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Director's Rule 01-2025

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Building Emissions Performance Standard Requirements

Section 1. Purpose

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

Code language included verbatim from SMC 22.925 is shown in *italics* throughout. Terms which are defined in Section 3 of this Rule are underlined throughout.

Section 2. Background

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

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

Section 3. Definitions

SMC 22.925.020 defines most of the terms included in this Rule. Those definitions, *shown in italics*, are established by law and continue to apply. Definitions not included in SMC 22.925.020 that are added as part of this Rule are noted with an asterisk (*). Clarifications have been added in certain cases and references to SMC 22.925 may be augmented with refences to the applicable sections of this Director's Rule.

Aggregate GHGIT* - the GHGIT in kgCO2e/SF/yr for a building portfolio, district campus, or connected buildings, which is a weighted average of the emissions of each building activity type of the covered buildings calculated according to SMC 22.925.080 and Section 12.03(b) of this Rule.

Alternate GHGIT - *the GHGIT in kgCO2e/SF/yr established from the baseline GHGI of an individual covered building, district campus, connected buildings, or public/nonprofit building portfolio, and calculated according to SMC 22.925.080* and Section 14.01 of this Rule.

[1] Per the 2022 Community Greenhouse Gas Inventory.

Alternative compliance payment or ACP - *a payment that a building owner pays to the City to comply with SMC 22.925 in lieu of meeting GHGITs.*

Baseline GHGI - *the GHGI in kgCO2e/SF/yr for a particular 12-month period for a covered building, building portfolio, district campus, or connected buildings used to calculate compliance with certain alternative compliance options.* An average kgCO2e/SF/yr over a 24-month period may also be used for determining a baseline GHGI, according to Section 12.05 of this Rule.

Benchmarking verification report* - a report required each compliance interval that documents the accuracy of one to two years of annual energy benchmarking data, including current fuel sources and utility meters, gross floor area, building uses, and other content as described in Section 11 of this Rule.

Building activity type - *a building or building space type use listed in Table A of SMC 22.925.070 such as office, retail, hotel, or multifamily.* Refer to Table 4, Section 12.02 of this Rule.

British Thermal Units or Btu* - a unit of energy representing the amount of heat needed to raise one pound of water by one degree Fahrenheit.

Building owner - *an individual or entity possessing a fee interest in a covered building. Where a condominium is subject to SMC 22.925, "building owner" means the owners' association, except that, where the powers of an owners' association are exercised by or delegated to a master association, "building owner" means the master association.*

Building portfolio - *two or more covered buildings on one or more lots, all owned by the same public, private, or nonprofit entity. Building portfolios may include district campuses and/or connected buildings. For the purposes of this definition, a building management company does not constitute an owner.*

Campus* - A general term for two or more co-located buildings that typically function together for a similar purpose, such as a college or hospital. A campus is owned and operated by the same entity, or by multiple entities under a shared agreement. Campus compliance with SMC 22.925 can be as individual buildings, a building portfolio, or connected buildings. Campuses with district energy may use a district energy decarbonization compliance plan.

Carbon dioxide equivalent (CO2e) - *the metric used to compute the combined emissions from carbon dioxide (CO2), methane (CH4), and nitrous oxide (N2O) on the basis of their global warming potential.*

Carbon offset - *a reduction or removal of emissions of carbon dioxide or other greenhouse gases made in order to compensate for emissions made elsewhere. Offsets are measured in tons of carbon dioxide equivalent (CO2e).*

Certificate of occupancy - *the certificate issued by the building official after final inspection, allowing the building to be occupied.*

City - *The City of Seattle.*

Compliance GHGI - *the GHGI in kgCO2e/SF/yr for a particular 12-month period for a covered building, building portfolio, district campus, or connected buildings used to show compliance with the GHGIT.* An average kgCO2e/SF/yr over a 24-month period may also be used for determining a compliance GHGI, according to Section 12.05 of this Rule.

Compliance interval* – A five-year time period during which covered buildings are required to comply with SMC 22.925 according to the building's size or alternative compliance path. The compliance intervals include 2027–2030, 2031–2035, 2036–2040, 2041–2045, and 2046–2050.

Condominium - *real property, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions.*

Connected buildings - *two or more covered buildings owned by the same building owner that are situated on the same or adjacent parcels and have shared mechanical or metering equipment such as energy meters, building controls, heating, or ventilation or share a thermal envelope because they are physically connected. Where more than one owner shares mechanical or metering equipment under a joint agreement, one owner shall be deemed the building owner for the purpose of complying with SMC 22.925.* Connected buildings may include non-covered buildings equal to or less than 20,000 square feet.

Covered building - *a nonresidential building or multifamily building as defined in this definitions section* and detailed in Section 6 of this Rule.

Decarbonization* - A general term for reducing GHG emissions in a covered building to meet low emissions or net-zero emissions over time.

Director - *the Director of the Office of Sustainability and Environment or the Director's designee and includes any person or agency or representative of such person or agency to whom authority is delegated under SMC 22.925*.

District campus - *two or more covered buildings on the same or adjacent parcels owned by the same building owner that is served by a campus district heating, cooling, water reuse, and/or power system. Where more than one owner is part of a district campus under a joint agreement, one owner shall be deemed the building owner for the purposes of complying with SMC 22.925.* A district campus system may include multiple plants each serving two or more covered buildings. A district campus may include non-covered buildings equal to or less than 20,000 square feet. A district campus may consist of one private entity who owns the buildings connected to a district campus heating and/or cooling system and another private entity who owns the district campus heating and/or cooling system.

District campus heating and/or cooling system - *a district heating and/or cooling system that serves a district campus.*

District thermal energy - *thermal energy provided by a district thermal energy provider distributed to two or more buildings through a network of pipes from a central plant or combined heat and power facility for heating or cooling.*

District thermal energy provider - *any private person, company, association, partnership, joint venture, or corporation engaged in producing, transmitting, distributing, delivering, furnishing, or selling thermal energy to buildings owned by a person or entity other than the district thermal energy provider.*

Dwelling unit - small efficiency (SEDU) - per SMC 23.84A.008, *dwelling unit with an amount of square footage less than the minimum amounts specified for Efficiency Dwelling Units in the Seattle Building Code, and that meet the standards prescribed in SMC 23.42.048*. [2]

Energy - *electricity, including electricity delivered through the electric grid and electricity generated at the building premises using solar, wind, or other resources; natural gas; combined heat and power; district thermal energy; propane; fuel oil; wood; coal; or other fuels or thermal sources used to meet the energy loads of a building.*

Energy benchmarking - *the assessment of a building's energy use, greenhouse gas emissions, and efficiency as required in SMC 22.920.* SMC 22.920 requires annual energy benchmarking and reporting. SMC 22.925 Building Emissions Performance Standard requires benchmarking verification every five years according to Section 10 of this Rule.

ENERGY STAR Portfolio Manager or ESPM - *the tool developed and maintained by the United States Environmental Protection Agency that enables account holders to track and assess the energy, water, waste, and greenhouse gas emissions performance of their buildings.* [3]

Financial distress -

1. *A covered building that has had arrears of property taxes or water or wastewater charges that resulted in the building's inclusion, within the prior two years, on a King County annual tax lien sale list;*
2. *A covered building that has a court-appointed receiver in control of the asset due to financial distress;*
3. *A covered building that is owned by a financial institution through default by a borrower;*
4. *A covered building that has been acquired by a deed in lieu of foreclosure within the previous 24 months;*
5. *A covered building has a senior mortgage subject to a notice of default; or*
6. *Other conditions determined by rule.*

Greenhouse gas or GHG - *carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.*

Greenhouse gas emissions or GHG emissions - *Scope 1 direct emissions from stationary (non-transport) combustion of fossil fuels (e.g., boilers, furnaces, or domestic hot water) serving a building or buildings, and Scope 2 indirect emissions from the purchase of electricity, steam, hot water, or chilled water that are delivered through a grid or district thermal energy source, as defined by the United States Environmental Protection Agency, and are reported as CO2e. "Greenhouse gas emissions" does not include fugitive emissions directly released into the atmosphere from various types of equipment and processes (e.g., refrigerants, industrial gases, fire suppression systems), as defined by the United States*

[2] References to the Seattle Municipal Code and the Seattle Building Code are for Chapters and content in place at time of publication of this Rule. This Rule uses the Seattle Municipal Code and the Seattle Building Code that are currently in force.

[3] Per SMC 22.920.030 - ENERGY STAR Portfolio Manager or a similar rating system established by Director's Rule may be used for energy and emissions benchmarking reports and, where available, energy and emissions performance ratings.

Environmental Protection Agency.[4] Fugitive emissions are not included as GHG emissions for the purposes of SMC 22.925 and this Rule. However, fugitive emissions are considered Scope 1 emissions by the United States Environmental Protection Agency.

Greenhouse gas emissions factor or emissions factor - *the CO2e emissions associated with an energy source and reported in kgCO2e per thousand British thermal units (kgCO2e/kBtu).*

Greenhouse gas emissions intensity or GHGI - *a measurement of a covered building's greenhouse gas emissions from its energy use relative to its size. A building's GHGI is the sum of each energy fuel source consumed in one year multiplied by the emissions factor of that fuel, divided by the gross floor area of the building. GHGI is measured as a value of kgCO2e units per square foot per year (kgCO2e/SF/yr).*

Greenhouse gas emissions intensity target or GHGIT - *the target that limits a covered building's GHGI under* SMC 22.925. *GHGIT is reported as a value of kgCO2e units per square foot per year (kgCO2e/SF/yr).* See Section 12.02 of this Rule for GHGITs by building activity type.

Greenhouse gas emissions report or GHG report* - a report required each compliance interval that documents the GHGIT, compliance GHGI, and other content as described in Section 12.01 of this Rule.

Gross floor area or GFA - *the total number of square feet measured between the exterior surfaces of the enclosing fixed walls, including all supporting functions such as offices, lobbies, restrooms, equipment storage areas, mechanical rooms, break rooms, and elevator shafts. Gross floor area excludes parking, outside bays, and docks. The gross floor area of indoor atriums is the base floor area of the indoor portion of the atrium.* Gross floor area includes both conditioned and unconditioned spaces.

Housing, low-income - *as defined in SMC 23.84A.016.*[5]

Housing, low-rent - *a multifamily building with the current contract rent and the contract rent for a minimum of ten years after the relevant compliance date in 2031–2035, including an allowance for basic utilities if not included in the contract rent, for over 60 percent of the total residential units is at or below either: (1) 60 percent of median income, or (2) 40 percent of median income for Dwelling unit — small efficiency (SEDU). Median income is as published by the Seattle Office of Housing. "Low-rent housing" is not low-income housing.*

Human service use - *as defined in SMC 23.84A.016*[6]*: a use in which structure(s) and related grounds or portions thereof are used to provide one or more of the following: emergency food, medical or shelter services; community health care clinics, including those that provide mental health care; alcohol or drug abuse services; information and referral services for dependent care, housing, emergency services, transportation assistance, employment or education; consumer and credit counseling; or day care*

[4] United States Environmental Protection Agency GHG emissions guidance can be found in: Scope 1 and Scope 2 Inventory Guidance | US EPA; Greenhouse Gas Inventory Guidance: Direct Emissions from Stationary Combustion Sources; Greenhouse Gas Inventory Guidance: Indirect Emissions from Purchased Electricity; and Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases. (all accessed 08.25.2025)

[5] SMC Section 23.84A.016 as of the publication date of this Rule. If SMC 23.84A.016 is revised or the definition is recodified in a different code section, this Rule shall follow the revised definition for "Housing, low-income" in the SMC.

[6] SMC Section 23.84A.016 as of the publication date of this Rule. If SMC 23.84A.016 is revised, this Rule shall follow the revised definition for "Human service use" in the SMC.

services for adults. Human service uses provide at least one (1) of the listed services directly to a client group on the premises, rather than serve only administrative functions.

