

# Summary of Focused Stakeholder Feedback on BEPS Rulemaking Early Proposals

July 2024–April 2025

## Technical Rulemaking Workgroup

The Building Emissions Performance Standard (BEPS) Technical Rulemaking Workgroup was established to bring together a diverse group of around [16 technical experts](#), building owners, advocates, and stakeholders to weigh in on initial rulemaking proposals to shape the development of Seattle’s draft BEPS Director’s Rule. The participants played a crucial role in ensuring the draft rules are practical, equitable, and aligned with the city’s climate goals while considering the realities of building operations.

The workgroup engagement spanned eight months, from July 2024 to April 2025, consisting of eight facilitated two-hour meetings. Each session focused on a key area of the law that would need additional rules, where participants engaged in presentations, breakout discussions, and interactive feedback exercises using tools such as polls, breakout rooms, and consensus checks. To foster meaningful engagement, members were encouraged to provide offline feedback between meetings, and end-of-meeting surveys ensured all voices were heard, with 97% of respondents feeling their input was valued. Participants also had the opportunity to review and confirm meeting minutes before they were publicly posted on the [OSE website](#).

The workgroup’s insights directly informed the BEPS draft Director’s Rule that is planned for the official public comment period in late Q2 2025. **This report summarizes the key discussion topics, the diverse perspectives shared, and how workgroup input is shaping the draft rule.**

## Focus Group Sessions

In addition to the core rulemaking workgroup meetings, the Office of Sustainability & Environment (OSE) convened four ad-hoc focus groups to dive deeper into specific challenges faced by distinct building sectors. These 90-minute sessions provided a dedicated space for stakeholders to discuss sector-specific concerns, share insights, and provide targeted feedback on the BEPS rulemaking process.

The focus groups covered the following sectors:

- Commercial Real Estate – Addressed compliance pathways, vacancy rates, leasing structures, and tenant-owner dynamics in office buildings and mixed-use properties.
- District Campus Decarbonization – Explored unique challenges faced by district energy systems, including reporting, emissions accounting, and implementation.
- Low-Income Multifamily Housing – Examining equity impacts, financial barriers, and support mechanisms for affordable housing providers to meet BEPS requirements.
- Labs and Hospitals – Discussed high-energy-use facilities, critical operations, and tailored strategies to balance emissions reductions with essential services.

**Note:** *This summary presents a selection of BEPS draft rule proposals informed by feedback from the technical workgroup and several focused meetings. These proposals may be updated or changed pending ongoing stakeholder reviews, as well as the forthcoming official public comment period in planning for June 2025.*

## Table of Contents

<b>Meeting #1: Introduction + Standard Compliance with One Building – 7/11/24</b> .....	3
Additional Building Activity Types .....	3
Normalization Factors .....	4
<b>Meeting #2: Standard Compliance with Multiple Buildings – 7/30/24</b> .....	5
Multi-building Application and Reporting Timeline .....	5
Demonstration of Ownership .....	5
All-Electric Buildings.....	6
<b>Meeting #3: Alternative Compliance – 9/11/24</b> .....	7
Baseline Emissions Timeline .....	7
Recalculating Baseline or Alternate GHGI Targets.....	8
<b>Meeting #4: Benchmarking Verification – 10/9/24</b> .....	9
Whole Building Gross Floor Area .....	9
Site Visits by Qualified Persons .....	11
<b>Meeting #5: End Use Deductions – 11/20/24</b> .....	11
Standardized Deduction Calculations .....	11

Emissions from private district energy provided steam, hot water and/or chilled water .....	12
<b>Meeting #6: Extensions, Exemptions, and Introduction to Decarbonization Plans – 12/18/24</b> .....	13
Exemption Timelines .....	13
Approved Extensions.....	14
Definitions for Decarbonization Plans .....	14
<b>Meeting #7: Decarbonization Plans – 1/15/25</b> .....	16
Most Straightforward Criteria .....	16
More Complex Criteria: Replacement of Equipment Prior to End of Life .....	17
More Complex Criteria: Electrical Infrastructure, Electrical Capacity, or Structural Upgrades.....	18
Further Feedback on Decarbonization Plans.....	18
<b>Focused Topical Meeting – Hospital and Lab End Use Deductions – 11/13/24</b> .....	20
<b>Focused Topical Meeting – Commercial Real Estate – 12/9/24</b> .....	20
High Rental Vacancy Extension .....	21
<b>Focused Topical Meeting – District Campus Decarbonization Plans – 2/27/25</b> .....	22
<b>Focused Topical Meeting – Low-income Multifamily Housing – 3/18/25</b> .....	22

## **Meeting #1: Introduction + Standard Compliance with One Building – 7/11/24**

### Additional Building Activity Types

**Summary of topic:** Three additional building types (beyond those outlined in the ordinance) have enough available reported energy benchmarking data and distinct energy usage to warrant their own GHGI targets (GHGITs) — museum, medical office, and data center. These types were also recommended by stakeholders late in the legislative process and OSE needed more time to analyze the data before adding. Adding these additional building types would not change the targets for any other building activity type.

