities for funding and incentive allowances
- Setting future energy use intensity targets to provide a clear investment pathway and predictability in the market for building owners and managers

The collection of recommendations and final financial analysis is in the completed Clean Buildings workgroup report to the Legislature.

Incentive programs

Commerce now offers three incentive programs to support building owners and their representatives:

- Tier 1 Early Adopter Incentive Program
- Tier 2 Early Adopter Incentive Program
- Energy Audits for Public Buildings Program

Each program was designed to provide incentive funds to encourage early adoption and help with the cost of compliance.

Additionally, Commerce has increased outreach efforts and updated program requirements for the Energy Efficiency Retrofit for Public Buildings grant program to better support building owners' progress in funding compliance with the Standard.

Tier 1 Early Adopter Incentive Program

RCW 19.27A.220 requires Commerce to administer an Early Adopter Incentive Program to encourage early compliance with the Clean Buildings Performance Standard. The Legislature authorized $75 million for participating utilities to offer as incentives to building owners for early compliance. Eligible buildings can also receive utility conservation incentives and other financing mechanisms.

To be eligible for the incentive program, buildings must be served by at least one electric utility, gas company, or thermal energy company participating in the program. Buildings must be at least 15 EUI over the target by building type. Buildings demonstrating early compliance with the standard may receive 85 cents per gross square foot. Participating utilities pay this incentive directly to the building owners. This cost per square foot has been subsequently increased and this increase is available to all existing incentive program applications.

Commerce launched the Early Adopter Incentive Program in 2021 to provide incentives to building owners who reduce their EUI and meet their building's EUIt. As of October 2024, the program has 10 applications. Seven applications are approved with approximately $1.46 million in reserved funds.

This program has had a lower-than-expected application rate, so we investigated barriers to applications. The findings showed:

- The costs to implement energy efficiency measures (EEMs) can be high when buildings are over their EUIt.
- Building characteristics are variable, resulting in a broad range of EEM implementation costs.
- Existing program applicants report that the cost of implementation of EEMs ranges from $3.60 to $35.01 per square foot.

Commerce was authorized by HB 1976 to enhance the incentives greater than the base incentive payment. The bill intended to increase participation in the program.

Commerce hosted a workshop, attended by 149 individuals, to solicit feedback from building owners, utility providers, and energy consultants regarding the enhanced payment. Based on the public's feedback, Commerce will now award a $2.00 per square foot rate as well as a $0.05 per kBTU of energy saved beyond the 15 kBTU/sf/year minimum EUI reduction required by the early adopter incentive program. The maximum incentive payment is 50% of the approved construction cost to implement to the EEMs. Since announcement of the enhanced incentive, Commerce has received positive feedback and an increase in inquiries about the program.

Looking forward, the enhanced payment along with communicating the benefits of this program to applicants will increase application to the program.

Tier 2 Early Adopter Incentive Program

The Tier 2 Incentive Program was authorized as part of the Clean Buildings Expansion legislation, Chapter 177, Laws of 2022. The Legislature authorized $150 million to support Tier 2 building owners. Tier 2 buildings are between 20,000 and 50,000 square feet, and multifamily buildings greater than 20,000 square feet. These buildings must comply with CBPS by July 1, 2027. This incentive program requires building owners to comply with the Clean Buildings Performance Standard by completing energy benchmarking, an energy management plan, and an operations and maintenance program. The incentive is a base incentive of 30 cents per gross square foot.

The program is currently in its design and outreach phase and will officially launch July 1, 2025. To help design the program and develop the guidelines, Commerce hosted six workshops. The workshop series allowed the public an opportunity to engage with the incentive team, provide feedback and comments on how to structure the program and identify the needs and barriers of the building owners. Funding distribution is being analyzed to ensure that we meet the needs of building owners with a possible enhanced incentive above the base amount. It is estimated this program could serve between 10,000 and 25,000 buildings.

Looking forward, we expect to receive approximately 15,000 applications for this program over the two-year compliance period. Efficiency in application processing within the Clean Buildings Portal will be paramount to support application reviews. Further planning will be required to ensure adequate staffing to process the program applications.

Energy audit incentive for public buildings program

The 2023 Legislature passed the Audit Incentive for Tier 1 publicly owned buildings. As a result of the budget proviso, Commerce offers an energy audit incentive that will be used to cover part or all of the cost of conducting an investment-grade energy audit. Funded at $20 million, this program has the potential to serve several thousand large public buildings before the mandatory Clean Building Performance Standard compliance deadline of 2026.

