Washington State Department of Commerce

Clean Buildings Performance Standard Annual Legislative Report

Pursuant to RCW 19.27A.210 and RCW 19.27A.220

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Report to the Legislature

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CLEAN BUILDINGS PROGRAM

v4

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Executive summary

Legislative mandate

The Washington state Legislature established the Clean Buildings Act, outlined in RCW 19.27A.210-260,[1] to improve the energy efficiency of large existing buildings and to put the state on a path to meet our greenhouse gas (GHG) reduction limits as outlined in RCW 70A.45.020.[2]

The purpose of this report is to satisfy the requirements in section 3(14) of RCW 19.27A.210:

> 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.

Overview

This report describes Washington's progress in implementing the Clean Buildings Performance Standard (CBPS). Our state is leading the nation in policies and programs to reduce greenhouse gas emissions from the built environment. We were the first state in the nation to pass a statewide building performance standard for existing large buildings. We are also the first state to require district energy system decarbonization planning. Several states are now following our lead.

Washington state has made significant progress in reducing greenhouse gas emissions from existing buildings through the Clean Buildings Performance Standard (CBPS). Established by the Legislature in 2019 and expanded in 2022, the CBPS requires energy management planning (EMP), operations and maintenance programs (O&M) and benchmarking for all Tier 1 and Tier 2 buildings. Larger Tier 1 buildings must meet performance-based compliance. In 2023, new requirements were adopted to further address the decarbonization of district energy systems. The Department of Commerce (Commerce) administers the CBPS, implements rulemaking, supports compliance and delivers incentives to building owners.

There are significant long-term cost reduction benefits to compliance, including reduced operating costs, extended useful life of buildings and systems and improved indoor environments. The Standard requires implementing cost-effective efficiency measures and developing and implementing an EMP and O&M. These requirements can lead to reductions in annual energy use of 10 to 30% and lower maintenance and operating costs.

In 2025, Commerce achieved key milestones to advance statewide compliance readiness and support building owners. The Legislature passed House Bill 1543, an agency-requested bill that gives owners more flexibility by creating alternative compliance pathways, allowing timeline extensions for good-faith efforts hindered by workforce or supply-chain issues and establishing new exemption categories. Commerce held five public workshops, gathered stakeholder input and began developing rules that will be finalized in 2026.

Outreach and education efforts continued to scale up the last program year. Commerce mailed more than 24,000 Tier 2 notification letters, a major outreach effort that significantly increased the number of requests for guidance. The program responded to over 4,200 customer inquiries, nearly three times as many as last year. Furthermore, Commerce engaged with more than 6,000 stakeholders through training, webinars, events and targeted outreach.

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[1] Washington Legislature, "RCW 19.27A.210-260 State energy performance standard,"
[2] Washington Legislature, "RCW 70A.45.020 Greenhouse gas emissions reductions—Reporting requirements,"

Commerce also improved resource availability through expanded customer support, new technical tools and timely application reviews.

Building owner compliance activity is accelerating as deadlines approach. More than 510 compliance and exemption applications have been submitted, with many Tier 1 buildings already meeting their energy targets. For the state's largest buildings, the first major deadline arrives in June 2026. Commerce will continue processing applications, improve its online Clean Buildings Portal and support owners through this transition.

To reduce financial and technical barriers to compliance, Commerce expanded financial and technical support. Commerce administered four major incentive programs, totaling $284.5 million. These included the Tier 1 and Tier 2 Early Adopter Incentives, $45 million in Clean Buildings Performance Grants and $14.5 million for energy audits of publicly owned buildings. The demand for CBPS grants exceeded available funding. This shows the need and momentum for energy efficiency upgrades across Washington as we head towards mandatory compliance dates starting in 2026. Commerce also advanced database and portal development to streamline compliance and ensure accurate energy performance reporting.

Additional support was also provided through the new Building Efficiency and Clean Operations Network (BEACON) Fellowship Project, which trains fellows to offer free support to building owners, as well as Qualified Energy Manager (QEM) training, expanding workforce development partnerships. Together, these programs strengthen technical capacity statewide and are especially valuable for rural, small and under-resourced building owners who often lack in-house expertise.

Reflections from 2025

Looking ahead to 2026, Commerce will finalize Chapter 264, Laws of 2025 (HB 1543) rulemaking, update the integrated CBPS document, continue improvements to the Clean Buildings Portal and prepare for the first Tier 1 compliance deadline on June 1, 2026. Supporting over 27,000 covered buildings will require ongoing investment in incentives, technical assistance and workforce development. These steps promote equitable and timely compliance, reduce energy costs, cut emissions and advance Washington's climate and economic goals.

The following reflections surfaced during this year's review of the program to more effectively implement the CBPS:

- **Administrative complexity can limit access:** We observed that the weight of administrative requirements — particularly navigating multiple funding applications — can discourage building owners from engaging with the program. Consolidating application processes and reducing paperwork burdens would go a long way toward making compliance more accessible, especially for small businesses, rural communities, and underserved populations.
- **Industry education on financing tools may increase compliance:** As Commerce continues to monitor implementation progress, it may be helpful to further assess and raise awareness of available financing tools for industry. While CBPS compliance may require upfront investment, it also offers long-term benefits, including reduced operating costs, extended equipment lifespans, and healthier indoor environments.
- **Building owners may benefit from increased access to Clean Buildings Portal:** Ongoing investment in the Clean Buildings Portal can further improve compliance tracking, program administration, and user experience. In addition, enhanced portal functionality can also reduce administrative burden for staff by automating application intake, completeness checks, notifications, and data management. These improvements would support greater efficiency, transparency, and scalability as the program expands and more building owners engage with the CBPS.
- **Expanding education and training programs helps build the Clean Building workforce and supports building owners:** Expanding the Clean Buildings workforce increases the availability of trained professionals who can help

building owners evaluate building performance, identify improvements, and navigate CBPS compliance requirements. A larger workforce can reduce service costs, shorten wait times, and improve access to technical expertise, especially for small businesses, rural communities, and owners without in-house energy management staff. Workforce training programs such as Qualified Energy Manager (QEM) and Building Operator Certification (BOC) also help ensure buildings are operated efficiently, supporting long-term energy savings and easier compliance.