**Question:** Should OSE add medical office, museum, and data center as additional building activity types?

**Input for rulemaking:** There was strong support for adding these categories.

**OSE draft rule proposal:** OSE will add these as distinct building activity types in the draft rule. (No changes to other targets will be made.)

## Normalization Factors

**Summary of topic:** The BEPS ordinance allows the City to set normalization factors (adjustments to GHGI targets based on building characteristics). An hours of operation normalization factor was discussed, which the Washington Clean Buildings Performance Standard (WA CBPS) uses for its energy use intensity targets. SBW Consulting analyzed and presented findings on the impact of the hours operation normalization factor on BEPS GHGIs. Pacific Northwest National Lab (PNNL) investigated multifamily normalization factors for occupancy density based on currently available energy benchmarking data.

**Question:** Should OSE adopt normalization factors for hours of operation and/or multifamily building occupancy density?

**Input for rulemaking:** The workgroup recommended not adopting hours of operation normalization factors, as SBW's findings showed that they would significantly alter GHGI target values (e.g., making them much higher or lower than the ordinance values). Seattle's GHGI targets are already based on Seattle building data, and WA CBPS (which includes normalization factors) aligns with EUI, which is not directly comparable to GHGI. OSE will propose to not include normalization factors for hours of operation.

There was also no strong consensus on adopting a multifamily normalization factor. This was in part due to inconclusive findings from PNNL's research — occupancy density was only very weakly correlated with emissions. PNNL did find some relationship depending on if the building was subsidized low-income housing or not. However, there was reluctance by the workgroup to effectively create a factor that would mean increasing some targets and lowering others. Some workgroup members suggested considering building type (low-, mid-, high-rise). Further research was conducted by SBW on this and presented at the January 2025 workgroup meeting. These findings were also presented to the Low-Income Multifamily Housing focused meeting at the March 2025 meeting.

**OSE draft rule proposal:** After further discussion with the workgroup and other stakeholders, OSE will propose to not include normalization factors for hours of operation.

OSE will also propose to not include normalization factors for multifamily in this initial rule. Rather OSE may revisit after verified energy benchmarking data is available from reporting in 2027–2030. These data could also be used to revise by Rule the provisional GHGI targets that are set in the ordinance for 2036–2040 and later by 12/31/31. (Per BEPS ordinance, all targets beyond 2036 are provisional and may be revised by Rule.)

### **Additional agenda topics and content from Meeting 1:**

- [Meeting #1 Summary Notes](#)
- [Meeting #1 Slides](#)

## **Meeting #2: Standard Compliance with Multiple Buildings – 7/30/24**

### Multi-building Application and Reporting Timeline

**Summary of topic:** This meeting was about compliance with groups of buildings owned by one owner, such as a building portfolio or a campus, as [defined on Slide 8](#). OSE presented the proposed application and reporting timelines for multi-building compliance, as shown on [Slide 43](#), and asked for feedback.

**Question:** Is the proposed multi-building application and reporting timeline reasonable?

**Input for rulemaking:** The workgroup confirmed that the proposed timelines are reasonable, and provided some suggestions for further technical support that could benefit building owners when developing their compliance plans, such as a detailed guidance document.

**OSE draft rule proposal:** OSE will include the proposed application and reporting timelines in the draft rule.

### Demonstration of Ownership

**Summary of topic:** The workgroup was asked to brainstorm straightforward ways that private or nonprofit building owners could prove ownership of the buildings in their

portfolio, since buildings owned by the same person or entity may not be listed under the same Taxpayer Name by the King County Department of Assessments.

**Question:** How should building owners demonstrate ownership of private sector portfolios?

**Input for rulemaking:** Commercial office and multifamily workgroup participants shared details about how they track ownership, which OSE used to create a list of options in the draft rule that would validate ownership but not create unnecessary reporting or administrative burdens. For example, one suggestion was to allow an affidavit of ownership to accommodate multifamily buildings. This information was also presented to the Low-Income workgroup in March and [Slide 24](#) has a summary of the proposed rule language. The workgroup also included a helpful suggestion that owners of the portfolio check an affidavit that they have informed all LLCs and partial owners of the intent to include the building in a portfolio.

**OSE draft rule proposal:** OSE will propose the list of ownership options on [Slide 24](#), with the addition of this language to option 4: “Executive Director provides a signed certificate affirming that all buildings are owned by the same charitable organization, or the organization is a part-owner of the buildings.”