Industrial building - *a building that has at least 50 percent of its use classified under Factory Industrial Group F in the Seattle Building Code as manufacturing or light industrial according to the building's certificate of occupancy.*[7]

Initial occupancy date - *the date that a certificate of occupancy was first issued for a building. If no certificate of occupancy was issued, it means the date that any utility service was first billed for the building.*

Multifamily building - *a building or portion of a building with greater than 20,000 square feet of gross floor area that is classified under the Seattle Building Code as a Residential Group R-2 or R-3 occupancy. A building is considered multifamily if more than 50 percent of the building is residential use.*[8]

Natural gas - *fossil fuel derived mixtures of hydrocarbon gases and vapors consisting principally of methane, whether in gaseous or liquid form, not including gas that meets the definition of renewable natural gas.*

Net-zero emissions - *all energy sources used by a covered building have zero GHG emissions, including any carbon offsets purchased and retired by a natural gas utility or district thermal energy provider in accordance with and as authorized under the Climate Commitment Act, chapter 70A.65 RCW; and including any renewable energy credits purchased and retired by an electric utility in accordance with and as authorized under the Clean Energy Transformation Act, chapter 19.405 RCW; and except for certain emissions deductions as may be allowed by rule under SMC 22.925.120.* See Section 12.06 of this Rule for allowable emissions deductions.

Nonresidential building - *a building or portion of a building with greater than 20,000 square feet of gross floor area, that is any classified occupancy under the Seattle Building Code other than a building classified as a Factory Industrial Group F-1 or F-2 or as Residential R-2 or R-3. A building is considered nonresidential if more than 50 percent of the building is nonresidential use.*[9]

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

Notice of violation or NOV - *a written notice issued to a building owner for failure to comply with the requirements of SMC 22.925 or for making any misrepresentation of any material fact in a document required to be prepared or disclosed by SMC 22.925 or rules adopted under it.*

OSE - *Office of Sustainability and Environment.*

Owners' association - *the entity consisting exclusively of all the unit owners in a condominium. The association may be organized as a profit or nonprofit corporation.*

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[7] This Rule will always use the Seattle Building Code that is currently in force. Under the 2021 Seattle Building occupancy classifications are covered in Chapter 3, Occupancy Classification and Use.
[8] Ibid.
[9] Ibid.

Public/nonprofit building portfolio - *a building portfolio owned by the same public or nonprofit entity.*

Qualified person - *a person having training, expertise, and at least three years professional experience in building energy use analysis and any of the following certifications or licenses: a licensed professional architect or engineer in the State of Washington; a Building Energy Assessment Professional (BEAP) certified by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE); Certified Energy Auditor (CEA) certified by the Association of Energy Engineers (AEE); Building Operator Certification (BOC) Level II by the Northwest Energy Efficiency Council; a Certified Commissioning Professional (CCP) who is certified by an ANSI/ISO/IEC 17024:2012 accredited organization; a Certified Energy Manager (CEM) in current standing certified by the Association of Energy Engineers (AEE); an Energy Management Professional (EMP) certified by the Energy Management Association. The Director may prescribe additional certifications and training to meet the minimum qualifications of a qualified person*. This Rule has added a Sustainable Building Science Technology Bachelor of Applied Science (BAS) degree as an approved credential, see Table 2, Section 9 of this Rule.

Renewable energy certificate or REC - *a tradable certificate of proof of one megawatt-hour of a renewable resource. The certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity. The certificate shall be verified by a renewable energy credit tracking system.*

Renewable natural gas or RNG - *gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, or anaerobic digesters and that is fully interchangeable with conventional natural gas.*

Renewable thermal certificate or RTC - *a representation of the environmental attributes associated with the production, transport, and use of one dekatherm of renewable natural gas.*

Standard GHGIT - *the calculated GHGIT in kgCO2e/SF/yr for a covered building, building portfolio, district campus, or connected buildings, based on the percent of gross floor area of each building activity type in Table A for 22.925.070 and normalization factors, if applicable*. See Table 4, Section 12.02 of the Rule for GHGITs by building activity types.

Tenant - *a person occupying or holding possession of a building or premises pursuant to a rental agreement.*

Thermal energy - *heat or cold in the form of steam, heated, or chilled water, or any other heated or chilled fluid or gaseous medium.*

Utility - *an entity that distributes and sells natural gas, electric, or thermal energy services for buildings.*

Weather normalized or WNx - *a method for modifying the measured building energy use in a specific weather year to the energy use under typical weather conditions.*

Section 4. Acronyms

ACP - Alternative compliance payment
AACE - Association for the Advancement of Cost Engineering
BEPS - Building Emissions Performance Standard, SMC 22.925
Btu - British thermal units

CCA - Climate Commitment Act, chapter 70A.65 RCW
CO2e - Carbon dioxide equivalent
DHW - Domestic hot water
ESPM - ENERGY STAR Portfolio Manager
GFA - Gross floor area
GHG - Greenhouse gas
GHGI - Greenhouse gas emissions intensity
GHGIT - Greenhouse gas emissions intensity target
HVAC - Heating, ventilation, and air conditioning
kBtu - 1,000 British thermal units (Btus)
MTCO2e - Metric tons of carbon dioxide equivalent
NOV - Notice of violation
OSE - Office of Sustainability and Environment
REC - Renewable energy certificate
RNG - Renewable natural gas
RTC - Renewable thermal certificate
SDCI - Seattle Department of Construction and Inspections
SF - Square feet
SMC - Seattle Municipal Code
TRM - Technical reference manuals
URM - Unreinforced masonry
WA CBPS - Washington Clean Buildings Performance Standard
WNx - Weather normalized

Section 5. Overview of Requirements

The Building Emissions Performance Standard SMC 22.925, and as clarified in this Rule, includes the following requirements:

1) **Starting in 2027,** and through 2030 depending on building size
   a) **verify the energy and greenhouse gas emissions benchmarking data** previously submitted for annual energy benchmarking under SMC 22.920 to ensure the data is accurate and up to date and submit a benchmarking verification report, and
   b) **document current greenhouse gas emissions intensity (GHGI),** estimated greenhouse gas emissions intensity target (GHGIT), building equipment, and actions needed to achieve the GHGITs and submit a GHG report.
2) **Starting in 2031**, and through 2035 depending on building size,
   a) demonstrate that the building **meets the GHGIT** or **achieved alternative compliance** or **a decarbonization compliance plan** (unless approved for an **extension or exemption**).
   b) Verify the energy and emissions benchmarking data and complete a GHG report.
3) **Repeat this compliance process** for each five-year compliance interval.
4) **Starting in 2041** for **nonresidential buildings** and through 2045 depending on building size, **achieve net-zero emissions**.
5) **Starting in 2046** for **multifamily buildings** and through 2050 depending on building size, **achieve net-zero emissions**.

6) Once the building has reached net-zero emission, maintain the building at net-zero emissions in perpetuity.

Additional and/or revised requirements specific to particular compliance paths such as aggregate GHGIT, multifamily prescriptive option, or decarbonization compliance plan, as well as extensions and exemptions, are outlined in each relevant section.

A qualified person is responsible for Building Emissions Performance Standard reporting. See Section 9 for the required qualifications and responsibilities.

Section 6. Buildings Subject to Requirement

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

The requirements of SMC 22.925 apply to the following buildings:

6.01 Nonresidential Buildings

Any building with over 20,000 square feet of gross floor area that is classified under the current Seattle Building Code[10], as an occupancy other than Residential Group R or Factory Industrial Group F is considered nonresidential. Some examples of the types of buildings that fall within this category include, but are not limited to, buildings used for the following:

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

6.02 Multifamily Buildings

For the purposes of this Rule, any building over 20,000 gross square feet that is classified under the current Seattle Building Code[11] as a Residential Group R-2 or R-3 occupancy is considered multifamily. A building is considered multifamily if more than 50 percent of the building is residential use.

[10] This Rule will always use the Seattle Building Code that is currently in force. Under the 2021 Seattle Building Code, occupancy classifications are covered in Chapter 3, Occupancy Classification and Use.
[11] Ibid.

Group R-2 includes all residential occupancies containing sleeping units or more than two dwelling units where the occupants are primarily permanent in nature. Group R-3 includes residential occupancies where the occupants are primarily permanent in nature and not classified as Group R-1, R-2, R-4, or I. Some examples of the types of buildings that fall within Group R-2 or R-3 include, but are not limited to, buildings used for the following:

1) Apartment houses
2) Congregate living facilities (nontransient), such as
   a) Boarding houses
   b) Convents & Monasteries
   c) Dormitories
3) Hotels & Motels (nontransient)

Clarifications:

- These occupancy classifications are established by the current Seattle Building Code and are relevant for determining if a covered building is considered nonresidential or multifamily. The Seattle Building Code occupancy classifications are distinct from the property types used in ENERGY STAR Portfolio Manager and from the building activity types established in the Building Emissions Performance Standard, SMC 22.925. Covered buildings shall use the building activity types in Table 4, Section 12.02 for determining GHGIT, GHGI, and eligibility criteria for alternative compliance and end-use deductions.
- In the case of land leases, the owner of the building structure is responsible for compliance with the Building Emissions Performance Standard, SMC 22.925.

Section 7. Buildings Not Subject to Requirement

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

1) **Buildings subject to the Climate Commitment Act (CCA)**: Per SMC 22.925.010.C, *covered entities as defined in RCW 70A.65.010*[12] *and subject to a cap on greenhouse gas emissions in RCW 70A.65.060.*[13] "Covered entities" report GHG emissions to the Washington State Department of Ecology.[14] Buildings owned by the same "covered entity" but which are not included in GHG emissions reporting under the CCA are subject to SMC 22.925.
2) **Single-family residential buildings**: Buildings subject to the Seattle Residential Code,[15] which covers detached one- and two-family dwellings and multiple single-family dwellings (townhouses) not more than three stories in height with a separate means of egress, and their accessory structures.
3) **Manufacturing or industrial buildings:** Buildings used primarily for manufacturing or industrial purposes, classified under the current Seattle Building Code[16] as Factory Industrial Group F.

[12] RCW 70A.65.010: Definitions. See also RCW 70A.65.080: Program coverage.
[13] RCW 70A.65.060: Cap on greenhouse gas emissions.
[14] GHG Reporting Program Publication.
[15] Rule will always use the Seattle Residential Code that is currently in force. Under the 2021 Seattle Residential Code, applicability is covered in Chapter 1, Administration.
[16] This Rule will always use the Seattle Building Code that is currently in force. Under the 2021 Seattle Building Code, occupancy classifications are covered in Chapter 3, Occupancy Classification and Use.

This includes buildings used for assembling, disassembling, fabricating, finishing, manufacturing, packaging, repair, or processing operations. Building owners shall demonstrate manufacturing or industrial occupancy by submitting one of the following:

a) A valid certificate of occupancy or construction permit documenting that at least 50% of the building is classified under the current Seattle Building Code as Factory Industrial Group F.
b) OSE's Energy Benchmarking exemption form, in which the building owner has verified that:
    i) Neither they nor OSE have been able to locate the certificate of occupancy for their building; and
    ii) At least 50% of the building meets the criteria for a Factory Industrial Group F classification under the current Seattle Building Code.

Clarifications:

- Owners of manufacturing or industrial buildings that have already been approved for an exemption from annual energy benchmarking under 22.920 are not required to resubmit documentation for BEPS.
- If a building's occupancy classification under the current Seattle Building Code changes such that it is no longer at least 50% used for manufacturing or industrial purposes, it shall be subject to SMC 22.925.

Section 8. Exemptions

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

Building owners requesting an exemption shall provide the documentation detailed in this Rule. Exemptions are subject to approval by the Director.