- **Strengthening partnerships increases the availability of technical assistance:** Building owners often lack in-house capacity for operations, maintenance and energy management planning. By strengthening collaboration with organizations that provide technical support, we will be able to extend the reach of resources and funding, especially for Tier 2 building owners.

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% statewide emissions.[3] With a building's life spanning 50 to 100 years or 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 existing buildings and to maximize reductions of greenhouse gas emissions from the building sector, The Washington State Legislature enacted the Clean Buildings Act (Chapter 285, Laws of 2019), becoming the first in the nation to establish a statewide performance standard for buildings. Commonly referred to as the Clean Buildings law. The Legislature enacted this law to enhance the energy performance of existing large buildings and to meet Washington's greenhouse gas (GHG) reduction targets, as outlined in RCW 70A.45.020. This statute applies to:

- **Tier 1** covered commercial buildings that are larger than 50,000 square feet
- **Tier 2** covered buildings that are larger than 20,000 square feet and multifamily residential buildings[4]

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

Table 1: Tier 1 versus Tier 2 covered buildings

Category	Tier 1 covered buildings	Tier 2 covered buildings
Building size	○ Greater than 50,000 square feet	○ Between 20,001 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 or • Minimum energy use reduction or ○ Space heating electrification	○ 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

Table 1 compares Tier 1 and Tier 2 covered buildings by outlining their size thresholds, compliance requirements and reporting deadlines.

[3] Department of Ecology Greenhouse Gas Inventories
[4] In 2022, the law was expanded to include buildings Tier 2 covered buildings

Owners of both Tier 1 and Tier 2 covered buildings are required to benchmark. Benchmarking is the practice of tracking and comparing a building's annual energy use to energy use targets developed by the state. Additionally, they will need to develop and implement an energy management plan, including an operations and maintenance (O&M) program, in accordance with the Standard. However, only Tier 1 buildings are required to meet a performance metric in one of the following ways:

- By achieving the energy use intensity target set by the state.
- By meeting the investment criteria, which involves conducting an energy audit, life cycle cost analysis and implementing all cost-effective energy efficiency measures.
- By applying for an exemption.

The investment criteria pathway requires an audit of the building, followed by the installation of cost-effective measures. This means that the cost savings from the measure over its service life must exceed the cost of implementation. These upgrades yield significant operating budget savings by reducing utility costs, extending the life of building systems and equipment and improving indoor environments to be healthier and more productive.

The dates for Tier 1 compliance reporting, based on building size, range from 2026 to 2028. The Tier 2 reporting deadline is July 1, 2027. Building owners must submit compliance documentation to the Department of Commerce in accordance with the reporting schedule in WAC 194-50-080 and every five years thereafter.

Commerce was tasked with conducting rulemaking, creating a database of covered buildings, notifying building owners of requirements, establishing an early adopter incentive program and providing industry support.

Since 2019, the CBPS statute and rules have been updated. On May 4, 2023, House Bill (HB) 1390 (Chapter 291, Laws of 2023) was signed into law, amending the Clean Buildings law to add a new section on compliance for buildings connected to district energy systems.[5] The amendment requires owners of campus district energy systems to submit a decarbonization plan to Commerce by June 30, 2025, and to resubmit it every five years thereafter, including a progress report on the plan's implementation. The bill acknowledges that decarbonizing buildings is essential to meeting the state's climate goals and highlights the benefits of upgrading existing district energy systems, while accounting for the timeline for implementing these upgrades. The bill allows plans to be implemented over a 15-year timeline and provides Commerce with the authority to approve plans beyond this timeline where necessary.

In 2025, House Bill 1543 was signed into law (Chapter 264, Laws of 2025). This agency request legislation implements key recommendations from the Clean Buildings workgroup to aid building owners in compliance. Commerce would be allowed to set alternative compliance pathways beyond existing energy-use-intensity targets, grant extensions to owners facing issues such as workforce shortages or supply-chain delays when they demonstrate a good-faith effort, and create new exemption categories for circumstances including national security concerns. These updates are designed to make compliance easier for building owners. Rulemaking is ongoing and expected to be completed in 2026.

Progress to date

Accomplishments and next steps

In 2025, the Clean Buildings team deepened their efforts in workforce development, increasing customer support and technical assistance and processing compliance and incentive applications. The program gained significant

[5] Washington State Legislature, "HB 1390 Campus District Energy Systems — Decarbonization Plans,"

momentum by successfully passing agency-request legislation, advancing rulemaking and implementing key initiatives, including launching incentives and training, investing in audits and CBPS projects and enhancing outreach and customer support to prepare building owners for compliance. In 2025, we accomplished the following:

- Introduced agency-request legislation, HB 1543, which passed in May 2025.
- Conducted HB 1543 rulemaking, including five public workshops.
- Launched the Tier 2 Early Adopter Incentive Program on July 1, 2025.
- Identified Tier 2 buildings and mailed over 24,000 Tier 2 notification letters to building owners.
- Launched the Clean Buildings Performance Grants and awarded $45 million, supporting 71 building owners.
- Launched the BEACON Fellowship Project, placing the first cohort of 10 fellows in local communities around the state.
- Launched the Qualified Energy Auditor list and awarded over $14 million to support investment-grade energy audits in 299 publicly owned buildings.
- Launched the Qualified Energy Manager Training program, hosted live and in-person training.
- Responded to 4,228 customer support inquiries.
- Reviewed over 510 Tier 1 and Tier 2 early compliance applications.
- Received and reviewed 27 District Energy System Decarbonization Plans.
- Expanded the customer support process.
- Hosted eight compliance training webinars.
- Utilities paid the first incentives in the Tier 1 and Tier 2 Early Adopter Incentive Program.