## All-Electric Buildings

**Summary of topic:** BEPS includes an exemption option for buildings that are verified via Benchmarking Verification as using only electric energy sources. If a building owner pursues compliance at the building portfolio level, and they own a building that has been verified as all electric, OSE proposes that the building owners have two options:

- **Take the all-electric exemption.** Buildings that are verified as using only electric energy are exempt from GHGIT requirements & GHG reporting. These buildings must then be excluded from the Building Portfolio.
- OR -
- **Don't take the exemption.** This means they include the building in their Multi-Building Report, in which case they must meet all GHGI/GHGIT reporting requirements and must use electric emissions factors set in the ordinance.

**Question:** How should building owners manage all-electric buildings in multi-building reporting?

**Input for rulemaking:** The workgroup supported OSE’s proposal for allowing the owners to choose either reporting options for all-electric buildings.

**OSE draft rule proposal:** OSE will propose that building owners can use either listed option for all-electric verified buildings.

### **Additional agenda topics and content from Meeting 2:**

- [Meeting #2 Summary Notes](#)
- [Meeting #2 Slides](#)

## **Meeting #3: Alternative Compliance – 9/11/24**

### Baseline Emissions Timeline

**Summary of topic:** Buildings approved to use the alternate GHGIT will start at their own GHGI baseline and set interim targets before the covered building's first compliance deadline from that baseline to net-zero. (See [Slides 9–13](#) for background). The incremental targets will reduce emissions 33% from baseline (or 25% for multifamily) for each compliance interval. Both the time periods and the baseline year were left for consideration in rulemaking.

OSE proposed the following options as *time periods* for calculating the baseline GHGIT, which align with the time periods in the legislation for compliance GHGI. Buildings can use either:

- A. Twelve consecutive months of verified energy benchmarking data from the time period preceding the covered building's GHGIT compliance deadline. The 12-month period may run from January 1–December 31 or from July 1–June 30.  
- OR -
- B. The annual average of 24 consecutive months of verified energy benchmarking data from the time period preceding the covered building's GHGIT compliance deadline. The 24-month period may run from January 1–December 31 or from July 1–June 30.

The workgroup was also asked to discuss what **data year** should be used to measure baseline emissions.

**Question:** What **data year** should be used to measure baseline emissions for alternative compliance targets?

**Input for rulemaking:** When polled, workgroup members voted 3s (I'm okay with this proposal) and 4s (sounds good) out of 5 for their level of support for the two proposed time periods for measuring baseline emissions. OSE will use this proposal in the draft rule. When discussing the baseline year for emissions, workgroup members explained that an earlier year is generally better because buildings tend to improve their efficiency over time. However, COVID-19 disrupted building energy use significantly, and so a later year is preferred. Some buildings also have significant changes year to year, and so flexibility is important. OSE will balance flexibility with COVID-19 data impacts and allow owners of **individual buildings using the alternate GHGIT** to select verified data from **any year from 2024 to 2030** as the building's baseline in the draft rule.

**Note:** Later feedback at the District Campus Decarbonization Plans focused meeting (2/27/25) suggested that the baseline used for district energy decarbonization plans (multiple buildings) may need to go back to 2019 since some of those entities already have been planning.

**OSE draft rule proposal:** OSE will use the two proposed time periods as options for calculating compliance GHGI. OSE will balance flexibility with COVID-19 data impacts and allow owners of *individual buildings* using the alternate GHGIT to select verified data from any year from 2024–2030 as the building's baseline for their alternate GHGIT in the draft rule. OSE will clarify that buildings using the District Campus Decarbonization Plan can use 2019 as their baseline year.

## Recalculating Baseline or Alternate GHGI Targets

**Summary of topic:** There may be circumstances where changes to a building or its energy use require a recalculation of the baseline emissions for a building's alternate GHGIT or the targets. Per the legislation, a building owner *may* apply to amend the alternate GHGIT or baseline GHGI when one or more of the metrics used to calculate the alternate GHGIT or baseline GHGI have changed. OSE proposed the following options for when the city would require a recalculation.

For individual buildings:

- The gross floor area (GFA) has changed from the baseline year by more than 10% (either an increase or decrease).
- The largest primary building use has changed from the baseline year.

For public or nonprofit building portfolios and campuses:

- The gross floor area of the portfolio has changed from the baseline year by more than 10%.
- Buildings are added or removed to the portfolio/campus.

**Question:** What circumstances would require recalculation of baseline emissions & alternate targets?

**Input for rulemaking:** The workgroup generally agreed with the proposed circumstances for recalculating the baseline or targets. They also cautioned OSE to establish the rule in a way that it avoids disincentivizing adding efficient building square footage.

**OSE draft rule proposal:** After considering its proposal and the workgroup input more fully, OSE is now recommending a more flexible approach. In this approach, the owner may apply to recalculate the baseline GHGI when the gross floor of an individual building has changed by more than 10% or the gross floor area of the portfolio has changed by more than 10%, per existing ordinance language. Per rule, recalculation *may be required* by OSE if a reporting error is discovered during benchmarking verification.