Table 1: Overview of Exemptions

Option	Description	Who Can Use	Compliance Intervals Allowed				
			2027 – 2030	**2031 – 2035**	**2036 – 2040**	**2041 – 2045**	**2045 – 2050**
Electric-only Building	Exemption from GHGIT requirements and GHG reporting for all intervals — must still verify benchmarking.	Any all-electric covered building: benchmarking verification confirms all-electric energy sources only.	yes	yes	yes	yes	yes
Building Demolition	Exemption from all requirements for all intervals.	Any covered building if demolition is scheduled within 3 years of compliance deadline.	yes	yes	yes	yes	yes

8.01 Electric-Only Buildings

Per SMC 22.925.110.B.1, *a covered building that has extremely low emissions due to using only electric energy may be exempt from meeting the GHGITs and from submitting a greenhouse gas emissions standard report for all compliance intervals but must meet benchmarking verification and reporting requirements for each compliance interval.*

- **Eligibility Criteria:** Energy and emissions benchmarking verification must confirm that the building is using only electric energy. Any existing non-electric meters must be inactive (not in use in ENERGY STAR Portfolio Manager) for the entire compliance interval.
- **How to Report:** Qualified persons must submit a benchmarking verification report each compliance interval that confirms the building is using all electric energy sources for the prior year, according to Section 11.02(a), and for the five year period between each compliance deadline, per Section 10**.**
- **Reporting Deadlines:** Submit exemption request concurrently with benchmarking verification report per the compliance schedule in Table 3, Section 10.
- **Documentation Required:** Benchmarking verification report

Clarifications:

- Buildings are still required to comply annually with SMC 22.920 Energy Benchmarking.
- Buildings are still required to conduct benchmarking verification each compliance interval according to SMC 22.925.
- Per SMC 22.925.110.B.1, *residential condominiums may meet this exemption when benchmarking verification confirms that all space and water heating systems, and other equipment and appliances, under common ownership use only electric energy sources.*
- Buildings that use only electric energy except for fossil fuel generators used exclusively for emergency back-up power are eligible for this exemption.
- Owners of individual buildings may, but are not required to, exclude electric-only buildings from a building portfolio, district campus, or connected buildings using an aggregate GHGIT, if an electric-only exclusion is approved for those buildings. See Section 13.02.

8.02 Buildings Scheduled for Demolition

Per SMC 22.925.110.B.2, *a covered building scheduled to be demolished within three years of a compliance deadline for any compliance interval may be exempt from meeting all requirements of Chapter 22.925.*

- **Eligibility Criteria:** A building must have one of the following permits issued by SDCI.
  - A covered building must have an issued and active demolition permit or construction permit, issued no more than three years prior to the covered building's BEPS compliance deadline, or
  - A covered building must have a complete and active demolition or construction permit application submitted no more than three years prior to the covered building's BEPS compliance deadline, or

- A covered building must be proposed to be demolished in a Master Use Permit issued no more than three years prior to the covered building's BEPS compliance deadline.

- **How to Report:** Building owners must submit an application for an exemption along with the required documentation.
- **Reporting Deadlines:** Submit exemption request no sooner than two years in advance of the compliance deadline and no later than six months prior to the compliance deadline.
- **Documentation Required:** 1) Issued demolition permit, or construction permit 2) Complete application submitted for a demolition permit or construction permit, or 3) Master Use Permit.

Clarifications:

- Buildings scheduled for demolition are exempt from all requirements of SMC 22.925, including energy and emissions benchmarking verification, meeting GHGITs, and submitting a GHG report.
- Buildings are still required to comply annually with energy benchmarking under SMC 22.920 until demolition is complete. If a building is 100% vacant in preparation for demolition, it may be exempt from one year of energy benchmarking according to the most recent Director's Rule for Energy Benchmarking, Disclosure and Reporting.
- Per 22.925.110.B.2, *if the covered building is not demolished within three years of the exemption approval, the building owner shall comply with all subsequent requirements of SMC 22.925*, for all subsequent compliance intervals.
- A permit is considered "active" if the building owner has submitted an application to SDCI that demonstrates they are working towards demolition. The permit shall remain "active" until the listed expiration date has passed.
- Owners of individual buildings approved for a demolition exemption under BEPS shall exclude these buildings from a building portfolio, district campus, or connected buildings using an aggregate GHGIT unless the building(s) cannot be separately metered. See Section 13.02(a).

Section 9. Qualified Person Requirements

A qualified person is responsible for BEPS reporting, including

1) Energy and emissions benchmarking verification per Section 11 and for electric-only exemptions per Section 8.01.
2) GHG report. See Section 12.01.
3) Alternative compliance, except for extensions. See Section 14.
4) Decarbonization compliance plans. See Section 15.

Except where explicitly noted as required, a qualified person is not required for exemption applications for buildings scheduled for demolition, Section 8.02, or for extension applications, Section 14.04.

A qualified person means a person who has training, expertise and at least three years of professional experience in building energy use analysis and an approved credential listed in Table 2. All certifications must be current as of the covered building's compliance deadline. A qualified person must apply for and

be approved by OSE as such before they can submit reports. Any report submitted by an individual who is not an approved qualified person will be rejected.

A qualified person may either be a third-party vendor or on-site staff. A team that is under the direct supervision and oversight of a qualified person may work with the qualified person on reporting for BEPS.

Table 2: Approved Certifications, Licenses, or Degrees[2]

Credential	**Organization**
Professional Architect	Licensed in the State of Washington
Professional Engineer (PE)	Licensed in the State of Washington
Building Energy Assessment Professional (BEAP)	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)
Certified Energy Auditor (CEA)	Association of Energy Engineers (AEE)
Building Operator Certification (BOC) Level II	Northwest Energy Efficiency Council (Building Potential)
Certified Commissioning Professional (CCP)	ANSI/ISO/IEC 17024:2012 accredited organization
Certified Energy Manager (CEM)	Association of Energy Engineers (AEE)
Energy Management Professional (EMP)	Energy Management Association
Sustainable Building Science Technology Bachelor of Applied Science (BAS) degree[1]	South Seattle College

1 — Degree added by this Rule.
2 — Other equivalent certification, licenses or degrees focused on commercial and multifamily building energy management may be prescribed by the Director

Section 10. Compliance Schedule

A qualified person shall demonstrate that the covered building(s) meets the GHGITs or approved alternative compliance path, submit a benchmarking verification report and a GHG report, and submit all other BEPS reporting obligations for their covered building(s) by October 1 of each compliance year listed in Table 3.

Table 3: Covered buildings compliance schedule for meeting GHGITs, Benchmarking Verification, and reporting obligations.[1]

Gross floor area in square feet	Submit Benchmarking Verification Report and GHG Report by October 1	Meet GHGIT, Submit Benchmarking Verification Report and GHG Report by October 1			
≥220,001	2027	2031	2036	2041	2046
90,001–220,000	2027	2032	2037	2042	2047
50,001–90,000	2028	2033	2038	2043	2048
30,001–50,000	2029	2034	2039	2044	2049
20,001–30,000	2030	2035	2040	2045	2050
Building portfolios, district campus, and connected buildings	2028	2033	2038	2043	2048

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

Building owners approved for a custom decarbonization compliance plan must meet their approved GHGITs and milestones, submit the benchmarking verification report, and meet all reporting requirements according to Section 15.

Section 11. Energy and Emissions Benchmarking Verification Compliance Requirements

Per SMC 22.925.050.A, *by the compliance deadline. . .building owners shall have a qualified person, other than the person who prepared and submitted the benchmarking report pursuant to Chapter 22.920, verify the accuracy of the covered building's reported ENERGY STAR Portfolio Manager benchmarking data for the previous calendar year, January 1–December 31.* See Table 3, Section 10 for compliance deadlines.

Per SMC 22.925.050.B, *Benchmarking verification shall apply to any benchmarking data used to determine a covered building's compliance GHGIs and baseline GHGI, and for any other reporting obligations calling for verified benchmarking data under Chapter 22.925 or by rule.*

11.01 Parties Responsible for Benchmarking Verification

A qualified person is required to conduct benchmarking verification and submit the benchmarking verification report. This qualified person may not be the person who prepared and submitted the annual energy benchmarking report (i.e., may not be the ENERGY STAR Portfolio Manager Property Data Administrator).[17] Per Section 9, a qualified person may either be a third-party vendor or on-site staff.

11.02 Time Periods for Benchmarking Verification

(a) Prior year's annual benchmarking data

Qualified persons shall verify the accuracy of the reported ENERGY STAR Portfolio Manager annual benchmarking data for the calendar year preceding the building's BEPS compliance deadline (e.g., for covered buildings subject to the October 1, 2031, BEPS deadline, verification of data for January 1–December 31, 2030, is required)

(b) Compliance GHGI

To calculate the compliance GHGI, qualified persons shall verify the accuracy of the reported ENERGY STAR Portfolio Manager annual benchmarking data consisting of either:

1) Twelve consecutive months from a time period preceding the covered building's GHGIT compliance deadline. The twelve-month period may run from January 1–December 31 or from July 1–June 30 (e.g., for covered buildings subject to the October 1, 2031, compliance deadline, the twelve-month period would be from January 1, 2030, to December 31, 2030, or from July 1, 2030, to June 30, 2031); or

[17] The qualified person responsible for benchmarking verification may be in the same firm, or part of the same on-site team, as the person who prepared and submitted the annual energy benchmarking report.

2) The annual average of twenty-four consecutive months from a time period preceding the covered building's GHGIT compliance deadline. The twenty-four-month period may run from January 1–December 31 or from July 1–June 30 (e.g., for covered buildings subject to the October 1, 2031, deadline, the twenty-four-month period would be from January 1, 2029, to December 31, 2030, or from July 1, 2029, to June 30, 2031).

(c) Baseline GHGI

To calculate the baseline GHGI for the alternate GHGIT or district campus decarbonization plan compliance options, qualified persons shall verify the accuracy of the reported ENERGY STAR Portfolio Manager annual benchmarking data consisting of either:

1) Twelve consecutive months of verified energy benchmarking data. The twelve-month period shall run from January 1–December 31 or from July 1–June 30; or
2) The annual average of twenty-four consecutive months of verified energy benchmarking data. The twenty-four-month period shall run from January 1–December 31 or from July 1–June 30.

Allowable data years for calculating the baseline GHGI shall be either:

1) 2024 or later for alternate GHGIT, according to Section 14.01.
2) 2019 or later for a district campus compliance decarbonization plan, according to Section 15.04.

11.03 Information Required to be Verified

Qualified persons shall verify the accuracy of the covered building, building portfolio, district campus, or connected buildings' reported ENERGY STAR Portfolio Manager benchmarking data. The following information must be verified and reported to OSE via the benchmarking verification report by the compliance deadline:

(a) Fuel Sources and Utility Meters

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

(b) Whole Building Gross Floor Area

1) **Validate gross floor area (GFA)**[18] listed in ENERGY STAR Portfolio Manager against substantiating sources. Acceptable sources to use include:
    a) King County Department of Assessments' record for "Building Gross Sq Ft"

[18] See Definitions section for what to include.

b) Report based on Building Owners and Managers Association International (BOMA) Floor Measurement Standard or International Property Measurement Standards (IPMS) that clearly shows GFA, accompanied with architectural drawings, plats, or site surveys as required by the BOMA or IPMS standards
c) Current architectural drawings, completed by a WA State registered architect or licensed contractor that are dimensioned
d) Survey documents with current building measurements completed by a WA State licensed surveyor
e) New or newly calibrated drawings documenting onsite measurements completed by a qualified person that clearly align with ENERGY STAR Portfolio Manager definition of how to measure GFA

2) **If the qualified person finds that the GFA identified in a substantiating source differs from the ENERGY STAR Portfolio Manager GFA on record at OSE by more than 10 percent or 25,000 square feet**, whichever is less, the qualified person shall correct the error and submit the documentation used to validate the updated reported GFA along with the benchmarking verification report.