Although we have made significant progress, more work remains to be done. There are an estimated 27,622 Tier 1 and Tier 2 buildings, and 17,398 building owners. The compliance deadline for the first cohort of Tier 1 buildings with more than 220,000 square feet is June 1, 2026. There are 1,439 buildings required to comply by 2026. Our goal is that all building owners and their representatives are informed about the standard, are aware of the different compliance pathways and can confidently comply by their respective deadlines.

Commerce priorities for 2026

- Complete the rulemaking process by filing the CR 103, codifying the rules on exemption, alternative compliance pathways and extensions.
- Update and publish a new version of the Clean Buildings Performance Standard Integrated Document.
- Improve the Clean Buildings Portal user experience and support the new rules that are codified.
- Launch a communication campaign to ensure building owners are aware of the new rules.
- Update existing guidance documents, webpages and training materials.
- Send reminder letters to building owners about the upcoming compliance deadlines.
- Process compliance applications for size cohort 1 buildings, which are buildings exceeding 220,000 square feet.
- Identify the building owners of size cohort 1 who did not comply and send them a notice of compliance options.
- Continue to review incentive, exemption and early compliance applications.
- Enhance customer support capacity to better serve the increasing volume of building owners and industry professionals requiring assistance.

Tier 1 and Tier 2 Compliance Applications

Building owners are able to submit for early compliance three years prior to their compliance date. In 2025, Tier 1 early compliance continued, and the Tier 2 early compliance period opened. Figure 3.1 shows that the number of compliance applications received has increased from three in December 2023 to a cumulative total of 510 as of September 30, 2025, representing a 79% increase compared to the same period last year. To date, approximately 80% of the applications received have been for Tier 1 compliance, and most have met the energy use intensity target. So far, received applications originate primarily from manufacturing/industrial buildings seeking exemption, and office and education buildings meeting their energy use intensity targets.

Figure 3.1: Cumulative applications

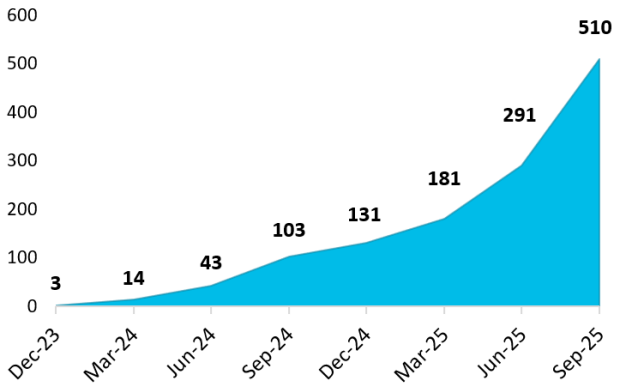
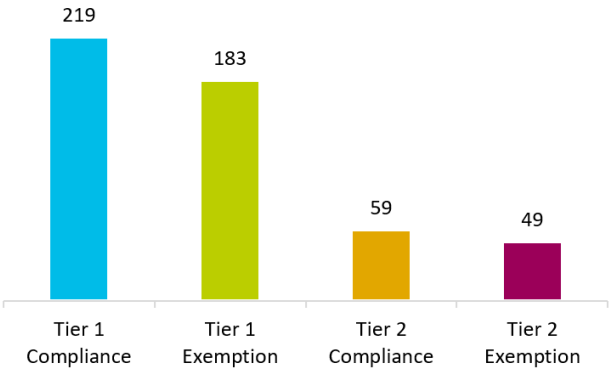


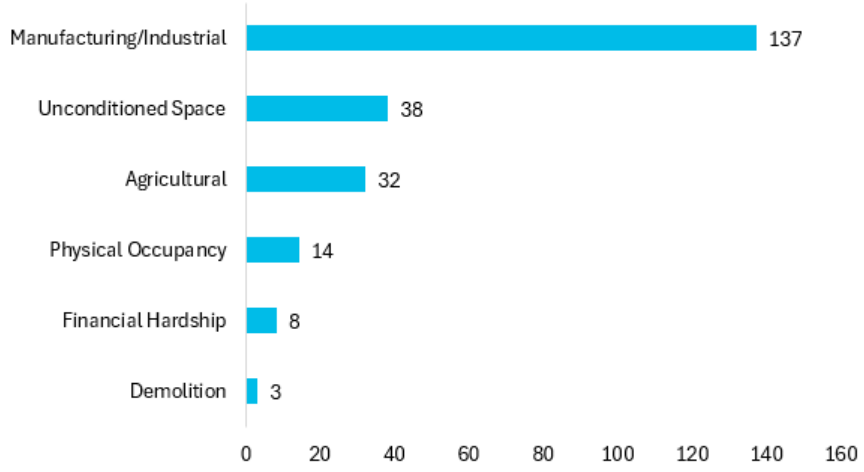
Figure 3.2 shows the total applications received by type. There were 219 Tier 1 compliance applications, 183 Tier 1 exemption applications, 59 Tier 2 compliance applications, and Tier 2 exemption applications. This year, Commerce reviewed 232 exemption applications and 278 early compliance applications. These application reviews have allowed us to better understand and plan for staff review capacity needs, inform the creation of helpful tools & templates for compliance planning and lead Commerce in developing systems for efficient, insightful reviews. In addition, Commerce has identified gaps in the Clean Buildings Portal, and the team has begun working to resolve them.

Figure 3.2: Application type



Of the exemption applications received by Commerce, many initial applications come from manufacturing/industrial buildings. Figure 3.3 shows the quantity of exemption applications received by type. Commerce also received exemption applications for unconditioned space, agricultural buildings, buildings that were not physically occupied, financial hardship and demolition.

Figure 3.3: Exemption applications by type



Commerce still has much work to do to achieve statewide compliance. The table below highlights total estimated covered buildings, broken down by building tier, cohort and approval status. The building counts are continuing to change based on quality assurance reviews of the covered buildings list.