### **Additional agenda topics and content from Meeting 3:**

- [Meeting #3 Summary Notes](#)
- [Meeting #3 Slides](#)

## **Meeting #4: Benchmarking Verification – 10/9/24**

### Whole Building Gross Floor Area

**Summary of topic:** Accurate Gross Floor Area (GFA) is critical for correctly calculating GHGI, GHGI targets, Alternative Compliance Payments (ACP), and penalties. OSE will propose in the rule that GFA verified during the first Benchmarking Verification interval will be considered the BEPS official GFA record for future compliance (unless a change is later

verified). A Benchmarking Verification report will require a description of the data source for the GFA and OSE may flag any reports for errors and request more detail.

**Question:** What additional sources, beyond King County Assessor Data, can be used to report whole building gross floor area?

**Input for rulemaking:** There was strong consensus that the Building Owners and Managers Association (BOMA) method is a good standard for calculating GFA, but that not all building types will have this data or be able to afford BOMA measurements. There were suggestions to also allow architectural plans, Seattle Department of Construction and Inspections information, and the GFA recorded for the Washington Clean Building Performance Standard (WA CBPS). Workgroup members pointed out that GFA measurements tend to vary by as much as 10% between different sources. As a result, OSE is recommending a flexible approach in rulemaking.

**OSE draft rule proposal:**

Qualified Persons will need to state what data source(s) were used to confirm GFA. But OSE will only require submitting GFA documentation if the Qualified Person finds that the GFA is +/- 10% different than OSE's existing records. Or if data validation errors are found by OSE.

**If GFA documentation is required**, multiple data sources will be allowed to maximize flexibility:

- **BOMA Floor Measurement Standard** or **International Property Measurement Standards (IPMS)**, with architectural drawings, plats, or site surveys as required by the standards
- **Architectural drawings** that are dimensioned or have a scale bar
- **Survey documents** with actual building measurement
- **Onsite measurement** or drawings calibrated with onsite measurement
- **King County Assessor** property detail record for "building gross square feet"
- Other documentation that clearly **aligns with ENERGY STAR Portfolio Manager** definition of how to measure GFA

*The objective is to enable the owner and City to agree on a verified initial GFA that will be established during the 2027–2030 BEPS compliance interval. This will be a constant unless a change is later verified.*

## Site Visits by Qualified Persons

**Summary of topic:** A Qualified Person is responsible for all BEPS reporting, including verifying benchmarking data, submitting GHG reporting, and completing decarbonization plans. A “Qualified Person” means a person having training, expertise, and at least three years of professional experience in building energy use analysis and any of the certifications or licenses outlined in [Slide 16](#).

**Question:** Should Qualified Persons be required to do site visits as part of Benchmarking Verification at each building (or campus) once for each compliance interval?

**Input for rulemaking:** Workgroup members recognized some benefits to site visits, but there was agreement that requiring site visits for all buildings for each interval would be overly burdensome and costly. They proposed alternative options, such as requiring site visits only for buildings where there were major changes, for buildings flagged for having unusual data, a random selection process, or an educational approach to increase data accuracy.

**OSE draft rule proposal:** For the proposed rule, OSE will only require a site visit if it is needed to verify compliance or accuracy of the Benchmarking Verification or GHG Report as part of enforcement for accurate reporting.

### **Additional agenda topics and content from Meeting 4:**

- [Meeting #4 Summary Notes](#)
- [Meeting #4 Slides](#)

## **Meeting #5: End Use Deductions – 11/20/24**

### Standardized Deduction Calculations

**Summary of topic:** [Slide 14](#) is an overview of the options under consideration for taking deductions allowed by BEPS. For some end use deductions, OSE is proposing that building owners will be able to choose between submetering the energy loads which will be deducted or using a standard calculation to estimate the energy use. The city believes that standard calculations based on regional industry-vetted gas fueled equipment usage averages would be lower cost alternative to submetering, especially for buildings with restaurants or condo buildings. OSE has been working with SBW on standard deduction calculations based on Technical Reference Manuals from the Northwest Regional Technical

Forum and Pacific Gas and Electric for: fossil fuel cooking equipment, process equipment in hospitals/labs, laundry equipment, individually owned residential condo equipment, and emergency back-up heat.

**Question:** Are standard calculations based on vetted regional data a good option for determining deductions?

**Input for rulemaking:** There was a high level of support for letting building owners choose between submetering and a standardized method for deduction calculations. The workgroup also supported relying on the Technical Reference Manual data for calculations, especially for equipment that is straightforward and common, like cooking equipment. or in-unit condo equipment. There were some concerns about complexity, but OSE explained that Qualified Persons would need to support the owner with calculations and should be able to find and input the required information. Submetering and spot metering are additional options and may be needed for more specialized equipment like those used for the fossil fuel process loads end use deduction. OSE will include standard calculations as options for determining some end use deductions in the draft rule.

**OSE draft rule proposal:** OSE will include standard calculations as options for determining some end use deductions in the draft rule and specify an industry standard reference methodology to use for submetering.