(c) ESPM Property Types and Floor Area

1) **Validate the building's property types (property use) and the associated floor area** (e.g., office, retail, etc.) and confirm they are correctly listed in ENERGY STAR Portfolio Manager.[19]
2) **Use the following protocol for reporting multiple property types (property uses) in ESPM**[20] **:**
   a) All building floor area that meets the GFA definition must be included.
   b) Different property uses (e.g., office, retail, laboratory) in the building which are greater than 5,000 square feet must be reported as different property types.
   c) All restaurant spaces should be reported as a separate property type regardless of floor area.
   d) Property uses less than 1,000 square feet should be combined with the largest property type (unless restaurant).
   e) Spaces equal to or greater than 1,000 square feet but less than 5,000 square feet may be reported as separate property uses or combined with the largest property type at the discretion of the qualified person.
   f) It is preferred, but not required, that multiple spaces with the same property use are combined into one total floor area for that property type (e.g., add the floor area of each retail store into one combined retail square footage).

Clarification: If complying as a building portfolio, district campus, or connected buildings, building owners shall adhere to the guidelines above across all buildings and spaces included in the portfolio. Additional requirements for complying as a building portfolio, district campus, or connected buildings are in Section 13.02.

[19] Property type definitions published by ENERGY STAR Portfolio Manager shall be followed, unless otherwise instructed by Energy Benchmarking and Reporting or BEPS Director's Rules.
[20] Total GFA must be used for ENERGY STAR Portfolio Manager. For multiple property uses, OSE will consider exceptions to the protocol listed in this Rule for reporting separate property uses if the building is required to meet the WA CBPS EUI Target (nonresidential >50,000 SF). Qualified persons must note this when reporting to OSE.

11.04 Changes to Building Data

Provide supporting documentation along with the benchmarking verification report that confirms the accuracy of any of the following data changes:

1) The building's prior benchmarking records show gas or steam usage, but the building is no longer reporting gas or steam usage;
2) There is a significant change in year-over-year energy use;
3) There is an increase or decrease in gross floor area by more than 10% or 25,000 square feet, whichever is less; or
4) There is a change of the primary property type.

11.05 Correcting Errors in the ENERGY STAR Portfolio Manager Account

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

After the required corrections are made, the qualified person shall submit a corrected annual benchmarking report through the online reporting tool.

11.06 Reporting Obligations for Benchmarking Verification

The qualified person must complete a benchmarking verification report and share it with the building owner. The qualified person shall submit the report and any additional documentation to OSE via an online reporting tool.

11.07 OSE Review of Benchmarking Verification

Benchmarking verification reports will be reviewed by OSE for accuracy. Reports with errors will be flagged and the person submitting the report may be asked to provide additional documentation or correct the error. Fines may be imposed for inaccurate reporting under Section 16.

Section 12. Greenhouse Gas Emissions Compliance Requirements

12.01 Greenhouse Gas Emissions Report

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

A Greenhouse gas emissions report must be submitted by a qualified person by the covered building's applicable deadline per the compliance schedule in Table 3, Section 10. Reporting will be done through an online reporting tool developed by OSE. The GHG report will require documentation of the following:

(a) GHG Report Requirements for 2027–2030

1) Calculate the expected GHGIT for 2031–2035, as well as estimates for 2036–2040, 2041–2045, and if applicable, 2046–2050, based on current building activity types following the methods in Section 12.03.
2) Calculate the current compliance GHGI following the methods in Section 12.05.
3) If the building does not currently meet the 2031–2035 GHGIT:
    a) Provide a short description of the high-level actions recommended by the qualified person to meet the 2031–2035 GHGIT.

b) The qualified person should indicate if they recommended the building owner seek an evaluation of the building's existing electric capacity and the projected electric load needed to meet the 2031–2035 and subsequent GHGITs. Building owners are encouraged to investigate the electrical capacity of their building at an earlier date to assist with planning, and to include that information in the 2027–2030 GHG report.
c) Indicate whether the building owner expects to use alternative compliance for the 2031–2035 compliance interval and, if so, which pathway. Certain alternative compliance pathways may require an application to be submitted before the 2031–2035 compliance interval. Refer to the requirements in Section 14**.**
d) Indicate whether the building may be eligible for an exemption or extension in 2031–2035 and, if so, which one.

4) Provide a list of major building mechanical equipment, such as equipment used for space heating and cooling, and for water heating, and include information such as age and fuel source.
5) Provide a list of any fossil fuel equipment or appliances, such as hospital laundry or restaurant cooking which could qualify for an end use deduction under Section 12.06. Identify the equipment or appliances for which end-use deductions were used to calculate the compliance GHGI.

(b) GHG Report Requirements for 2031–2035 and Later

1) Calculate the GHGIT for 2031–2035 as well as estimates for 2036–2040, 2041–2045, and if applicable, 2046–2050 based on current building activity types following the methods in Section 12.03.
2) Calculate the compliance GHGI for the current compliance interval following the methods in Section 12.05**.** Document all eligible end use deductions if used to reduce the compliance GHGI.
3) If upgrades were needed to meet the GHGIT, submit documentation of the measures completed to meet the applicable GHGIT, including any energy efficiency measures taken to reduce the building's electrical load or any updates to the building's electric capacity.
4) If the building does not currently meet the subsequent[21] GHGIT:
   a) Provide a short description of the high-level actions recommended by the qualified person to meet the subsequent GHGIT. The qualified person should indicate if they recommended the building owner seek an evaluation of the building's existing electric capacity and the projected electric load needed to meet all subsequent GHGITs.
   b) Indicate whether the owner expects to use alternative compliance for the subsequent compliance interval and if so which pathway.
   c) Indicate whether the covered building may be eligible for an exemption or extension in the subsequent compliance interval, and, if so, which one.
5) If the building used alternative compliance, submit the documentation required per Section 14.

[21] Subsequent compliance intervals in 2036–2040, 2041–2045, and if applicable, 2046–2050 based on current building activity types.

6) Provide or update a list of major building mechanical equipment, such as equipment used for space heating and cooling, and for water heating, and include information such as age and fuel source.
7) Provide or update a list of any fossil fuel equipment or appliances, such as hospital laundry or restaurant cooking, which would qualify for an end use deduction in a subsequent compliance interval under Section 12.06.

Clarifications:

- Building owners approved for a decarbonization compliance plan should follow the reporting requirements in Section 15.03.
- Building owners approved for a district campus decarbonization compliance plan should follow the reporting requirements in Section 15.04.

12.02 Greenhouse Gas Intensity Targets (GHGITs) by Building Activity Type

GHGITs are based on building activity types (e.g., office, lab, grocery, multifamily) as listed in Table 4 below. To determine the BEPS building activity type that correspond to ENERGY STAR Portfolio Manager property types, use Table 9, in Appendix A: Building Activity Type Classifications, which shows the 2024 ESPM property types for each of the BEPS building activity types.

Table 4: Building activity type greenhouse gas intensity targets (GHGITs)

	GHGITs (kgCO2e/SF/yr) by compliance interval			
Building Activity Type	**2031–2035**	**2036–2040[1]**	**2041–2045[1, 2]**	**2046–2050[1, 3]**
College/University	2.69	*1.57*	*0.00*	*0.00*
Data Center[5]	1.43	*0.83*	*0.00*	*0.00*
Entertainment/Public Assembly	1.18	*0.69*	*0.00*	*0.00*
Fire/Police Station	2.23	*1.30*	*0.00*	*0.00*
Hospital	4.68	*2.73*	*0.00*	*0.00*
Hotel	2.06	*1.20*	*0.00*	*0.00*
K-12 School	0.95	*0.56*	*0.00*	*0.00*
Laboratory[1]	*6.30*	*3.68*	*0.00*	*0.00*
Medical Office[5]	2.11	*1.23*	*0.00*	*0.00*
Multifamily Housing[3,4]	0.89	*0.63*	*0.37*	*0.00*
Museum[5]	2.11	*1.23*	*0.00*	*0.00*
Non-Refrigerated Warehouse	0.77	*0.45*	*0.00*	*0.00*
Office	0.81	*0.47*	*0.00*	*0.00*
Other	2.48	*1.45*	*0.00*	*0.00*
Recreation	3.22	*1.88*	*0.00*	*0.00*
Refrigerated Warehouse	0.98	*0.57*	*0.00*	*0.00*
Residence Hall/Dormitory	1.16	*0.68*	*0.00*	*0.00*
Restaurant	5.73	*3.34*	*0.00*	*0.00*
Retail Store	1.03	*0.60*	*0.00*	*0.00*
Self-Storage Facility	0.31	*0.18*	*0.00*	*0.00*
Senior Living Community	2.11	*1.23*	*0.00*	*0.00*
Services	1.36	*0.79*	*0.00*	*0.00*

Supermarket/Grocery Store	3.42	*2.00*	*0.00*	*0.00*
Worship Facility	1.20	*0.70*	*0.00*	*0.00*

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

Per SMC 22.925.070.A, *the Director by rule may revise building activity type GHGITs for 2036–2040 by December 31, 2031, for 2041–2045 by December 31, 2036, and for 2046–2050 by December 31, 2041, based on building performance data, evolving technology, new regulations, public service impacts, or other relevant factors.*

Laboratories: The laboratory GHGITs are provisional. Beginning in 2026, OSE shall undertake further research and a stakeholder engagement process to identify relevant GHGITs and other criteria, whether for the overall laboratory building activity type or for distinct subcategories, *based on further evaluation of the unique characteristics of laboratory spaces, evolving technology, any relevant national standards, and other relevant factors . . . If a relevant national laboratory standard has not been developed by December 31, 2027, the laboratory GHGIT may be deferred until the date a national laboratory standard has been developed.* The rule for establishing laboratory GHGITs will be finalized by December 31, 2027, with the GHGIs for 2036-2045 and 2046-2050 continuing to be provisional. The final laboratory GHGIT(s) for 2036-2040 will be established by rule by December 31, 2031, and the final laboratory GHGIT(s) for 2046-2050 will be established by rule by December 31, 2041.

Clarification: Three additional building activity types and GHGITs were added by this Rule: data center, medical office, and museum.

12.03 Calculating Greenhouse Gas Emissions Intensity Targets (GHGIT)

The greenhouse gas emissions intensity target (GHGIT) is the target that limits a covered building, building portfolio, district campus, or connected buildings' GHGI. The GHGIT is based on the building activity types in Table 4, Section 12.02.

If an individual building, or a building portfolio, district campus, or connected buildings, has only one building activity type (e.g. office, multifamily) across the entire gross floor area of that building or building portfolio then the GHGIT can be found in Table 4, Section 12.02.

If there are two or more building activity types in an individual building, or in a building portfolio, district campus, or connected buildings, then a weighted average based on the GFA and square footage of each building activity type should be used to determine the GHGIT. See Section 11.03(c) for how to report multiple property types in ENERGY STAR Portfolio Manager.[22] See Table 9, in Appendix A: Building

[22] Property type definitions published by the EPA shall be used for ENERGY STAR Portfolio Manager, unless otherwise instructed in Energy Benchmarking and Reporting or BEPS rules. List of Portfolio Manager Property Types, Definitions, and Use Details | ENERGY STAR.

Activity Type Classifications for list of the 2024 ENERGY STAR Portfolio Manager property types (property uses) that correspond to each of the BEPS building activity types.