Table 2: Total estimated covered buildings

Building size and tier category	Compliance Deadline	Number of covered buildings	Number of buildings in compliance or pre-approved for exemption
Tier 1: 220,001+ sq. ft.	June 2026	1,380	131
Tier 1: 90,001 – 220,000 sq. ft.	June 2027	3,659	111
Tier 1: 50,001 – 90,000 sq. ft.	June 2028	5,121	81
Tier 2: 20,001 – 50,000 sq. ft. and multifamily residential 20,001+ sq. ft.	July 2027	17,398	70

Table 2 highlights total estimated covered buildings, broken down by building tier, cohort and approved status.

District Energy Systems

Submittal of 15-year decarbonization plans to Commerce is mandatory for state campus district energy systems and optional for campus district energy systems. A total of 32 state campus district energy systems were registered, while five privately owned campus district energy systems opted in. Three privately owned campuses later opted out after determining their plans were not feasible to pursue. Not all agencies/organizations that registered or opted in submitted a plan. Seven campuses were unable to submit their plans; however, they intend to do so pending a state funding request.

A total of 27 plans were submitted. Commerce and a team of nationally recognized consultants reviewed the decarbonization plans. The plans were summarized in the District Energy System Decarbonization Plans Summary Legislative Report.

Financial impact on building owners

The overall cost of complying with the CBPS varies significantly by building type and ownership. This variation is influenced by differences in existing energy performance, whether upgrades are required and operational readiness. One of the most significant cost drivers is the building's current Energy Use Intensity (EUI) in relation to its compliance target. Buildings that already operate efficiently may require only modest operational improvements, while those with outdated or poorly performing equipment and systems may need substantial upgrades to meet compliance thresholds.

Commerce estimates that over 50% of Tier 1 covered buildings may already comply with the performance targets. Of those buildings exceeding their targets, a significant number can achieve them through "light touch upgrades," such as fine-tuning Operations and Maintenance (O&M) Programs or performing retro-commissioning. A portion of the buildings will file for an exemption or extension at little cost. The remaining portion of buildings will require significant capital upgrades to achieve compliance. The standard requires that only cost-effective measures be implemented, resulting in savings that exceed the capital installation cost over the measure's life.

Another cost driver is the level of diagnostic work needed to assess a building's performance. Tier 1 building owners pursuing the investment criteria pathway may invest in a detailed energy audit and life cycle cost analysis to identify cost-effective improvements. These analytical efforts help in developing the required Energy Management Plan and O&M Program, both of which incur additional staffing, training and documentation costs. Public buildings, such as K–12 schools, colleges and hospitals, may offset costs by taking advantage of the Energy Audit Incentive Program, while privately owned building owners can take advantage of the Clean Buildings Performance Grants.

Capital improvements represent a significant and variable expense in some Tier 1 buildings, exceeding their target. For those buildings, compliance may require upgrades such as enhancing building automation systems, modernizing lighting, optimizing controls, or replacing aging, inefficient mechanical systems. In some cases, buildings may also require improvements to the thermal envelope or electrification measures, further complicating projects and increasing costs. Building specific conditions, such as age, historic status, occupancy type and existing systems infrastructure, also influence both the scope of work and overall costs. Facilities with high-intensity uses, such as hospitals, laboratories, prisons/jails and campuses, tend to face higher compliance costs due to their complex operating conditions and energy-intensive operations.

Incentives play a critical role in reducing net costs. State programs, such as the Clean Buildings Performance Grants and the Early Adopter Incentive Programs, along with federal incentives like the 179D tax deduction and utility rebates, can offset a substantial portion of expenses when strategically combined. Based on currently available Tier 2 incentive program application data, Commerce estimates that Tier 2 buildings can achieve compliance through investments totaling $0.30/square foot. The Tier 2 incentive program is available and allows building owners to receive $0.30/square foot for compliance, covering, on average, the full cost of compliance. Support for financing mechanisms to address high upfront retrofit costs, such as low-interest loans or Green Bank funding, is recommended.

A building owner's chosen compliance pathway affects the total cost. Building owners can focus on achieving a specific EUI, which may require capital improvements or none at all, while the investment criteria emphasize cost-effective measures. Together, these factors shape the financial landscape of CBPS compliance across Washington's commercial and multifamily buildings.

There are significant operating cost savings from complying with the law. Buildings implementing only the CBPS operations and maintenance program requirements can save, on average, 10 to 15% in annual utility costs, in addition to extending the useful life of equipment. This results in reduced operating costs for the building owners and lower carbon emissions for the state for many years to come.

Finally, the recently enacted Chapter 264, Laws of 2025 (HB 1543) legislation can relieve some of the financial pressure by providing building owners with alternative compliance pathways, time extensions and exemptions from CBPS requirements. The 2027 CBPS Annual Report will include additional cost data, as the first compliance deadline for Tier 1 buildings greater than 220,000 square feet is on June 1, 2026.

Legislative activities

Over the past six years, the CBPS has evolved through various legislative and rulemaking activities since 2019.

2019

- HB1257: Clean Buildings Act for Tier 1 buildings

2020

- Clean Buildings Performance Standard Rulemaking

2022

- SB5722: Clean Buildings Expansion for Tier 2 buildings

2023

- Tier 2 Rulemaking;
- Exemption Emergency Rulemaking;
- HB1390 Decarbonization of District Energy System

2024

- HB1976: Enhance Incentive Payments for tier 1 and 2 buildings;
- Decarbonization of District Energy System Rulemaking

2025

- HB1543 and Rulemaking: Exemption, extensions and alternative compliance applications
- Agency request legislation, HB1543-2025-26
- Initiating the rulemaking process by filing the CR-101 on June 3, 2025, and completing five rulemaking workshops

Chapter 264, Laws of 2025: Increasing compliance pathways for the Clean Buildings Performance Standard. House Bill 1543 was signed into law on May 13, 2025 (Chapter 264, Laws of 2025). This was agency request legislation that resulted from the Clean Buildings workgroup's legislative report, which included recommended changes to meet compliance standards. Agency requested legislation had three critical changes to help building owners comply, authorizing Commerce to:

- Create and adopt alternate compliance pathways with the CBPS. Developing alternative compliance pathways beyond meeting the energy use intensity targets and investment criteria will expand compliance options for buildings adhering to the standard.
- Grant timeline extensions to building owners working toward compliance. Building owners who make a good-faith effort to comply with the standard but are unable to do so due to workforce shortages, supply chain delays, or other external factors will be eligible to apply to Commerce for an extension.