As of October 2024, the program has 38 applications reserving $5.9 million in funding. The incentive team is evaluating applications and executing contracts until the program end in June 2025. Commerce continues to provide customer assistance for this incentive program by helping users establish their Energy Star Portfolio Account for benchmarking building energy use and developing a streamline process for applicants.

Looking forward, we need to focus on communicating the benefits of the audit program to potential applicants so that the program can award all of its funds during the timeframe in which funding is authorized, from July 2023 to June 2025. Also continuing to focus on streamlining the process for applicants and the contracts team will support awarding and spending all the funding.

Database development

The Clean Buildings Portal is a database of all covered buildings in the state. It provides building owners a secure system to manage and submit their building's compliance and incentive applications with the Clean Buildings Performance Standard. Currently, the database consist of Tier 1 buildings.

In 2024, Commerce began to develop the Tier 2 database. Our data team engaged with several external real estate data companies and evaluated numerous potential data sources. To ensure data quality prior to database construction, we conducted a preliminary analysis by comparing the Tier 1 data in our database with the external sources. With over an 85% confidence level, we confirmed that the external data is sufficiently reliable to proceed with building the Tier 2 database.

In addition, Commerce introduced the early compliance application on the Clean Buildings Portal, a significant step for building owners who have met compliance requirements. This application automated several compliance forms, making it easier for users to calculate their EUIt, connect to their Energy Star Portfolio Manager account for benchmarking, and track their compliance status. The introduction of this application not only simplifies the compliance process but also saves time and resources for building owners.

As part of our data quality enhancement strategy, we will also cautiously restore purged multi-family data, but only if it meets Tier 2 requirements because this building type is now covered by the Standard. This process involves a thorough review of the data and re-categorizing it with confirmation from the building owners. We aim to enhance the quality of Tier 1 data and increase the volume of Tier 2 data.

We are continuously updating and enhancing our database to accurately record Tier 1 building data and accommodate a range of applications for compliance, Tier 1 incentives, and exemption. To streamline the application process, we have implemented a signature routing feature that allows all stakeholders to access, review, and sign applications efficiently. We are also developing more robust compliance features to address complex scenarios, including alternative pathways such as connected buildings, campus-level systems, state Campus District Energy Systems, Campus District Energy Systems, and de-carbonization plans.

We have several planned updates and expansions to the Clean Buildings Portal. We have integrated Energy Star Portfolio Manager into our database and will incorporate GIS maps into the portal in the coming year.

Additionally, we are cleansing and reformatting external data to build the Tier 2 database and plan to notify Tier 2 building owners before July 1, 2025. Tier 2 incentive and compliance application features will also be available through the portal.

Looking ahead, our long-term goal is to provide more comprehensive reports and data visualization tools. These tools will allow stakeholders to easily track compliance status and processes, reducing the need for consultation from multiple sources. With these new features, building owners will benefit from improved support and streamlined application processes, making compliance with our standards more efficient.

Outreach and customer support

Outreach

Compliance for the largest buildings, greater than 220,000 square feet, is in July 2026. The Clean Buildings Performance Standard is process-oriented, with extended lead times designed to minimize compliance costs. It is most cost-effective to start the compliance process as early as possible. Our outreach objectives are to:

- Raise awareness about the Clean Buildings Performance Standard
- Educate building owners and managers on compliance benefits and requirements
- Encourage adoption and implementation of the standard
- Inform and encourage participation in the Early Adopter Incentive Program

In May, Commerce mailed reminder letters to 798 building owners, covering 1,156 buildings, who are required to comply by June 2026. The letters reminded building owners about the compliance deadlines, requirements, and funding opportunities.

With additional staff, we increased our outreach activities and reach larger audiences through public workshops, webinars, online training, social media, email newsletters, media coverage, community meetings, and partnerships with industry associations.

Commerce attended or hosted over 74 in-person and virtual events, including symposiums, webinars, conferences, workgroup meetings, presentations, trainings, panels, etc. We engaged with over 3,000 people in gatherings such as:

- 17 Commerce-led webinars and trainings
- Tacoma Clean Buildings Symposium
- Higher Education Sustainability Conference
- Association of Washington Cities Conference
- Southwest Washington Clean Buildings Symposium
- Higher Education Buildings Workgroup
- International Facilities Manager Association (IFMA) Conference
- County Commissioner Virtual Assembly
- Washington CBPS Utility Working Group

As the first state in the nation to establish a building performance standard, Commerce leads in this area and has shared its expertise at national conferences, including the American Council for an Energy-Efficient Economy (ACEEE) 2024 Summer Study and the ASHRAE Winter Conference. Additionally, Commerce has

provided technical assistance to Colorado, Oregon, Maryland, as well as individual cities adopting building performance standards.