(a) Standard GHGIT

The process for calculating an individual covered building's weighted average GHGIT is as follows:

$$\begin{aligned}&\boldsymbol{Standard\ GHGIT}\ (kgCO2e/SF/yr)\\&\quad=(Building\ \boldsymbol{Activity\ A}\ (SF)/GFA\ (SF))*\boldsymbol{Activity\ A}\ GHGIT\ (kgCO2e/SF/yr)\\&\quad+(Building\ \boldsymbol{Activity\ B}\ (SF)/GFA\ (SF))*\boldsymbol{Activity\ B}\ GHGIT\ (kgCO2e/SF/yr)\\&\quad+(Building\ \boldsymbol{Activity\ C}\ (SF)/GFA\ (SF))*\boldsymbol{Activity\ C}\ GHGIT\ (kgCO2e/SF/yr)\end{aligned}$$

(b) Aggregate GHGIT

The process for calculating a building portfolio, district campus or connected buildings aggregate weighted average GHGIT is as follows:

$$\begin{aligned}&\boldsymbol{Aggregate\ GHGIT}\ (kgCO2e/SF/yr)\\&\quad=(\boldsymbol{Building\ 1},Activity\ A\ (SF)/GFA\ (SF))*Activity\ A\ GHGIT\ (kgCO2e/SF/yr)\\&\quad+(\boldsymbol{Building\ 1},Activity\ B\ (SF)/GFA\ (SF))*Activity\ B\ GHGIT\ (kgCO2e/SF\ /yr)\\&\quad+(\boldsymbol{Building\ 2},Activity\ C\ (SF)/GFA\ (SF))*Activity\ C\ GHGIT\ (kgCO2e/SF\ /yr)\end{aligned}$$

(c) Normalization Factors

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

Normalization factors for hours of operation and multifamily occupancy density are set at "1" for all GHGIT calculations and no other normalization factors are allowed when calculating GHGITs.[23]

12.04 Greenhouse Gas Emissions Factors

This section details the greenhouse gas emissions factors consistent with SMC 22.925.070.C that qualified persons shall use when calculating a baseline GHGI or the compliance GHGI. GHGI calculations shall follow the calculation procedures in Section 12.03.

(a) City Light, Puget Sound Energy, and CenTrio

1) Baseline GHGI calculations which use energy data from the years 2019 through 2030 shall use the emissions factors shown in **column A** in Table 5.
2) Compliance GHGI calculations for the 2027-2030 compliance interval shall use the emissions factors shown in **column A** in Table 5.
3) The emissions factors in **column B** in Table 5 are provisional and may be used for estimating compliance GHGI for the 2031-2035 compliance interval. Final emissions factors shall be

[23] As of the date of publication of this Rule, analysis of the suitability of using Washington State Clean Building Performance Standard (WAC 194-50) building operating shift normalization factors used for energy use intensity target setting, and research findings from an investigation of multifamily normalization factors based on currently available energy benchmarking data, does not warrant the adoption of any factors other than one (1) to modify GHGITs. OSE may reconsider normalization factors after verified energy benchmarking data reported during the 2027–2030 compliance interval is available.

updated by rule by December 31, 2027. These finalized factors shall be used in compliance GHGI calculations for the 2031-2035 compliance interval, which will correspond to energy data from 2029–2035.

4) Emissions factors for each subsequent compliance interval shall be updated by rule by December 31 of 2031, 2036, and 2041.
5) The emissions factors for compliance GHGI shall remain the same during each five-year compliance interval.

Table 5: Greenhouse Gas Emissions Factors[24]		
Energy source	Emissions factors (kgCO2e/kBtu)	
	A. for baseline GHGI & for 2027-2030 compliance interval (2019–2030 energy data)	**B.** *Provisional* for 2031–2035 compliance interval[1] (2029–2035 energy data)
Seattle City Light electricity	.0058	.0029
Puget Sound Energy natural gas	.053	.053
CenTrio district thermal energy	.081	.081
1 — Provisional emissions factors will be confirmed by rule by December 31, 2027.		

(b) Other energy sources

See Section 12.08 for calculation procedures and reporting requirements.

1) Oil and propane. *Emissions factors for fossil fuels such as oil and propane shall be the Stationary Combustion Emissions Factors published by the* EPA, per SMC 22.925.070.D.1.
2) Direct purchase of natural gas. *Emissions factors for natural gas purchased directly by the building owner shall be the Stationary Combustion Emissions Factors published by the EPA* per SMC 22.925.070.D.2.
3) Biodiesel and renewable natural gas. *The emissions factors for renewable energy such as biodiesel and renewable natural gas, are dependent on the specific supply sources of the renewable energy acquired*, per SMC 22.925.070.D.6.
4) On-site solar or other on-site renewables for electricity. Solar and wind energy that is generated on-site must either be net-metered with Seattle City Light and/or have a separate production meter that provides annual kWh electricity production and consumption. If the renewable consumption is tracked in ENERGY STAR Portfolio Manager as electric energy use that is distinct from the grid electricity supplied by Seattle City Light, the renewable energy use shall use an emissions factor of zero (0) or the City Light emissions factor in Table 5.[25]

[24] The emissions factors in Table 5 and those updated by future rulemaking will be incorporated into an online reporting tool developed by OSE which can be used for calculating GHGI.

[25] With the City Light emissions factor in Table 5 already being close to zero (0), using either zero or the Table 5 factor will typically have a very minor impact on the covered building's GHGI. Qualified persons are recommended to use the Table 5 factors prior to making any adjustments to ENERGY STAR Portfolio Manager metering and to contact OSE for further guidance.

5) Recovered thermal energy. As of the date of this Rule, recovered thermal energy, sometimes called "waste heat," is known to be used in a small fraction of covered buildings. Therefore, building owners that use thermal energy recovered from sources such as another building, data centers, sewer heat or industrial processes shall contact OSE to discuss accounting of the emissions factors relative to how the thermal energy is used by the building or shared between buildings. OSE shall consider such factors as the thermal energy source and whether the source is also a building covered by BEPS.

12.05 Calculating Compliance Greenhouse Gas Intensity (GHGI)

Per SMC 925.020 the compliance GHGI is *the GHGI in kgCO2e/SF/yr for a particular 12-month period for a covered building, building portfolio, district campus, or connected buildings used to show compliance with the GHGIT.* For BEPS reporting, it is calculated as follows:

(a) Verified Benchmarking Data

To calculate the compliance GHGI, qualified persons shall use verified benchmarking data consisting of either:

1) Twelve consecutive months from a time period preceding the covered building's GHGIT compliance deadline. The twelve-month period may run from January 1–December 31 or from July 1–June 30 (e.g., for covered buildings subject to the October 1, 2031, compliance deadline, the twelve-month period would be from January 1, 2030 to December 31, 2030, or from July 1, 2030 to June 30, 2031); or
2) The annual average of twenty-four consecutive months of verified energy benchmarking data from a time period preceding the covered building's GHGIT compliance deadline. The twenty-four-month period may run from January 1–December 31 or from July 1–June 30 (e.g., for covered buildings subject to the October 1, 2031 BEPS deadline, the twenty-four-month period would be from January 1, 2029 to December 31, 2030, or from July 1, 2029 to June 30, 2031).

(b) Compliance GHGI for Individual Buildings

The compliance GHGI for an individual building is the sum of all GHG emissions, from all energy sources, used by the covered building minus the sum of the GHG emissions from allowed end use deductions, divided by the gross floor area of the covered building within the timeframe parameters outlined in Section 12.05(a). The process for calculating an individual building's compliance GHGI is as follows:

1) **Calculate GHG emissions**: The total GHG emissions for the covered building(s) is the sum of the annual weather normalized energy use of each energy source reported in ENERGY STAR Portfolio Manager in kBtu/yr multiplied by the greenhouse gas emissions factor for each energy source in kgCO2e/kBtu.

$$\boldsymbol{GHG\ emissions}\ (\boldsymbol{kgCO2e/yr}) = WNx\ Energy\ Use\ A\ (kBtu/yr) * Emissions\ Factor\ A\ (kgCO2e/kBtu) + WNx\ Energy\ Use\ B\ (kBtu/yr) * Emissions\ Factor\ B\ (kgCO2e/kBtu) + WNx\ Energy\ Use\ C\ (kBtu/yr) * Emissions\ Factor\ C\ (kgCO2e/kBtu)$$

Refer to Section 12.04 for utility emissions factors and for information about the use of renewable energy sources.

2) **Calculate GHG emissions end use deductions:** The total GHG emissions deduction for the covered building(s) is the sum of the GHG emissions from each individual end use deduction. Calculation methods for determining the GHG emissions end use deduction varies by equipment or appliance and are clarified in Section 12.06. Inclusion of end use deductions when calculating the compliance GHGI is optional.

$$\boldsymbol{GHG\ emissions\ end\ use\ deductions}\ (\boldsymbol{kgCO2e/yr}) = deduction\ A\ (kgCO2e/yr) + deduction\ B\ (kgCO2e/yr) + deduction\ C\ (kgCO2e/yr)$$

3) **Calculate the net GHG emissions:** Subtract the total GHG emissions deduction of step 2 from the total GHG emissions of step 1.

$$\boldsymbol{Net\ GHG\ emissions}\ (\boldsymbol{kgCO2e/yr}) = GHG\ emissions\ (kgCO2e/yr) - GHG\ emissions\ end\ use\ deductions\ (kgCO2e/yr)$$

4) **Calculate the compliance GHGI:** divide the net GHG emissions by the verified gross floor area of the building. See Section 11.03(b) for the process for verifying gross floor area.

$$\boldsymbol{Compliance\ GHGI}\ (\boldsymbol{kgCO2e/SF/yr}) = Net\ GHG\ emissions\ (kgCO2e/yr)/GFA\ (SF)$$

(c) Compliance GHGI for Building Portfolios, District Campuses, and Connected Buildings

The compliance GHGI for a building portfolio, district campus, or connected buildings reporting using the aggregate GHGIT is the sum of all GHG emissions from the covered buildings minus the sum of approved allowed GHG emissions end use deductions from the covered buildings, divided by the total gross floor area of the covered buildings. See Section 13.02 for further details.

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

$$\boldsymbol{Portfolio\ GHG\ emissions}\ (\boldsymbol{kgCO2e/yr}) = \sum_{covered\ buildings} GHG\ emissions\ (kgCO2e/yr)$$

2) **Calculate the portfolio GHG emissions end use deduction**s: Sum the allowed GHG emission end use deductions for all covered buildings in the building portfolio.

$$\boldsymbol{Portfolio\ GHG\ emissions\ deductions}\ (\boldsymbol{kgCO2e/yr}) = \sum_{covered\ buildings} GHG\ emissions\ deductions\ (kgCO2e/yr)$$

3) **Calculate the net GHG emissions of the portfolio:** Subtract the total portfolio GHG emissions deductions from the total portfolio GHG emissions.

$$\boldsymbol{Portfolio\ net\ GHG\ emissions}(\boldsymbol{kgCO2e/yr}) = Portfolio\ GHG\ emissions\ (kgCO2e/yr) - Portfolio\ GHG\ emissions\ deductions\ (kgCO2e/yr)$$

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

$$\boldsymbol{Portfolio\ Gross\ Floor\ Area}\ (\boldsymbol{SF}) = \sum_{covered\ buildings} Gross\ Floor\ Area\ (SF)$$

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

$$\boldsymbol{Portfolio\ compliance\ GHGI}\ (\boldsymbol{kgCO2e/SF/yr}) = Portfolio\ net\ GHG\ emissions\ (kgCO2e/yr)/Portfolio\ Gross\ Floor\ Area\ (SF)$$

Clarifications:

- **Building portfolio, district campus, or connected buildings** — If a building owner possesses buildings less than or equal to 20,000 SF for which all energy is separately metered, the total gross floor area and GHG emissions of only the BEPS covered buildings (those greater than 20,000 SF) shall be included in the building portfolio. (See Section 13.02).
- **District campuses and connected buildings** — Owners must include the emissions from non-covered buildings less than or equal to 20,000 SF, unless the energy use is submetered and can be subtracted from the total. See Section 12.07 for submetering requirements. If a building owner is able to accurately verify the emissions associated with the non-covered buildings through means other than submetering, actions to reduce emissions from those particular buildings may not be required.

12.06 End Use Deductions

End use deductions are an optional, flexibility measure in SMC 22.925.120 that allows building owners to deduct emissions from certain building equipment that is in wide use and needs time for market transformation, such as equipment required for health or life safety, or fossil fuel cooking equipment in restaurant kitchens. This section details the allowed end use deductions and procedures that may be used to calculate the associated GHG emissions. End use deductions are available for one or more compliance intervals. Certain end use deductions do not expire whereas others will expire over time.

General Requirements:

1) To determine each allowable end use deduction, qualified persons shall follow the submetering procedures of Section 12.07 or they may optionally use an End Use Deduction Workbook[26] developed by OSE to estimate the end use deductions for certain equipment.
2) The resulting end use deductions may then be included when calculating the compliance GHGI per Section 12.05.