- Introduce additional exemption categories into the standard — for example, in cases that would compromise national security.

Before filing the CR 101, Commerce conducted a survey seeking suggestions on alternative compliance pathways, extensions and exemptions. A total of 69 individuals from various industries participated in the survey, including real estate, education, low-income housing, schools, utility providers and small businesses.

To educate the public about the rulemaking process and present the proposed rules, Commerce organized an informational session along with four rulemaking workshops. These workshops included educational components, statements of intention regarding the proposed rules and policies, questions and answers and solicitation of public comments and feedback on the proposed rules. Each workshop lasted for two hours, with an average of 294 registered participants and 195 attendees. The information session had 466 registered attendees, with 306 in attendance.

Stakeholders were given the opportunity to submit comments after each workshop, which were reviewed and considered in the development of the draft rules. Commerce received 34 written comments from various industries, including small school districts, building contractors, schools and nonprofit organizations.

Commerce conducted outreach and engagement efforts through several avenues to reach potentially impacted businesses and public entities. Commerce regularly communicated about rulemaking activities and workshops through the Clean Buildings webpage, bulletins sent to over 8,000 subscribers, presentations at multiple conferences, workgroup meetings and community partners that have large networks. Stakeholders had access to presentation materials, recordings and draft proposed rules.

The filing of the CR 102 and the public hearing are scheduled for the last quarter of 2025, with the rulemaking process concluding in 2026.

Table 3: Dates of public workshops

Date	Rulemaking Activities
6/02/2025	Survey seeking suggestions on alternative compliance pathways, extensions and exemptions
6/03/2025	CR 101 filed
6/18/2025	HB 1543 Informational session
7/2/2025	HB 1543 Workshop proposed extensions and exemption rules
7/23/2025	HB 1543 Workshop proposed alternative compliance pathways
8/13/2025	HB 1543 Workshop clarifying language in various sections
9/3/2025	HB 1543 Workshop comprehensive review

Table 3 lists the dates of public workshops held during the rulemaking process that were open to all interested parties.

Database development

The Clean Buildings Team closely aligned database development in 2025 with the expansion of portal features to address increasingly complex compliance requirements and more diverse application processes. In the last quarter of 2024, the Groups menu was developed and deployed, allowing users to create building sets under categories such as Connected, Campus-Level, Campus District Energy System and State Campus District Energy System. This functionality supports group-level compliance applications in addition to individual building-level submissions. To facilitate these processes, existing application steps were upgraded to handle both group-level and individual compliance.

In early 2025, development shifted to support new application types, including Tier 2 Compliance/Incentive Applications, Tier 2 Exemption Applications and the District Energy Decarbonization Plans. Concurrently, the data team finalized the list of potential Tier 2 buildings, initially identifying 17,871 buildings and adding them to the Clean Buildings Portal. After confirmation with building owners, this number was adjusted to 17,398 as of Sep 30, 2025. Efforts to improve data quality through research, investigation and owner verification will continue. The total number of covered buildings is presented in the web-based Clean Buildings Dashboard.

On July 1, 2025, a new version of the portal was released, delivering these features while also improving performance and stability. For the third quarter of 2025, development efforts are focused on system improvements and portal stabilization. Enhancements include expanding shared access for groups and developing new reporting features to facilitate the collection of metrics, enabling a deeper understanding of compliance rates, trends and energy use data.

Looking ahead, new features are scheduled for design and development in the last quarter of 2025. In the first half of 2026, provisions from the new administrative rules, including additional exemptions, extensions and new compliance pathways, will be implemented. Planned upgrades will also extend to compliance and decarbonization applications, while improving administrative functions such as account pages, workflows and application checklists. The Home menu for internal users will be upgraded to enhance efficiency and performance and additional reporting will be developed for key stakeholders, including utility providers, the Department of Revenue, building owners, representatives and qualified persons.

Further improvements will be made to track the penalties process. The program must notify building owners when they are out of compliance and determine the penalties to be assessed. The portal must also track penalties applied, paid and outstanding. Additionally, the system should automatically trigger status changes without requiring manual intervention.

In the second half of 2026, the focus will be on completing outstanding items from the first half of the year and integrating advanced data visualization features, such as charts and trend analyses, for managers, supervisors and external stakeholders. Geographic Information Systems (GIS) integration will also be implemented following data cleanup, the addition of Tier 2 building records and the migration of existing maps and applications to a newer version.

These database development efforts directly advance legislative goals of transparency, data reliability and operational efficiency for regulated buildings. The enhancements reduce administrative burden, streamline user access and improve the accuracy of building performance reporting, thereby strengthening the state’s capacity to monitor and enforce compliance.