Community partners

Commerce has developed partnerships and collaborations with local governments and industry associations to extend our reach. Examples of successful partnerships include the Smart Building Center, the utility sponsored Clean Buildings accelerator programs, the Association of Washington Cities, the Washington State Association of Counties, the Building Owners and Managers Association (BOMA), and National Association for Industrial and Office Parks (NAIOP). These organizations have significantly supported stakeholders by providing technical assistance, promoting the standards through their networks, and integrating information into their communication channels and events.

The Smart Buildings Center

The Smart Buildings Center (SBC) has been a significant community partner. The SBC is a joint project of the Smart Buildings Center Education Program and Building Potential. The mission of the Smart Buildings Center is to accelerate the adoption and commercialization of smart buildings practices and technology through education and demonstration. They aim to provide building owners, operators, and managers with a road map to smarter, more efficient buildings.

The SBC provides the building community with educational programs and resources, such as:

- The Building Operator Certification (BOC) Level II, a credential for building operators and the qualified person
- The Tool Lending Library (TLL), to help the building community make informed choices about energy efficiency and smart technologies
- The Clean Buildings Performance Standard Helpdesk
- Outreach through workshops and key community engagements

Since 2022, Building Potential has worked with several Washington utilities in a cost-sharing arrangement to provide training and support for utility customers as they prepare to comply with the new Washington State Clean Buildings Standard through a help desk approach. In 2023 and 2024, Building Potential utilized a cost-sharing arrangement to continue delivering training and offered inbound and outbound technical assistance as building owners and operators prepare to comply with the standard and engaged with early adopter opportunities.

Utility-sponsored accelerator program

The utility-sponsored Clean Buildings Accelerator program, delivered by Stillwater Energy, is designed with the goal of supporting end-use customers in compliance with the Washington Clean Buildings Standard. The program is framed on the foundation of Strategic Energy Management (SEM) and designed to meet each organization where they're at. Since 2022, Stillwater Energy has delivered the Accelerator program to 31 cohorts, comprised of 250 organizations in partnership with five utilities spanning the state. Their customers receive extensive compliance coaching and gain energy efficiency-related benefits that span beyond law compliance with this participant quote reflecting a typical experience:

"The Accelerator made it easier to complete the tasks due under the WA State Clean Buildings Standards as well as helped to teach and explain to our board of directors, leadership, participants, and staff what we are

doing, how we are doing it, and why we are doing it." - Veronica A. Gallardo, Property Manager, El Centro de la Raza; Participant in Seattle's Clean Buildings Accelerator

The acceleratory program's SEM derived coaching approach supports participants in their compliance journey through a series of workshops, one-on-one coaching, and resources. Continuous improvement is the crux of our Clean Buildings Accelerator program design and we're constantly improving and adapting to integrate the latest law updates and learnings from other participants. Workshops foster peer learning and sharing of experiences with engagement with over 100 participants.

Accelerator benefits include:

- Support with benchmarking and setting up Energy Start Portfolio Manager
- Free virtual building controls review to support participants in identifying and implementing low-cost/no-cost energy savings opportunities
- Resources and templates to support long-term compliance and organizational energy management goals including:
    - Energy management plan and operations and maintenance program templates
    - Engagement resources
    - Compliance guides, tasks lists and standard operating procedures

The Association of Washington Cities (AWC) and the Washington State Association of Counties (WSAC)

This year, Commerce partnered with AWC and WSAC by awarding nearly $8 million in grant funding to pay for energy audits and collect data on the costs of compliance with the CBPS for city and county-owned buildings. These grants are funded through Washington's Climate Commitment Act. The Incentive Team provided support to AWC and WSAC during their program design process.

The associations will provide outreach to their members, including guidance on energy auditor selection and contracting, and provide grants to cities for energy audits. They will also collect cost data and other metrics for reports due to the Washington Legislature in December 2025.