Clarifications:

- Using end use deductions is optional. If a covered building's compliance GHGI already meets the GHGIT of the compliance interval, documentation of end use deductions would not be necessary.
- Examples of eligible equipment are noted below for each type of end-use deduction. Other equipment may be eligible on a case-by-case basis. Contact OSE for approval of whether the equipment is eligible for a deduction.
- The End Use Deduction Workbook may not include all eligible equipment, in which case the equipment should be submetered.

[26] The end use deduction workbook will be posted online and available through the online compliance reporting tool.

(a) Fossil Fuel Cooking Equipment in Any Covered Building

Per SMC 22.925.120.A*, building owners may deduct the sum of the annual GHG emissions from fossil fuel cooking equipment. This deduction may only be used for the 2031–2035 and 2036–2040 compliance intervals.* It may also be used for calculating the compliance GHGI for the 2027–2030 GHG report.

- **Eligibility Criteria:**
  - The covered building, of any building activity type, includes fossil fuel cooking equipment, and
  - the total metered energy use reported under benchmarking verification includes the energy use for the cooking equipment.
- **Method(s) for estimating or metering end use deductions:**
  - Estimate emissions on a per-equipment basis using the end use deduction workbook, or
  - submeter the eligible equipment.
- **Documentation required with compliance submittal:**
  - Submit End Use Deduction Workbook, or
  - if submetering, submit at least twelve consecutive months of data according to the submetering rules in Section 12.07, and
  - include a short description of the type of cooking (e.g., commercial or residential). If commercial, describe the business use (e.g., restaurant, catering, cafeteria), and include the name of the business.
- **Examples of fossil fuel cooking equipment** for which end use deductions may be taken include:
  - Commercial fryer
  - Commercial range
  - Commercial steamer
  - Commercial grill or griddle
  - Commercial broiler
  - Commercial combination oven
  - Residential oven & range combo
  - Residential standalone gas oven
  - Residential standalone gas range/cooktop
  - Residential outdoor grill
  - Residential pizza oven

(b) Fossil Fuel Dishwashers in Food Service

Building owners may deduct the sum of the annual GHG emissions from fossil fuel dishwashing equipment used in commercial kitchens from the compliance GHGI if it is included in the metered energy use reported for BEPS compliance. This deduction may only be used for the 2031–2035 and 2036–2040 compliance intervals. It may also be used for calculating the compliance GHGI for the 2027–2030 GHG report.

- **Eligibility Criteria:**
  - The covered building includes a restaurant building activity type or any building activity type that has a similar sanitation need as food service, and

  - the total metered energy use reported under benchmarking verification includes the energy use for the fossil fuel dishwasher(s).
- **Method(s) for metering or estimating deduction:**
  - Estimate emissions on a per-equipment basis using the end use deduction workbook, or
  - submeter the eligible equipment.
- **Documentation required with compliance submittal:**
  - Submit End Use Deduction Workbook, or
  - if submetering, submit at least 12 consecutive months of data according to the submetering rules in Section 12.07, and
  - include a short description of the type of equipment, the business use (e.g., restaurant, catering, cafeteria), and the name of the business.
- **Example of fossil fuel dishwashing equipment** for which end use deductions may be taken include: Commercial Dishwasher

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

Per SMC 22.925.120.B, *building owners may deduct the sum of the annual GHG emissions from fossil fuel high intensity process equipment used in hospitals and laboratories. This deduction may only be used for the 2031–2035 and 2036–2040 compliance intervals.* It may also be used for calculating the compliance GHGI for the 2027–2030 GHG report.

- **Eligibility Criteria:**
  - The covered building includes a hospital or laboratory building activity type, and
  - the total metered energy use reported under benchmarking verification includes the energy use for the fossil fuel high intensity process equipment.
- **Method(s) for metering or estimating deduction:**
  - Estimate emissions on a per-equipment basis using the end use deduction workbook, or
  - submeter the eligible equipment.
- **Documentation required with compliance submittal:**
  - Submit End Use Deduction Workbook, or
  - if submetering, submit at least twelve consecutive months of data according to the submetering rules in Section 12.07, and
  - include a short description of the type of equipment and its purpose.
- **Examples of high intensity process** equipment for which end use deductions may be taken include:
  - Gas hot water boiler for sterilization
  - Steam hot water boiler for providing steam sterilization
  - Autoclave / sterilizer
  - Space conditioning humidification

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

Per SMC 22.925.120.B, *building owners may deduct the sum of the annual GHG emissions from fossil fuel high intensity laundry equipment used in hotels and healthcare. This deduction may only be used for the 2031–2035 and 2036–2040 compliance intervals.* It may also be used for calculating the compliance GHGI for the 2027–2030 GHG report.

- **Eligibility Criteria:**

  - The covered building includes a hotel or hospital, building activity type or any building activity type that includes a similar hygiene need, and
  - the total metered energy use reported under benchmarking verification includes the energy use for the fossil fuel high intensity laundry equipment.
- **Method(s) for metering or estimating deduction:**
  - Estimate emissions on a per-equipment basis using the end use deduction workbook, or
  - submeter the eligible equipment.
- **Documentation required with compliance submittal:**
  - Submit End Use Deduction Workbook, or
  - if submetering, submit at least 12 consecutive months of data according to the submetering rules in Section 12.07, and
  - include a short description of the type of laundry equipment and building activity type it serves.
- **Examples of fossil fuel high-intensity laundry equipment** for which end use deductions may be taken include:
  - Commercial washers
  - Hot water or stream boilers dedicated to laundry
  - Industrial dryers

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

Per SMC 22.925.120.C, *building owners may deduct the sum of the annual GHG emissions from fossil fuel equipment located within an individually owned residential unit within a multifamily condominium building.* This deduction may be used in all compliance intervals.

- **Eligibility Criteria:**
  - The covered building is a multifamily building that is a residential condominium or co-op that has individually owned residential units, and
  - the total metered energy use reported under benchmarking verification includes the energy use for the residential units' fossil fuel equipment.
- **Method(s) for metering or estimating deduction:**
  - Estimate emissions on a per-equipment basis using the end use deduction workbook, or
  - submeter the eligible equipment, or
  - if residential units have individual utility-supplied gas meters, the total of the metered gas usage for the relevant time period may be used.
- **Documentation required with compliance submittal:**
  - Submit End Use Deduction Workbook, or
  - if submetering, submit at least 12 consecutive months of data according to the submetering rules in Section 12.07, or
  - If units have individual utility-supplied gas meters, provide the total metered gas usage for the relevant time period as reported by the utility
- **Examples of in-unit fossil fuel equipment** for which deductions may be taken include:
  - Water heater
  - Oven & range combo
  - Standalone gas oven

- Standalone gas range/cooktop
- Furnace
- Fireplace
- Dryer
- Patio heater
- Outdoor grill

(f) Electric Vehicle Charging Equipment in Any Covered Building`

Per SMC 22.925.120.D, *building owners may deduct the sum of the annual GHG emissions from electric vehicle charging equipment that transfers electricity to batteries or other energy storage devices in electric vehicles.* This deduction may be used in all compliance intervals.

- **Eligibility Criteria:**
  - The covered building, of any building activity type, includes electric vehicle charging equipment, and
  - the total metered energy use reported under benchmarking verification includes the energy use for the electric vehicle charging equipment.
- **Method(s) for excluding EV energy use or estimating deduction:** Electric vehicle (EV) charging stations should be excluded from ENERGY STAR Portfolio Manager annual energy benchmarking data and from verified energy benchmarking data to the extent possible based on how the EV stations are metered:
  1) **If the EV energy use is on its own utility meter,** then leave out the charging station altogether and exclude the meter from energy benchmarking reported to OSE. Do not include the deduction in compliance GHGI.
  2) **If the EV energy use is on the main meter, but it is submetered**, then exclude it from the building energy use reported to OSE by entering an additional meter with negative entries. Do not include the deduction in compliance GHGI.
  3) **If the EV energy is on the main meter and not submetered** (or can't be broken out from utility aggregate meter), then include this energy when benchmarking. ENERGY STAR Portfolio Manager will calculate an estimate for "Electric Vehicle Charging Station — Portfolio Manager-Estimated Site Energy" that can be reported to OSE and deducted from compliance GHGI.
- **Documentation required with compliance submittal:**
  - No additional documentation is required if the EV energy use is excluded from ENERGY STAR Portfolio Manager energy benchmarking data because it has own utility meter or is submetered.
  - If the EV energy can't be excluded from ENERGY STAR Portfolio Manager energy benchmarking data, provide documentation of the EV energy use included for the end-use deduction, and
  - Include a short description of the type and quantity of EV charging equipment.

Clarification: Eligible equipment must transfer electricity to batteries or other energy storage devices in electric vehicles.

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

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

- **Eligibility Criteria:**
  - The covered building, of any building activity type, includes communications equipment (e.g., antennas, cell towers, etc.), and
  - The total metered energy use reported under benchmarking verification includes the energy use for the communications equipment.
- **Method(s) for excluding communications equipment or estimating deduction:** Communications equipment should be excluded from ENERGY STAR Portfolio Manager energy benchmarking data to the extent possible based on how it is metered.
  1) When the energy used for communications equipment is not included in ENERGY STAR Portfolio Manager energy benchmarking data, do not include the deduction in compliance GHGI.
  2) When the energy used for communications equipment can't be excluded from ENERGY STAR Portfolio Manager energy benchmarking data, equipment may be submetered
- **Documentation required with compliance submittal:**
  - No additional documentation is required if the communications equipment's energy use is excluded from ENERGY STAR Portfolio Manager energy benchmarking data.
  - If submetering, submit at least 12 consecutive months of data according to the submetering rules in Section 12.07, and
  - include a short description of the type and quantity of communication equipment.

Clarification: In most cases, the energy used for this type of communications equipment is not included in benchmarked energy use, and therefore an emissions deduction should not be included in compliance GHGI.

(h) Emergency Fossil Fuel Generators in Any Covered Building

Per SMC 22.925.120.E, *building owners may deduct the sum of the annual GHG emissions from fossil fuel generators used exclusively for emergency power backup power.* This deduction may be used in all compliance intervals.

- **Eligibility Criteria:** Any covered building with emergency backup generators may deduct emissions from this equipment from compliance GHGI.
  - The covered building, of any building activity type, includes emergency fossil fuel backup generators, and
  - the total metered energy use reported under benchmarking verification includes the energy use for the fossil fuel generators.
- **Method(s) for excluding emergency generators or estimating deduction:**

  - If the backup generator runs on delivered fuels (e.g., diesel) or is separately metered, it should be left out of the ENERGY STAR Portfolio Manager benchmarking report and therefore an emissions deduction should not be included in compliance GHGI.
  - If the generator is on the main meter but there is a submeter, then this submeter should be entered as an additional meter in benchmarking with negative entries.
  - If the backup generator is on the main meter and not submetered, then contact OSE regarding how to quantify emissions and energy usage from the equipment.
- **Documentation required with compliance submittal:**
  - Submit an attestation that this energy use is solely used for emergency uses or for associated periodic equipment testing, and
  - include a short description of the type(s) and capacity of emergency generators.

(i) Emergency Backup Heat in Hospital or Laboratory

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

- **Eligibility Criteria:** Any covered hospital or healthcare-related building activity type with vulnerable patients or laboratory facility may deduct emissions from the fuel used for emergency backup heating in this equipment from compliance GHGI.
  - The covered building includes a hospital or laboratory, building activity type or any building activity type that includes a similar need for emergency backup heat, and
  - the total metered energy use reported under benchmarking verification includes the energy use for the emergency backup heating equipment.
- **Method(s) for documenting, metering, or estimating deduction:**
  - Estimate emissions based on heating capacity using the end use deduction workbook, or
  - submeter the eligible equipment.
- **Documentation required with compliance submittal:**
  - Submit End Use Deduction Workbook, or
  - if submetering, submit at least 12 consecutive months of data according to the submetering rules in Section 12.07, and
  - submit an attestation that this energy use is solely used for emergency uses or for associated periodic equipment testing, and
  - provide a description of the system used for backup heat and a brief explanation of the need for the backup heat for building occupants or processes.