CBPS Grants and Incentive Programs

Commerce administers four incentive programs with a total of $284.5 million in incentive funding to support building owners and their representatives in complying with the CBPS:

Early Adopter Incentive Programs funded by utility tax credits include:

- Tier 1 Early Adopter Incentive Program, $75 million, Existing program
  - The program has allocated 15% of funding to building owners
- Tier 2 Early Adopter Incentive Program, $150 million, New program
  - The program has allocated less than 1% of funding to building owners

Additional state incentive programs funded by the Climate Commitment Act (CCA) include:

- Clean Buildings Performance Grants, New program
  - 2023 to 2025 Biennium: $45 million. Fully allocated.
  - 2025 to 2027 Biennium: $5 million. Not yet allocated.
- Energy Audits for Public Buildings Program, New program
  - 2023-2025 Biennium: $14.5 million, Fully allocated.
  - 2025-2027 Biennium: $12.6 million. Not yet allocated.
- Energy Efficiency Retrofits for Public Buildings, $22.5 million, Existing program

Commerce has recently expanded its capacity to successfully administer both existing and new incentive programs. Demand for the incentives continues to exceed available funding, especially in the Clean Buildings Performance Grants program, where demand was twice the available funding. Commerce will launch a combined request for applications for all clean building funding for the 2025-2027 biennium to reduce the administrative burden on building owners submitting proposals across multiple fund sources.

Commerce is required to submit a report on the results of the early adopter incentive programs in 2025 and every two years thereafter in accordance with RCW 19.27a.220. For further details on these incentive programs, please review the 2025 Early Adopter Incentive Program Legislative Report.

Outreach, education and customer support

One of our largest outreach efforts took place on July 1, 2025. Commerce mailed over 24,000 notification letters to Tier 2 building owners. The notification letter contained:

- An explanation of the CBPS and Tier 2 reporting requirements
- How to access the Clean Building Portal
- The Tier 2 Incentive Program
- Next Steps for Building Owners
- Support and Resources

Since mailing the Tier 2 notifications, Commerce has received over 3,000 customer support, portal access and technical assistance requests since July. Three months prior to this outreach effort, a significant amount of planning and preparation was made, including:

- Portal development, building and building owner identification and data quality checks.
- Drafting a letter with sufficient information, ensuring accessibility and understandable language.
- Identify additional staff to support existing staff in the expected large volume of responses.
- Develop an efficient process to respond to the large volume of emails, customer support tickets, technical assistance and portal access requests.

- Create and implement a communication plan to educate building owners, consultants and utility providers.

Commerce has experienced continuous customer support engagement over the last year, particularly among building owners and contractors who have initiated access to the Clean Buildings portal and begun asking questions about compliance requirements and steps. Stakeholders also submitted nearly three times as many requests for support resources as in the previous year.

While navigating travel restrictions currently in place for state employees, Commerce has remained committed to connecting with communities by meeting them where they are, as best as possible. During the last year, Commerce staff attended or participated in over 45 in-person or virtual events. We engaged with over 6000 individuals in events such as:

- AHRAE Puget Sound Chapter Meeting
- Washington Housing Consortium
- 2025 Washington Association of Maintenance and Operation Administrators (WAMOA) Fall Conference
- WA Climate Action Peer Network
- Puget Sound Energy Commercial Strategic Energy Management (CSEM) Annual Conference
- Northwest Consumer Construction Council (NWCCC) Meeting
- Infrastructure Assistance Coordinating Council (IACC) Conference

We developed partnerships and collaborations with local governments, state agencies, industry associations and utility providers to extend our reach. This year, we continued our outreach efforts in rural communities, multifamily building owners, small businesses and underserved communities.

Efforts include:

- Presenting at the Western Washington BPA Utility Roundtable to rural utility providers
- Participating in the Yakima Clean Buildings Act Open House
- Presenting at the Energy/Climate Change Community of Practice
- Partnered with community-based organizations located across the state

We have expanded our virtual training and office hours to provide additional support. On July 23, 2024, Commerce launched the monthly CBPS Office Hours. This is a regular standing virtual meeting where building owners and their representatives, utility providers, energy consultants and anyone related to the CBPS can connect with members of our Clean Buildings team to ask specific questions, discuss a scenario, or listen to others and learn about how they are meeting compliance. Attendance has steadily grown to 76 participants.

The Clean Buildings Team also launched the CBPS Educational Series, which hosts at least one webinar each month. These webinars included:

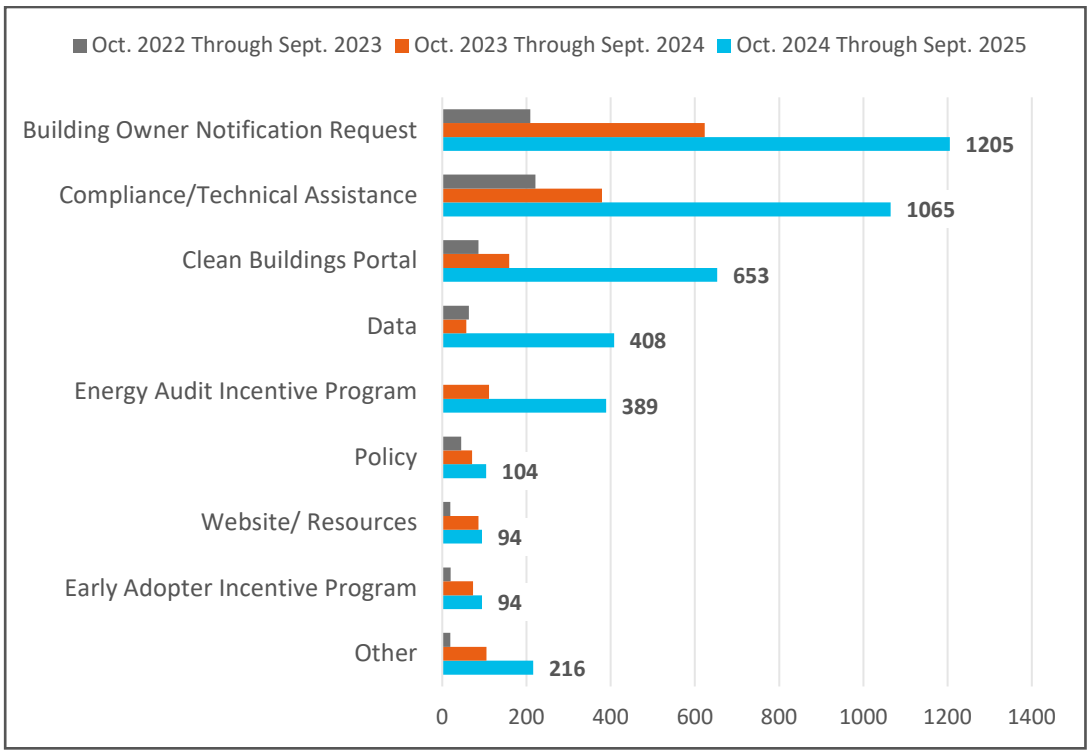
- Developing the EUIt for Tier 1 and Tier 2 buildings
- Tier 2 Compliance: Benchmarking
- Decarbonization of the District Energy Systems
- Connect Building and Campus Level Compliance