Customer support

Between October 2023 and September 2024, Commerce responded to 1,664 support requests. Compared to the previous year total of 840 support requests, this is a 98% increase year-over-year, representing a substantial rise in stakeholder demand as compliance deadlines approach. With Tier 2 notification letters expected to go out by the end of June 2025, the expected volume of assistance requests associated with this outreach will increase exponentially as a large number of Tier 2 building owners are contacted. The figure below shows a breakdown of assistance requests received and completed from October 2023 through September 2024, compared to the previous year.

Figure 2: Customer support inquires in 2023 versus 2024

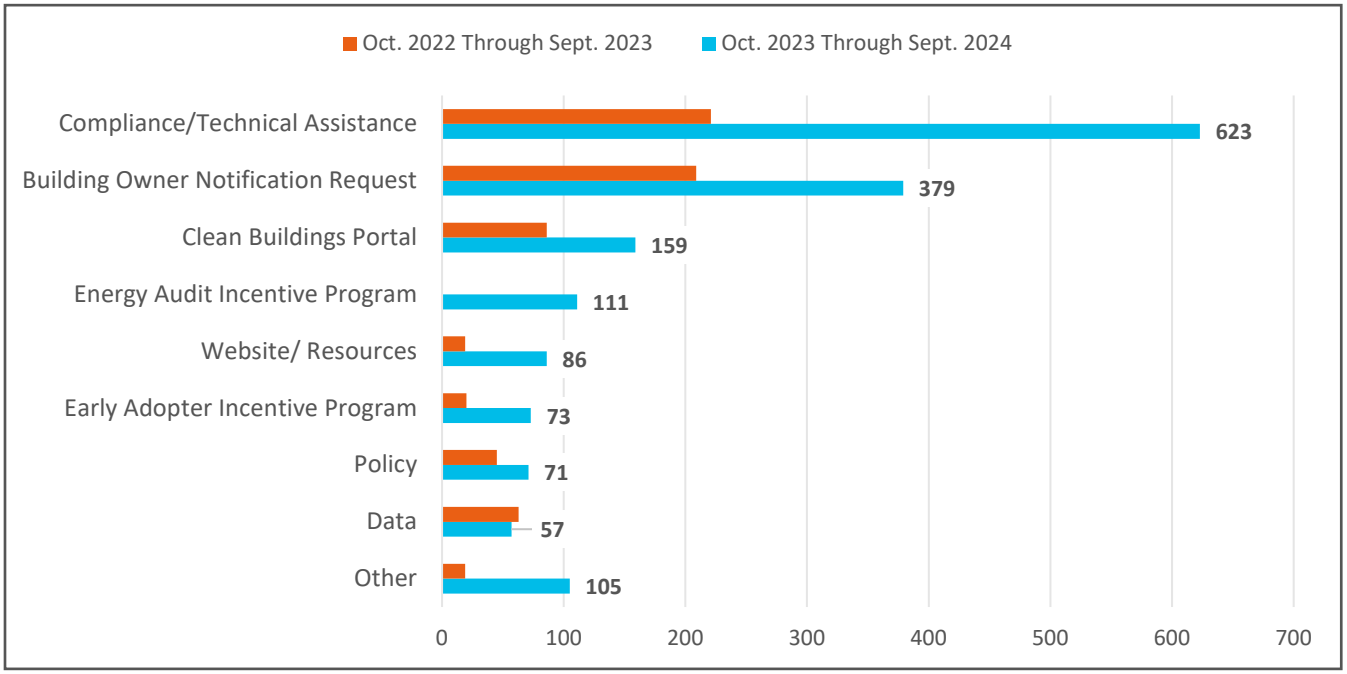


Figure 2 illustrates a substantial growth in customer support requests, particularly focused on technical assistance, website/resource questions, and inquiries about both the energy audit and early adopter incentive programs. With the first Tier 1 compliance deadlines approaching, we expect heightened demand for technical assistance, compliance guidance, and incentive program resources.

As part of Commerce's customer support towards CBPS compliance, the Clean Buildings Team has developed multifaceted education efforts.

- Created and updated 18 step-by-step compliance guidance documents
- Host monthly office hours
- Coordinate in-person and online meetings with customers and stakeholders
- Conducted a website redesign for accessibility

The Clean Buildings Team staff created/updated 18 guidance documents, which provide plain talk guidance on a wide range of compliance and technical assistance topics, including but not limited to: determining and meeting energy use intensity targets, energy benchmarking, life cycle cost analysis, compliance pathways, and more. Commerce hosted 17 webinars/trainings specifically meant for communicating and educating stakeholders about compliance pathways, rulemaking developments and policy updates.