(j) District Energy Contract in Place from Provider

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

- **Eligibility Criteria:**
  - The building owner has a contract in place before June 1, 2024, for district thermal energy with a private district energy provider, and

- the total metered energy use reported under benchmarking verification includes the energy use for the district steam, hot water and/or chilled water.

- **Method(s) for metering or estimating deduction:** A qualified person must benchmark the district energy usage from the private district energy meter and it must be tracked in ENERGY STAR Portfolio Manager. The ENERGY STAR Portfolio Manager account must show a current automated upload from the private district energy provider via a "Data Exchange" property share.
- **Documentation required with compliance submittal:**
  - A copy of a bill(s) for the required BEPS reporting period shall be submitted if the ENERGY STAR Portfolio Manager data is manually entered.
  - **One of the following must be provided to confirm the contract was established prior to June 1, 2024:**
    - A copy of one bill dated prior to June 1, 2024, showing service was provided at the building's address.
    - Or, an affidavit from the private district energy provider stating service was provided at the building's address prior to June 1, 2024.

Clarifications:

- A building with an existing private district energy contract established prior to June 1, 2024, that is sold after June 1, 2024, may still qualify to use the 2031–2035 deduction.
- Per SMC 22.925.120.F this deduction may only be used if a breach of contract would impose a financial penalty on the owner. No documentation of financial penalty is required as it is assumed that all contracts include such a penalty.

12.07 Submetering Requirements

The energy use of a building or an end use (e.g., equipment level) may be submetered for the purpose of complying with SMC 22.925. Submeters that are installed by the owner or a service provider (not a utility) working on behalf of the owner shall meet the metering and data acquisition system standards of Washington Administrative Code Section 409.4.[27,28]

At least twelve consecutive months of submetered data over a timeframe that aligns with the data requirements in Section 11.02 shall be provided to OSE to demonstrate compliance.

12.08 Renewable Energy Used to Replace On-Site Conventional Fossil Fuels

(a) Renewable Energy Requirements

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

[27] This is in alignment with submetering standards allowed by the WA CBPS per CBPS Guidance Document 007 published 8/1/2022.
[28] WAC 409.4.

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

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

(b) Reporting and Documentation

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

1) For Puget Sound Energy's voluntary RNG program, the attestation must be in the standard form that the utility will develop ahead of the BEPS GHGIT reporting deadlines (e.g., October 1, 2031).
2) A qualified person shall calculate the quantity of the renewable energy used in standard units (e.g., kBtu, therms) and incorporate this information and the emissions factor into the calculation for compliance GHGI (see Section 12.05) or into any other calculations that may be required for Alternative Compliance.
3) The building owner must self-certify that they will purchase renewable energy for each of the subsequent four years until the next compliance deadline and maintain a record of attestations for each year, or document how they will otherwise meet the GHGIT.
4) At the covered building's subsequent compliance deadline, a qualified person must provide the attestation records to OSE for each of the four years after the initial BEPS compliance deadline that confirm renewable energy was purchased to meet the target. (e.g., if the initial compliance deadline is October 1, 2031, the attestation records for 2031–2034 must be provided with compliance reporting for October 1, 2036).
5) If at the subsequent compliance deadline (e.g. October 1, 2036), the building has otherwise met the GHGIT for any year of the previous compliance interval (e.g. for 2031–2034), a qualified person may submit a benchmarking verification report for each of those years documenting that the building met the GHGIT outright in lieu of purchasing renewable energy.
6) Owners failing to provide either the attestation records for renewable energy or benchmarking verification reports documenting the GHGIT was met for each of the relevant four years (e.g. 2031–2034) may be subject to a penalty.

Section 13. Path A: Meet Standard GHGIT or Aggregate GHGIT

13.01 Compliance for One Building: Standard GHGIT

Building owners shall reduce the GHGI of the covered building to meet the calculated standard GHGIT in advance of the relevant compliance deadlines per Section 10, unless approved for an extension, exemption, or alternative compliance pathway. Once buildings have achieved net-zero emissions, building owners shall maintain the covered buildings at net-zero emissions in perpetuity.

The compliance process and reporting obligations for one building using the standard GHGIT are as follows:

1) **2027–2030:** By October 1 of the compliance year, in accordance with Table 3, Section 10, a qualified person for a covered building must
   a) Conduct benchmarking verification and submit a benchmarking verification report.
   b) Complete and submit a GHG report.
2) **2031–2035, 2036–2040, 2041–2045, and 2046–2050:**
   a) The covered building must meet the standard GHGIT over at least a twelve-month period preceding the compliance deadline in Table 3, Section 10. See Section 11.02 for allowable data timeframes.
   b) By October 1 of the compliance year, a qualified person for a covered building must
      i) Conduct benchmarking verification and submit a benchmarking verification report.
      ii) Complete and submit a GHG report.

Refer to Section 11 for detailed benchmarking verification requirements and Section 12.01 for detailed GHG report requirements.

13.02 Compliance with More than One Building: Aggregate GHGIT

Building owners with more than one building may comply with the emissions standards by using an aggregate GHGIT based on a weighted average GHGIT for all spaces in two or more of their covered buildings, in lieu of building-by-building compliance. This compliance option is allowed as a flexibility measure for owners with portfolios of multiple buildings, however building owners may comply with each building individually if desired.

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

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

Building owners using the aggregate GHGIT option should follow the compliance schedule for building portfolio, district campus, and connected buildings in Table 3, Section 10, as follows: 2028, 2033, 2038, 2043, 2048.

(a) Aggregate GHGIT Exclusions

1) Buildings less than or equal to 20,000 square feet shall not be included in a building portfolio for the purpose of complying with the aggregate GHGIT.
2) Non-covered buildings less than or equal to 20,000 square feet that are part of district campus or connected buildings may be excluded from the aggregate GHGIT if their energy use is submetered and can be subtracted from the total. Otherwise, both the gross floor area and GHG emissions shall be included. If a building owner is able to accurately verify the emissions associated with the non-covered buildings through means other than submetering, actions to reduce emissions from those particular buildings may not be required.
3) Buildings approved for the following exemptions, extensions, or alternative compliance pathways shall not be included in the aggregate GHGIT unless they cannot be separately metered and subtracted from the total GHG emissions:
    a) Demolition exemption
    b) New construction extension
    c) Financial distress extension
    d) High rental vacancy rate extension
    e) Multifamily prescriptive path
    f) Net-zero decarbonization plan
    g) Low emissions decarbonization plan
4) Buildings approved for the following extensions shall not be included in the aggregate GHGIT unless they cannot be metered out OR unless all buildings included in the aggregate GHGIT are using the same extension.
    a) Low-Income Housing Extension
    b) Human Service Uses Extension
    c) Low-Rent Housing Extension
5) Building owners can choose between two options for excluding or including all-electric buildings in the aggregate GHGIT:
    a) Option A: Take all-electric building exemption & exclude from aggregate GHGIT
        i) Buildings that are verified as using only electric energy are exempt from GHGIT requirements & GHG reporting (see Section 8.01)
        ii) Exempted all-electric buildings cannot be included in the aggregate GHGIT.
    b) Option B: Do not take all-electric building exemption & include in aggregate GHGIT. If included in the aggregate GHGIT,
        i) the all-electric building(s) must be incorporated into all reporting requirements for the aggregate GHGIT, and
        ii) the electric emissions factor in Table 5, Section 12.04 shall apply consistently to the energy use of both the all-electric and mixed-fuel buildings.

(b) Aggregate GHGIT Compliance Process and Timeline

1) **2027–2030:** In accordance with the timeline in Section 10, a qualified person for the covered buildings must complete benchmarking verification and submit a GHG report. A qualified person for the covered buildings must also apply to use the aggregate GHGIT and identify which buildings will be included per this timeline:
    a) **October 1, 2027:** Window for applying to use the aggregate GHGIT opens. OSE will review the application and may request corrections if needed.
    b) **October 1, 2028:** Compliance deadline for building portfolio, district campus, or connected buildings to apply to use aggregate GHGIT for 2031–2035 compliance interval. OSE will review the application and may request corrections if needed.
    c) **April 1, 2029:** Required corrections to application and/or building list must be made by this date.
2) **2031–2035, 2036–2040, 2041–2045, 2046–2050:** In accordance with the timeline in Table 3, Section 10 a qualified person for the covered buildings must complete benchmarking verification and submit a GHG report for OSE review, documenting that the covered buildings have met the aggregate GHGIT.
    a) **October 1, 2032, 2037, 2042, 2047:** Deadline to make changes to the list of buildings included in aggregate GHGIT.
    b) **October 1, 2033, 2038, 2043, 2048:** Compliance deadline for building portfolio, district campus, or connected buildings using an aggregate GHGIT.

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

In addition to the benchmarking verification report and GHG report, a qualified person representing the owner of buildings complying as part of a building portfolio, district campus, or connected buildings, shall submit a list of buildings included in the aggregate GHGIT by October 1, 2028. The list shall contain the following elements:

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

Clarifications:

- Building owners are not required to include all covered buildings in a building portfolio.
- While building portfolios may include district campuses and/or connected buildings, qualified persons should use straightforward configurations to simplify reporting and management and create distinct connected building or district campus configurations for each geographically contiguous campus (e.g., Ballard Campus, South Seattle Campus).
- Connected buildings and district campuses may use the aggregate GHGIT when more than one owner shares mechanical or metering equipment under a joint agreement. One owner shall be deemed the building owner for the purpose of complying with this Rule with the exception that penalties for non-compliance may be prorated by square foot for each owner (Section 16).

- For all uses of the aggregate GHGIT, a primary contact for the report must be designated, which may or may not be a qualified person. That person shall be the key contact for OSE and be the liaison among all owners, property managers, and qualified persons involved with a building portfolio, district campus, or connected buildings report.

(d) Additional Requirements for Complying as a Building Portfolio:

1) A building shall not be in more than one building portfolio.
2) For private or nonprofit building portfolios, building owners must attest that all included LLCs and part owners are informed and consent to be included in the building portfolio for BEPS compliance.
3) For connected buildings or district campuses, if more than one owner shares mechanical or metering equipment under a joint agreement, the district campus entity must attest that such owners are informed and consent to be included in the connected buildings or district campus report for BEPS compliance.
4) Buildings included in a building portfolio, district campus, or connected buildings are still required to comply with annual energy benchmarking.
   a) Building portfolios will still use individual ENERGY STAR Portfolio Manager reports.
   b) Connected buildings and district campuses will use ENERGY STAR Portfolio Manager "campus" set-up in most cases (parent building with child buildings).[29]
5) The list of buildings included in a building portfolio, district campus, or connected buildings is assumed to be the same for all compliance intervals.
   a) Per Section 13.03(b), the list of included buildings must be resubmitted for OSE approval if there are any changes to the included buildings.

13.03 Documentation of Building Portfolio Ownership

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

1) Evidence that all buildings included in a building portfolio have the same Owner as listed in the records of the King County Department of Assessments
2) A copy of a deed that shows the LLC is part of the parent company or a copy of a title transfer from the LLC to the parent company
3) A certificate signed by the corporate secretary for the owner that affirms they are the majority owner of a property
4) A certificate signed by the Executive Director of a charitable organization that affirms all buildings are owned or partly owned by the same charitable organization

(a) Notifying OSE of Changes to Building Portfolios

1) The list of buildings included in a building portfolio must be approved one year prior to the building portfolio's compliance date. No changes may be made to the building portfolio after that point unless:
   a) A building included in the portfolio is sold or falls under financial distress.
   b) A building included in the portfolio is demolished

[29] OSE will issue additional guidance prior to reporting deadlines.

c) The building owner has an unexpected major problem with the building (e.g., fire) or an unforeseen circumstance that impacts the portfolio

Section 14. Path B: Alternative Compliance Options and Extensions

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

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

14.01 Alternative Compliance: Alternate GHGIT

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

Eligibility Criteria:
Building owners may use the alternate GHGIT option in lieu of the standard GHGIT if a building meets one of the following criteria:

1) Individual buildings
   a) A nonresidential building with more than 50 percent of the covered building with the building activity type of "Other" or of a type not covered in Table 4, Section 12.02.
   b) A covered building that has a baseline GHGI 3.5 times greater than the covered building's standard GHGIT for the 2031–2035 compliance interval.
2) A district campus, connected buildings, or public/nonprofit building portfolio.