In addition to our technical-focused training courses, we also offered monthly training that includes a high-level overview of the CBPS. These webinars included:

- CBPS Exemptions
- Clean Buildings 101
- CBPS for Utility Providers

Figure 3.4: Customer Support Assistance over the years

The buildings unit fielded 4,228 support requests, up from 1,664 last year (a 254% year-over-year increase). This significant growth in support engagement stems from the training series, outreach events, and, most notably, the delivery of Tier 2 notification letters.



Technical assistance

The Clean Buildings Program's 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 sessions, emails and phone calls. This resource development and delivery requires continual maintenance of technical expertise to keep up with developing legislation, standards, technology and economic indices. In 2025, the technical team collaborated with several national and regional experts to develop and maintain a range of tools and resources.

In 2024 and 2025, the technical team collaborated with a national laboratory to further refine the Washington State Audit Template, which supports funding opportunity applications and CBPS investment criteria pathway compliance applications. These refinements aim to enhance the data entry process, capture more relevant data for building performance and energy efficiency measures and streamline the grant and incentive application process for potential applicants.

In early 2025, Commerce was invited to participate in a Strategic Energy Management and Building Performance Standards (SEM – BPS) Collaborative workgroup. This working group comprises members from across the country and various backgrounds in energy management and building performance standards. The goal of this workgroup is to evaluate how national SEM efforts can support the various BPS policies that are being developed and implemented across the country. Additionally, this working group is actively evaluating tools and offerings from various sources to determine whether additional tools or supporting resources could further enhance SEM and BPS efforts.

In May 2025, national experts delivered the Operation and Maintenance (O&M) Development Tool to Commerce in support of Tier 2 buildings that needed to comply with the Washington State Clean Buildings Performance Standard (CBPS). This tool was developed as a resource for building owners who do not have a building automation program in place to support tracking equipment inventories, maintenance task requirements for their equipment and tracking maintenance frequencies. Commerce partnered with Avid Solutions in June of 2025 to develop a set of instructional videos that provide a detailed walkthrough to help users operate the tool. The O&M Development Tool was made available to the public in July of 2025.

In 2025, 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 has published a version of Standard 100 that incorporates our Clean Buildings Performance Standard rules into a single, cohesive document, available for free download from Commerce's website. This year's collaboration will incorporate rulemaking changes resulting from Chapter 264, Laws of 2025. The Clean Buildings Team participated in several ASHRAE Standard 100 and Standard 211 committee and subcommittee meetings in 2025 to provide an evidence-based perspective essential to future refinement of the standard.

Workforce development

A well-trained, readily available workforce is a key component to meeting both current and future building needs in Washington state. As more buildings are required to come into compliance with the CBPS, workforce demands will continue to increase. Building owners are increasingly seeking support throughout the CBPS compliance process, including requests for general CBPS information, compliance materials, financial assistance, energy efficiency upgrades and operations and maintenance to support energy efficiency and system longevity.

The 2024 Clean Buildings Workgroup Report identified several barriers to CBPS compliance, including a lack of internal resources for building owners to understand CBPS and work towards compliance, the ability of building owners to retain qualified staff and difficulties with accessing affordable services for CBPS compliance. Investing in the clean buildings workforce is an effective and long-lasting solution to help reduce these barriers and ensure that building owners have access to qualified professionals specializing in clean buildings and the CBPS, while simultaneously creating quality jobs throughout the state. Furthermore, a strong, clean buildings workforce is key to reducing energy usage and emissions in buildings across the state, in turn advancing Washington’s climate goals.

Currently, there are numerous programs focused on training and growing the clean buildings workforce in Washington state. State and local governments, utilities, higher education and nonprofits have all formed various partnerships and developed program models to provide clean buildings support. For instance, the Building Efficiency and Clean Operations Network (BEACON) Fellowship Project, managed by Commerce, places fellows in local communities across the state to provide free CBPS compliance support to building owners. Puget Sound Energy’s Commercial Strategic Energy Management Program and the Snohomish County PUD host fellows who provide energy-related services, including CBPS support, directly to larger utility clients, such as school districts. Advanced Energy Management trains and employs high school students to provide support. Higher education institutions, such as Western Washington University, connect college students with hands-on energy-related experience in local communities. These programs all share the goal of growing a workforce that can excel in the clean buildings and energy sectors, driven by the demand for skilled professionals across the state.

The Building Efficiency and Clean Operations Network (BEACON) Fellowship Project
The BEACON Project is a collaborative effort by Commerce, the Smart Building Center (SBC), Strategic Energy Innovations (SEI) and San Timoteo Energy Associates (STEA) to provide free CBPS compliance support to building owners and to accelerate the clean buildings workforce in Washington. After receiving feedback from building owners about the need for more support to comply with the CBPS, a pilot program was created in Lewis County to test the efficacy of training a fellow and having the fellow provide no-cost assistance to building owners throughout the county. Building upon this successful pilot, Commerce, in collaboration with SBC, SEI and STEA, applied for and was awarded a $10 million grant from the U.S. Department of Energy for the BEACON Project.