## Emissions from private district energy provided steam, hot water and/or chilled water

**Summary of topic:** Per the BEPS ordinance, any covered building with a contract in place before June 1, 2024, for district thermal energy with a private district energy provider may deduct emissions from steam, hot water and/or chilled water from compliance GHGI. (Note: Currently the only provider in Seattle is CenTrio.) This deduction is allowed only in compliance cycles 2027–2030 (for benchmarking), and 2031–2035 to meet the target. For the BEPS rule, OSE proposes that to take the deduction, all buildings must demonstrate that the building currently uses private district energy and provide evidence that the contract was established prior to June 1, 2024.

**Question:** Do you support OSE's approach to this exemption?

**Input for rulemaking:** Workgroup members asked for clarification about how an existing contract before June 1, 2024, could be proven. OSE explained that this could be proven

through either submitting bills from before June 1, 2024, or CenTrio has offered to provide affidavits if needed. The group discussed if and how CenTrio's emissions factor can be updated if they partially or completely decarbonize. OSE explained that emissions factors will be updated regularly by Rule in advance of compliance deadlines to allow ample time for planning. If the emissions factor looks like it will drop due to decarbonization of the plant in the middle of a compliance interval, OSE could consider how to administratively update CenTrio's emissions factor. The workgroup generally expressed high levels of support for this approach.

**OSE draft rule proposal:** OSE will use its proposed approach to the emissions deduction for private district energy provided steam, hot water and/or chilled water.

#### **Additional agenda topics and content from Meeting 5:**

- [Meeting #5 Summary Notes](#)
- [Meeting #5 Slides](#)

## **Meeting #6: Extensions, Exemptions, and Introduction to Decarbonization Plans – 12/18/24**

### Exemption Timelines

**Summary of topic:** [Slides 6–11](#) explain the two exemptions allowed for BEPS. As part of rulemaking both the documentation and timeline to apply must be specified. OSE proposed that applications for exemptions must be submitted to OSE no sooner than two years in advance of the compliance deadline, and no later than 6 months prior to the compliance deadline. Fully electric buildings should submit their exemption request concurrently with Benchmarking Verification.

**Question:** Are the proposed timelines for exemption applications reasonable?

**Input for rulemaking:** The participants generally supported the proposed timelines. A question was raised about whether the owner should include a building exempted due to a pending demolition in their portfolio.

**OSE draft rule proposal:** OSE will recommend in the rules that the owner should not include the building in their portfolio. If the demolition is cancelled, the building must then comply individually.

## Approved Extensions

**Summary of topic:** [Slides 12–24](#) explain the seven extensions listed in the BEPS ordinance, the allowed compliance periods, and the eligibility criteria for each. OSE also proposed one additional extension for a change of ownership. Under the proposal, owners of buildings which were purchased one year before or on the exact date of the compliance deadline (Oct. 1 of the required compliance year) may apply for a one-year deadline extension to enable them to engage a Qualified Person (if needed) develop a compliance plan, apply for Alternative Compliance, pay the Alternative Compliance Payment, etc. This has also been allowed for Seattle Building Tune-Ups.

**Question:** Should OSE add an extension for change of ownership?

**Input for rulemaking:** The workgroup was largely supportive of OSE’s proposal to add a new one-year extension for change of ownership, because it is reasonable to allow additional time for new owners to select a compliance pathway, as needed. Workgroup members, however, requested that the City require sellers to notify purchasers of the building’s BEPS compliance status. They noted that some jurisdictions, like Denver, require disclosure, while others do not. OSE understands this concern, but a seller-to-buyer disclosure requirement would require an ordinance level change (i.e., it cannot be done in rulemaking). Therefore, OSE can’t require this as part of the draft rule. The City does, however, publish a public map of every building’s current GHGI and estimated GHGIT, so buyers can get some insight into how the building is performing. OSE will do outreach about that tool to raise awareness amongst building owners and potential buyers.

**OSE draft rule proposal:** OSE will propose adding a one-year extension for change of ownership.

## Definitions for Decarbonization Plans

**Summary of topic:** Custom decarbonization plans (see [Slides 28–33](#)) enable up to nine additional years from 2041 for buildings to achieve their decarbonization goals. Depending on if the building meets various extenuating circumstances, building owners may qualify for a net-zero decarbonization plan or a low emissions decarbonization plan. Two of the

qualifying criteria (extenuating circumstances) for decarbonization plans are as follows and were discussed:

- No practicable zero GHG emissions alternatives on the market for a necessary function
- Net-zero infeasible in low income multifamily

OSE also sought feedback on **defining low emissions** since it is not defined in the ordinance like net-zero is.

**Question:** How should OSE define “no practicable low and zero GHG emissions alternatives on the market for necessary function”, “low emissions” and “infeasible in low income multifamily” in the rule?

**Input for rulemaking:** The initial definition discussions were extremely valuable for OSE to begin drafting language for this section of the Rule. The definitions were further workshopped in later workgroup meetings and in the low-income multifamily focused topical meeting.