The Clean Buildings Team hosts dedicated office hours to allow stakeholders to drop in and engage with the team regarding the CBPS. These office hours began in July 2024. Commerce also coordinates in-person and online meetings with customers and stakeholders to assist with complex compliance questions or for questions concerning portfolios of buildings. In addition, to ensure greater accessibility, Commerce conducted a website redesign, aimed to make finding and engaging with the CBPS website and resources easier. These strategies help Commerce scale up engagement and guide larger numbers of stakeholders through the compliance process.

Expanding building owner support through an energy fellow network

In August 2024, Commerce was awarded $7.78 million by the U.S. Department of Energy to fund the Building Efficiency and Clean Operations Network (BEACON) project. The BEACON project will help building owners statewide who need support to meet the state's building performance standard. Through partnerships with Smart Buildings, Strategic Energy Innovations (SEI), and San Timoteo Associates, this project will produce a cohort of 60 energy fellows who will provide energy services to large commercial and multifamily buildings in disadvantaged or underserved communities, help them capture energy savings, and bring them into compliance with the CBPS. This project will also grow the workforce in buildings and energy efficiency industries in Washington.

Technical support

The Clean Buildings Program technical team works closely with our outreach and education team to provide technical support to stakeholders utilizing several formats, including webinars/workshops, guidance documents, one-on-one virtual meetings, Q&A, emails and phone calls through the Clean Buildings hotline. This resource development and delivery requires continual maintenance of technical expertise to keep up with developing legislation, standards, technology and economic indices. In 2024, the technical team reached out to several national and regional experts to partner in development and maintenance of several tools and resources.

In response to requests from stakeholders, the Clean Buildings team partnered with Lawrence Berkeley National Laboratory (LBNL), funded by the U.S. Department of Energy (DOE), in the development of several case studies focused on compliance with the standard. These short case studies are designed to be easily digestible by building owners and are specific to projects subject to the standard and at various stages of completion. Two of the four case studies feature Early Adopter Incentive Program applicants. The case studies are pending DOE approval to be published.

The Clean Buildings team has also partnered with LBNL in the development of an operations and maintenance (O&M) program template/tool. This resource is being developed with the less resourced Tier 2 building owner in mind with emphasis on ease of use. The hope is that this tool will be an effective resource to facilitate in-house development and implementation of an effective O&M program in accordance with the standard.

The Clean Buildings team used the acquisition of additional staffing to further develop its expertise in life-cycle costing in partnership with Rock Ventures LLC. The standard's life-cycle cost analysis (LCCA) form, Form F, was developed based on Rock Ventures LLC's life-cycle costing tools used by Washington state's Office of Financial Management and Department of Enterprise Services for the last decade. This partnership increases the team's ability to provide the highest level of expertise in the maintenance, technical assistance and education for Form F and the LCCA tools used by other state-run programs.

In 2024, the technical team continued its partnership with the American Society of Heating Refrigeration and Air Conditioning Engineers (ASHRAE) in updating and publishing the Integrated Clean Building Standard. ASHRAE's published version of Standard 100 -2018, WAC194-50 incorporates our Clean Buildings Performance Standard rules into a single, cohesive document available for free download from the Commerce website. This collaboration incorporated our Tier 2 rules in February of 2024 and additional changes made during rule making for HB1390 in August of this year. Additionally, the Clean Buildings team participated in several ASHRAE Standard 100 committee and subcommittee meetings in 2024 to provide experiential perspectives that are essential to ongoing standard refinement.

Recommendations

By June 2025, Commerce must accomplish the following to continue the successful implementation and administration of the standard:

- Improve the Clean Building Standard Portal user experience and support various applications as well as Tier 2 building data
- Identify Tier 2 buildings and notify building owners
- Be ready to accept Tier 2 early compliance and incentive applications
- Accept participating district energy systems' decarbonization plans
- Review a larger volume of incentive, exemption and early compliance applications
- Develop and produce a qualified energy manager training
- Increase customer support capacity to better serve more building owners

Based on the list of initiatives Commerce must administer, and the Clean Buildings workgroup recommendations, we recommend the following to successfully implement the standard:

- Grant Commerce the authority to adopt alternate compliance pathways and grant extensions for specific circumstances.
- Provide additional funding for local technical assistance programs, such as the accelerator programs offered by the utilities.
- Increase funding to support building owners required to comply and motivated to make energy-use improvements to their buildings.