Together, these partners aim to train 60 fellows over three years to provide free technical assistance to a collective of 2,000 buildings across Washington, helping them comply with the CBPS. Fellows receive robust technical training, including the Qualified Energy Manager (QEM) and Buildings Operations Certification (BOC) courses, to prepare them to provide tailored, no-cost support to Tier 1 and Tier 2 building owners. There is a specific focus on outreach to and support for building owners who lack resources and staff capacity to comply with the CBPS.

The first cohort of BEACON fellows launched in June 2025, with 10 fellows placed in seven counties across the state — King, Pierce, Lewis, Snohomish, Whatcom, Chelan and Spokane. Fellows received training for the first two months of the fellowship and began conducting outreach to building owners in August 2025. Since then, the following accomplishments include:

- 60 building owners from 16 counties requested BEACON services.
- Services have been provided to 320 buildings. Services include providing CBPS education and resources, setting up Energy Star Portfolio Manager and the Clean Buildings Portal and providing templates and feedback on EMPs and O&Ms and submitting exemption applications.
- Fellows have conducted 23 site visits and provided in-person 1:1 services to 21 building owners.
- Fellows have provided services to 104 unique building owners and served a total of 320 buildings.
- Fellows have conducted outreach to 270 entities, which include utilities, local governments, nonprofits, school districts, small businesses and individual building owners.

The BEACON Project has filled a workforce gap and addressed a need for building owners, spurring a broader conversation about the benefits of workforce development programs for building owners, utilities, communities and workers.

Advance Energy Management Internship
The partnership between the Wenatchee School District, Wenatchee Valley College and Chelan County PUD is developing a new workforce that directly supports Wenatchee's local commercial buildings in meeting the new Clean Buildings Performance Standard. High school and college students are enrolled in the paid internship program Advanced Energy Management (AEM), working as active participants on an outsourced professional energy management team. The growing list of commercial buildings contracted with the AEM interns includes Wenatchee School District's 13 schools, NCW Education Service District's headquarters, Chelan-Douglas Regional Port Authority's headquarters, the Confluence Technology Center, the regional civic event center, the Town Toyota Center, three JCPenney stores, NCW Libraries Distribution Center and Wenatchee Library.

AEM is a proven high-performance business model that uses building energy data to identify and eliminate avoidable energy waste in commercial buildings. AEM focuses on low-cost conservation measures that align energy use with building activity, resulting in significant (15 to 40%) energy savings and long-term sustainability. AEM is creating widespread value throughout Chelan County by delivering benefits to students, businesses, utilities and the broader community. Benefits include:

- **Student Benefits:** Beyond the pay and earning Career and Technical Education credit, these students are receiving on-the-job training and learning professional business skills that are changing the trajectory of their future.
- **Business Benefits:** Wenatchee's commercial buildings are generating energy savings through conservative actions and preventative maintenance practices that generate more savings than the expense of implementing the new Clean Buildings Performance Standard.
- **Utility Benefits:** Chelan County PUD is reducing unnecessary consumption in its local commercial buildings, freeing up capacity that helps meet the needs of its local market and is sold wholesale to other utilities.
- **Community Benefits:** With now over 20 commercial buildings as their clients, the AEM Interns are not just growing conservation cultures within the operations of each client; they are now demonstrating to the entire community a better business model through the simple approach of conservation, which keeps more money circulating in the local economy.

Qualified Energy Manager (QEM)

- In June 2025, the Qualified Energy Manager Training course launched. It is sponsored by Commerce and delivered by the Smart Buildings Center. We offered free live virtual, in-person and on-demand options. Over 500 registrants have enrolled since the training course launched. The course is designed for building operators, facility managers, energy managers and other professionals responsible for building performance. It addresses the Tier 2 requirements of the Clean Buildings Performance Standard (CBPS). Graduates of the QEM course will receive certification if they meet the experience and training prerequisites. This course not only reduces compliance costs but can also expand expertise and the workforce throughout the state.

Reflections of 2025

After a year of implementation and stakeholder engagement, Commerce gained valuable insights into how the CBPS is functioning in practice. Outreach with building owners, industry partners, and program administrators revealed consistent themes around accessibility, efficiency, and long-term program success. The observations below reflect those conversations and identify opportunities to strengthen the program as CBPS participation continues to grow.

Administrative complexity may limit access: We observed that the weight of administrative requirements**,** particularly navigating multiple funding applications**,** can discourage building owners from engaging with the program. Consolidating application processes and reducing paperwork burdens would go a long way toward making compliance more accessible, especially for small businesses, rural communities, and underserved populations.

Industry education on financing tools may increase compliance: There is a cost to comply with the CBPS. There are also significant benefits such as reduced operating costs, extending the useful life of building equipment and systems and healthier indoor environments. Some financing mechanisms exist and could be further utilized. Through our engagement, it became clear that awareness of financing options remains a gap. Upfront compliance costs can feel daunting, but when building owners understand the long-term value such as reduced operating costs, longer equipment lifespans, and healthier indoor environments; the path to compliance becomes more attainable.

Building owners may benefit from increased access to Clean Buildings Portal: Ongoing investment in the Clean Buildings Portal can further improve compliance tracking, program administration, and user experience. In addition, enhanced portal functionality can reduce staff administrative burden by automating application intake, completeness checks, notifications, and data management. These improvements would support greater efficiency, transparency, and scalability as the program expands and more building owners engage with the CBPS.

Expanding education and training programs expands the Clean Building workforce and supports building owners: The workforce needs to grow alongside the program: As CBPS expands, it has become evident that the pipeline of qualified professionals must keep pace. Expanding access to training and credentialing opportunities — such as the Qualified Energy Manager (QEM) and Building Operator Certification (BOC) — will be critical to ensuring building owners have the skilled support they need to achieve compliance.

Increasing partnerships may be able to expand technical assistance: We heard consistently that building owners, particularly Tier 2 owners, often lack the in-house capacity to manage operations, maintenance, and energy planning on their own. Deepening partnerships with organizations that provide technical support offers a meaningful way to extend our reach and ensure resources and funding get to where they are needed most.