Low emissions — Participants debated setting a fixed percentage (e.g., 90% reduction) as the “last mile” for emissions but acknowledged uncertainties in long-term projections. They considered adopting a phased approach, similar to vehicle emissions standards, that get more restrictive over time. Workgroup members shared that district energy systems may plan to connect new buildings over time, adding complexity to low emissions definitions.

Infeasible in low-income multifamily — The group suggested using audits to assess feasibility, particularly in low-income multifamily housing, where moving tenants is very challenging. Long-term decarbonization planning is also difficult due to emerging technologies, prompting discussion on expanding the definition of a Qualified Person to include future technology considerations. Cost barriers were another concern, with suggestions to establish a fixed cost threshold for feasibility.

No practicable alternatives on the market — Attendees identified some options for determining when low/zero GHG alternatives are impractical: lack of space, electrical capacity constraints, high costs, and immature technology. Cost assessments could include marginal abatement costs, social cost of carbon, and set payback periods. Some suggested

that OSE maintain a pre-approved technology list or suggested that OSE could evaluate technologies case-by-case with expert input, research, or industry partnerships.

### **Additional agenda topics and content from Meeting 6:**

- [Meeting #6 Summary Notes](#)
- [Meeting #6 Slides](#)

## **Meeting #7: Decarbonization Plans – 1/15/25**

At this meeting, the workgroup reviewed the rest of the eligibility criteria (Extenuating Circumstances) for decarbonization plans as specified in ordinance to get feedback on acceptable documentation that OSE was considering. Criteria were categorized from straightforward to most complex ([see Slide 18](#)).

### Most Straightforward Criteria

**Summary of topic:** Workgroup members were introduced to several criteria which would qualify a building owner to use a net-zero or low emissions custom decarbonization plan for compliance. The most straightforward criteria to qualify for a decarbonization plan include concurrent substantial alterations (net-zero), concurrent seismic upgrades (net-zero), if access to equipment is prohibited by a lease in place by 1/13/24 or earlier (net-zero), or if the building is a historic landmark (low emissions).

**Question:** Are these criteria clear and easy to understand?

**Input for rulemaking:** Participants mostly agreed that the eligibility criteria were straightforward. However, there was some concern that the language in the substantial alteration criteria was complicated, and that having specific examples would make it easier to understand. OSE agrees and while a Rule would not typically have use case examples, the participants' feedback will broadly inform future guideline documents for using decarbonization plans, building portfolios, and other more complex compliance paths.

**OSE draft rule proposal:** Pending additional feedback from other City departments, OSE will use the substantial alterations, concurrent seismic upgrades, access prohibited by lease, and historic landmark building decarbonization plan criteria as presented for the draft rule.

## More Complex Criteria: Replacement of Equipment Prior to End of Life

**Summary of topic:** Building owners qualify to pursue the net-zero decarbonization plan pathway if building upgrades necessary to meet the GHGIT would require the replacement of HVAC heating system equipment or service hot water equipment already vested under the Seattle Energy Code by Jan. 12, 2024, and if that equipment has not yet reached a defined percentage of life expectancy. OSE proposed that the defined percentage for end-of-life expectancy should be standardized to 100%. OSE is considering ASHRAE standards, BOMA standards, or unit energy savings (UES) standards from Regional Technical Forum to determine the life expectancy for equipment.

**Question:** Should OSE use 100% of useful life as defined by ASHRAE, BOMA, or the UES standards to define end of life for equipment?

**Input for rulemaking:** Some participants felt that the life expectancy should be set at more than 100% of the defined useful life, while others noted that in their experience equipment does not tend to last to the full equipment life defined by these standards.

**OSE draft rule proposal:** In order to align with accepted industry standards and a current information source, OSE is considering using 100% of the useful life as defined by BOMA in order to set equipment life expectancy.

*Additional feedback:* A participant provided an example of steam boilers being used for commercial laundry. These would not typically be defined as service hot water but are fundamental to a hotel's function. OSE shared that there is already an end use deduction (fossil fuel process laundry in hotels and healthcare) which could apply to that equipment through 2040. They will add a clarification that "service hot water" may include fossil fuel boilers for hotel laundry. This should only apply to a small number of large and newer hotel buildings vested under the Seattle Energy Code by Jan. 12, 2024 with such boilers that would not be at end of life until after 2040.

**OSE draft rule proposal:** OSE will add clarify in the rule that if fossil fuel boilers used for commercial laundry in hotels and healthcare need to be upgraded before the end of their useful life in order to meet the GHGIT, that building may qualify for the decarbonization plan pathway.

## More Complex Criteria: Electrical Infrastructure, Electrical Capacity, or Structural Upgrades

**Summary of topic:** A building qualifies for a net-zero decarbonization plan when building upgrades necessary to meet the GHGIT include the installation of significant electrical infrastructure upgrades to increase electric capacity in the building, such as adding a new transformer vault.

OSE proposed referencing the Seattle Energy Code (SEC) criteria (Section 503.4.6; exception 4) to define significant electrical upgrades.

**Question:** Is the proposed approach to defining significant electrical upgrades reasonable?

**Input for rulemaking:** The workgroup generally agreed with the proposal and one additional comment supported aligning with what is already in the SEC.

**OSE draft rule proposal:** OSE will continue to review the definition with Seattle Department of Construction and Inspections (SDCI) but plans to proceed with the proposed definition or something similar for the draft rule.

## Further Feedback on Decarbonization Plans

**Summary of topic:** The workgroup was also asked to provide input on the following most complicated eligibility criteria or definitions:

- Low emissions definition (to differentiate between net-zero and low-emissions decarbonization plans, continued discussion from meeting 6)
- Non-interruptible operations in laboratory or healthcare (one criteria to qualify for net-zero decarbonization plans)
- Business financial analysis can demonstrate meeting net-zero would cause financial distress, which is defined in the ordinance (one criteria to qualify for low emissions decarbonization plans)

**Question:** How should OSE define or further clarify these concepts in the Rule?

**Input for rulemaking:**

Low emissions — At this meeting, concerns were raised that setting a specific definition now, with such a long timeline until 2050 for buildings and technology to change, may arbitrarily discourage the use of some new technologies that could achieve net-zero, especially for technologies under development. On the flip side, participants at the low-income multifamily meeting in March 2025 raised concerns about whether fully gas buildings (both space and hot water heating) could realistically ever achieve at 90% low emissions given the costs and structural limitations of conversion.

Non-interruptible operations in laboratory and or healthcare — Participants discussed how in commercial labs, non-interruptible equipment is usually archival equipment support like cryogenic storage systems. The biggest challenge is figuring out alternative energy sources if maintenance or upgrades are needed. Some equipment can use generators, but sometimes not. The challenge applies primarily to electrical process load equipment. Planning for upgrades or maintenance on equipment like this is usually part of the 5-year capital planning cycle.

Demonstrating financial distress — Attendees shared some concerns about the ordinance definition of financial distress and were interested in including impacts to the building's valuation. Financial analysts used by brokers could be involved to determine the impact of upgrades on the property value. Fines may also impact property values. Other stakeholders inquired about if school levies failed to pass. *Note: the BEPS ordinance already allows the Director to mitigate penalties on public entities in consideration of any potential conflicting impacts related to climate change and delivery of public services (see section: [22.925.180 Penalties A.4](#)).*

**OSE draft rule proposal:** This feedback is still under consideration by OSE.

#### **Additional agenda topics and content from Meeting 7:**

- [Meeting #7 Summary Notes](#)
- [Meeting #7 Slides](#)

## **Meeting #8: Wrap-up – 4/10/25**

In the final meeting, OSE presented a summary of the key topics and rule outcomes that the workgroup informed. No new rulemaking topics were presented for discussion.

#### **Additional agenda topics and content from Meeting 8:**

- Meeting #8 Summary Notes
- Meeting #8 Slides

## **Focused Topical Meeting – Hospital and Lab End Use Deductions – 11/13/24**

The Labs and Hospitals focus group discussed the unique challenges of decarbonization in these high-energy-use facilities, particularly around fossil fuel high-intensity process equipment, emergency backup power, and end use deductions. Participants emphasized that medical sterilization, autoclaves used by labs, process humidification, and emergency power needs create significant energy demands that are difficult to electrify. While there was interest in alternative technologies, concerns were raised about cost, space constraints, ability to create redundancy (backup systems), and healthcare regulatory requirements. Many hospitals and labs are transitioning to electric steam generators, but backup systems remain critical, and fully electrified facilities require significantly larger emergency generators. Participants also highlighted waste heat recovery opportunities, the complexity of defining process vs. HVAC loads, and challenges with submetering. The discussion underscored the need for flexible compliance pathways that account for these sector-specific constraints while supporting long-term decarbonization.

### **Additional agenda topics and content from Hospitals and Labs Meeting:**

- [Hospital and Lab End Use Deductions Summary Notes](#)
- [Hospital and Lab End Use Deductions Slides](#)

## **Focused Topical Meeting – Commercial Real Estate – 12/9/24**

This meeting focused on five flexibility measures in BEPS that are known to be especially important to local commercial real estate (CRE) ([see Slides 21-22](#)) to get feedback on additional clarification and definitions needed for the rule. Participants discussed flexibility measures such as compliance extensions for financial distress and high rental vacancy, with many emphasizing the need for clear, practical definitions and documentation requirements. The conversation also covered the district energy deduction, compliance options for building portfolios, and custom decarbonization plans. Owners raised concerns about the high costs of retrofits, uncertain leasing demand, and the risk of penalties, while

also requesting simplified reporting and clear extension criteria. Overall, the discussion reinforced the usefulness of flexible pathways that acknowledge market conditions while maintaining BEPS goals.

## High Rental Vacancy Extension

**Discussion:** How should OSE define high rental vacancy for that extension? What documentation could be provided to prove it?

The BEPS ordinance includes an extension for “high rental vacancy” that left defining the rental vacancy rate percent to rulemaking ([see Slides 24–28](#)). Participants were asked their opinion on the percent (%) vacancy for offices/CRE to set in the BEPS Director’s Rule and to suggest documentation to show vacancy. Some attendees proposed using a 30–40% vacancy threshold, as that is when financial strain typically becomes unsustainable. They noted that a single fixed percentage may not fully capture financial distress though understood the City wasn’t needing the percent used for this basic extension to capture that. Participants also shared that some space, especially downtown, is leased free of charge or to nonprofits free of charge, and these spaces should be included in the definition of vacant space. For documentation, attendees recommended rent rolls, lease records, CoStar data, and vacancy timelines, but raised concerns about the cost and confidentiality of third-party databases. Simpler, owner-provided documentation was preferred, balancing verifiability with administrative feasibility.

**OSE draft rule proposal:** The percent vacancy threshold will be set between 30–40%.

1. Specific % proposal to be included in draft Rule
2. The draft rule will clarify that commercial spaces leased free of charge can be included in a building’s calculation of vacant space
3. Vacancy will not include subleased spaces.

**Vacancy can be documented** by submitting rent rolls, lease records, or other owner-supplied verifiable documentation that clearly demonstrates the building meets the vacancy threshold.

### **Additional agenda topics and content from Commercial Real Estate Meeting:**

- [Commercial Real Estate Summary Notes](#)
- [Commercial Real Estate Slides](#)

## **Focused Topical Meeting – District Campus Decarbonization Plans – 2/27/25**

The District Campus Decarbonization meeting focused on the requirements, challenges, and flexibility of compliance pathways for campuses with their own district energy systems under Seattle’s BEPS. Participants discussed data reporting requirements, emissions tracking, and decarbonization planning, emphasizing the need for flexibility in compliance timelines and accountability measures. Many noted that decarbonization will not be linear, with early-stage energy efficiency improvements followed by larger infrastructure transitions later on (e.g., “the cliff”). Concerns were raised about aligning reporting with Washington’s Clean Building Performance Standard to reduce administrative burdens. Attendees also discussed the role of BEPS end use deductions, fossil fuel utility meters, and the expansion of their district energy systems. Participants discussed concerns about a proposed 2024 baseline year for emissions, due to the fact that it might discount progress made to decarbonize their systems in recent years in anticipation of BEPS and/or not align with their institutional plans. There was also discussion about the cumulative emissions reduction requirement (relative to the standard GHGIT), demonstrating the need for additional clarity around this process in the final rule and future guidance documents.

### **Additional agenda topics and content from Hospitals and Labs Meeting:**

- [District Campus Decarbonization Plans Summary Notes](#)
- [District Campus Decarbonization Plans Slides](#)

## **Focused Topical Meeting – Low-income Multifamily Housing – 3/18/25**

The low-income multifamily housing focused meeting enabled OSE to get this input on documentation approaches and further examine decarbonization plan definitions. Participants discussed verifying low-income housing tax credit (LIHTC) property ownership, ensuring low-income housing is correctly classified by OSE, and minimizing reporting burdens for housing providers. OSE emphasized efforts to support low-income housing through funding opportunities and clarified how compliance flexibility could reduce administrative burden. There was also discussion about protecting so-called naturally occurring affordable housing to prevent unintended consequences, such as sale or rent increases, resulting from the cost of compliance. The attendees generally supported the proposed documentation methods for building portfolio proof of ownership, the low-

income housing extension, the low-rent housing extension, and the multifamily prescriptive pathway.

**Discussion: How should OSE define “low emissions” and “infeasible in low income multifamily” for the decarbonization plan compliance pathway?**

*Infeasibility in low income multifamily* — Participants highlighted additional feasibility challenges beyond space constraints and tenant relocation, such as structural or space limitations that may prevent equipment upgrades. There was concern that substantial alterations triggered by retrofits could impose further costs and regulatory burdens. OSE acknowledged these challenges and noted ongoing communication with SDCI, including aligning energy code decarbonization planning with existing compliance requirements.

*Low emissions* — Attendees discussed defining low emissions based on industry averages for building types or setting a target of 90% of a building’s GHGIT or total emissions. Concerns were raised about whether fully gas buildings (both space and hot water heating) could realistically achieve low emissions given the costs and structural limitations of conversion. OSE noted that having a 90% target doesn’t mean that some exceptions may be considered for buildings where deep emissions reductions could not be made without triggering substantial alteration requirements.

**Additional agenda topics and content from Low-income Multifamily Housing Meeting:**

- [Low-income Multifamily Housing Summary Notes](#)
- [Low-income Multifamily Housing Slides](#)