Clarification: Private sector building portfolios are not eligible to use the alternate GHGIT.

(a) Calculating Baseline GHGI

The baseline GHGI is the sum of all GHG emissions from the covered building (or building portfolio, district campus, or connected buildings) minus the sum of allowed GHG emissions deductions per Section 12.06, divided by the gross floor area of the covered building(s).

$$\boldsymbol{Baseline\ GHGI}(\boldsymbol{kgCO2e/SF/yr}) = ((\sum GHG\ emissions\ (kgCO2e/yr) - \sum GHG\ deductions\ (kgCO2e/yr))/Gross\ Floor\ Area\ (SF)$$

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

1) Twelve consecutive months of verified energy benchmarking data. The twelve-month period shall run from January 1–December 31 or from July 1–June 30; or

2) The annual average of twenty-four consecutive months of verified energy benchmarking data. The twenty-four-month period shall run from January 1–December 31 or from July 1–June 30.

To determine the sum of GHG emissions and the sum of GHG deductions, follow the calculation procedures for compliance GHGI in Section 12.05(b) and Section 12.05(c).

Clarifications:

- All relevant end use deductions in Section 12.06 must be incorporated into the baseline GHGI calculations when determining if the covered building's baseline GHGI is 3.5 times greater than the standard GHGIT.
- For covered buildings on district thermal energy, the end use deduction for district energy in Section 12.06(j) must be incorporated into the baseline GHGI calculations when determining if the covered building's baseline GHGI is 3.5 times greater than the GHGIT.

(b) Calculating Alternate GHGIT

1) **A nonresidential building's** (or nonresidential district campus, connected buildings, or public/nonprofit building portfolio) alternate GHGIT for their compliance deadline in each compliance interval shall be calculated as follows:

a) **2031–2035:** Sixty-six percent of the baseline GHGI

$$\boldsymbol{Alternate\ GHGIT\ (kgCO2e/SF/yr)} = Baseline\ GHGI(kgCO2e/SF/yr)\ \times 0.66$$

b) **2036–2040:** Thirty-three percent of the baseline GHGI

$$\boldsymbol{Alternate\ GHGIT\ (kgCO2e/SF/yr)} = Baseline\ GHGI(kgCO2e/SF/yr)\ \times 0.33$$

c) **2041–2045:** Net-zero emissions

$$\boldsymbol{Alternate\ GHGIT\ (kgCO2e/SF/yr)} = 0\ (kgCO2e/SF/yr)$$

2) **A multifamily building's** (or multifamily district campus, connected buildings, or public/nonprofit building portfolio) alternate GHGIT for their compliance deadline in each compliance interval shall be calculated as follows:

d) **2031–2035:** Seventy-five percent of the baseline GHGI

$$\boldsymbol{Alternate\ GHGIT\ (kgCO2e/SF/yr)} = Baseline\ GHGI(kgCO2e/SF/yr)\ \times 0.75$$

e) **2036–2040:** Fifty percent of the baseline GHGI

$$\boldsymbol{Alternate\ GHGIT\ (kgCO2e/SF/yr)} = Baseline\ GHGI(kgCO2e/SF/yr)\ \times 0.50$$

f) **2041–2045:** Twenty-five percent of the baseline GHGI

$$\boldsymbol{Alternate\ GHGIT\ (kgCO2e/SF/yr)} = Baseline\ GHGI(kgCO2e/SF/yr)\ \times 0.25$$

g) **2046–2050:** Net-zero emissions

$$\boldsymbol{Alternate\ GHGIT\ (kgCO2e/SF/yr)} = 0\ (kgCO2e/SF/yr)$$

(c) Recalculating Baseline Emissions and Alternate Targets

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

The building owner may apply to amend the alternate GHGIT when:

1) The gross floor area of an individual building has increased or decreased by more than 10% or 25,000 square feet, whichever is less.
2) The gross floor area of a building portfolio has increased or decreased by more than 10% or 25,000 square feet, whichever is less.

(d) Alternate GHGIT Compliance Process and Timeline

A building owner shall apply for and receive approval for an alternate GHGIT during the 2027–2030 compliance interval per 12.01 and shall use the approved alternate GHGIT for each subsequent compliance interval.

1) **2027–2030:** In accordance with Section 11, a qualified person for the covered buildings must complete benchmarking verification and submit a GHG report. Building owners that plan to use the alternate GHGIT for compliance in the 2031–2035 compliance interval must apply for approval to do so when submitting the GHG report. If applying to use the alternate GHGIT as a district campus, connected buildings, or a public/nonprofit building portfolio, building owners must also submit the list of included buildings for OSE review by their October 1, 2028, compliance deadline.
2) **October 1, 2032, 2037, 2042, 2047:** Window for submitting benchmarking verification and GHG report opens for buildings complying as a building portfolio, district campus, or connected buildings. Any changes to the list of buildings included in the alternate GHGIT must be made by this deadline.
3) **2031–2035, 2036–2040, 2041–2045, 2046–2050:** In accordance with the compliance deadlines listed in Section 10, a qualified person for the covered building(s) must complete benchmarking verification and submit a GHG report, as well as document that the individual building or the building portfolio, district campus, or connected buildings meets the alternate GHGIT.

(e) Reporting Obligations for Alternate GHGIT: Building Portfolio, including District Campus and Connected Buildings

In addition to the benchmarking verification report and GHG report, a qualified person representing the owner of buildings complying as part of a building portfolio, district campus, or connected buildings shall submit a list of buildings included in the alternate GHGIT by October 1, 2028. The list shall contain the following elements:

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

Clarifications:

- Building owners are not required to include all covered buildings in a building portfolio.
- While building portfolios may include district campuses and/or connected buildings, qualified persons should use straightforward configurations to simplify reporting and

management and create distinct connected building or district campus configurations for each geographically contiguous campus (e.g., Ballard Campus, South Seattle Campus).

- Connected buildings and district campuses may use the alternate GHGIT when more than one owner shares mechanical or metering equipment under a joint agreement. One owner shall be deemed the building owner for the purpose of complying with this Rule with the exception that penalties for non-compliance may be prorated by square foot for each owner (Section 16).
- For all uses of the alternate GHGIT, a primary contact for the report must be designated, which may or may not be a qualified person. That person shall be the key contact for OSE and be the liaison among all owners, property managers, and qualified persons involved with a building portfolio, district campus, or connected buildings report.

14.02 Alternative Compliance: Alternative Compliance Payment

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

(a) Calculating ACP

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

1) $1,250 for covered buildings with a gross floor area of 50,000 square feet or less or $2,500 for covered buildings with a gross floor area greater than 50,000 square feet; or
2) The total annual metric tons of CO2e (MTCO2e/yr) a covered building emits in excess of its GHGIT multiplied by the five years in the compliance interval and by the MTCO2e cost.
   a) $\boldsymbol{Total\ Annual\ Excess\ MTCO2e/yr} = (Compliance\ GHGI\ (kgCO2e/SF/yr) - GHGIT\ (kgCO2e/SF/yr)) * Gross\ Floor\ Area\ (SF)/1000$
   b) $\boldsymbol{ACP} = Total\ Annual\ Excess\ MTCO2e/yr \times 5\ yrs\ \times Cost\ of\ MTCO2e$

Per SMC 22.925.100.A, the cost of each MTCO2e is $190 per MTCO2e for the 2031–2035 compliance interval. No later than December 31, 2027, the Director by rule may raise the dollar amount per MTCO2e for the 2031–2035 compliance interval to adjust for inflation and to account for adjustments to the social cost of carbon by a relevant government agency.

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

(b) Reporting Obligations for ACP

1) The qualified person is required to complete and submit a benchmarking verification report and a GHG report.
2) The payment mechanism and process will be established in advance of the 2031–2035 compliance deadline.

Clarifications:

- Buildings using the aggregate GHGIT to comply as a building portfolio, district campus, or connected buildings may use the ACP.
- Building owners may not submit for the ACP in advance of their 2031–2035 compliance deadline because payment is based on the actual MTCO2e above the GHGIT at the time of compliance.
- The ACP is not available for 2036–2040 or thereafter.

14.03 Alternative Compliance: Multifamily Prescriptive Option

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

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

To use this option, building owners may either:

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

Clarifications:

- This option requires replacement with fully electric service hot water or HVAC system(s). Seattle Energy Code exceptions shall not apply.
- Owners of individual buildings with an approved Multifamily Prescriptive Path must exclude these buildings from any aggregate GHGIT compliance pathway they may use for other buildings they own unless they cannot be metered out (See Section 13.02 for aggregate GHGIT compliance).

(a) Multifamily Prescriptive Option Compliance Process and Timeline

1) **2027–2030:** In accordance with the compliance deadlines in Section 10, a qualified person for the covered building must
   a) complete benchmarking verification and submit a GHG report, and

b) notify OSE of their intent to utilize the Multifamily Prescriptive Path as part of the GHG report.[30]

2) **2031–2035, 2036–2040, and 2041–2045:** In accordance with the compliance deadlines in Section 10 a qualified person for the covered building must
   a) Complete benchmarking verification and submit a GHG report, and
   b) document that they have satisfied the requirements of the Multifamily Prescriptive Option.

(b) Reporting Obligations for Multifamily Prescriptive Option

A qualified person for the covered building must submit one of the following:

1) Evidence that electric equipment was installed and that fossil fuel equipment was removed or disabled (e.g., completed work order, paid invoices, photos)
2) Completed Seattle Department of Construction & Inspections inspection report after equipment has been installed

14.04 Extensions

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

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

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

Table 6: Summary of Eligibility Criteria for Extensions

Option	Description	Eligible Buildings	Compliance Interval Allowed				
			2027–30	2031–35	2036–40	2041–45	2045–50
New Construction	One-time extension from all requirements of initial compliance date.	Any covered building with a certificate of occupancy less than 3 years before compliance date.	yes	yes	yes	yes	yes
Financial Distress	One-time extension from all requirements for one compliance interval. (Owners may reapply).	Any covered building with pre-existing financial distress per ordinance definition.	yes	yes	yes	yes	yes
High Rental Vacancy Rate	One-time extension from GHGIT requirements for one compliance interval. Must	Covered building with a rental vacancy rate greater than or equal to 35% during	NA	yes	yes	yes	yes

[30] Notification is for City and owner planning purposes only. It does not require using this option for future compliance.

	still verify benchmarking and report. (Owners may reapply).	a consecutive 12-month period within the 36 months preceding the compliance date.					
Low-Income Housing	One-time extension from meeting GHGIT in 2031–2035. Must still verify benchmarking and report and meet 2036–2040 and later GHGITs.	Multifamily that meets low-income housing definition	NA	yes	no	no	no
Human Service Uses	One-time extension from meeting GHGIT in 2031–2035. Must still verify benchmarking and report and meet 2036–2040 and later GHGITs.	A covered building with >50% occupancy by human service uses.	NA	yes	no	no	no
Low-Rent Housing	One-time extension from meeting GHGIT in 2031–2035. Must still verify benchmarking and report and meet 2036–2040 and later GHGITs.	Multifamily not meeting low-income housing definition where contract rent and utility allowance meets requirements published by Office of Housing.	NA	yes	no	no	no
Low-Income Housing: Pre-established refinancing date conflict	One-time extension from meeting GHGIT in 2036–2040. Must still verify benchmarking and report and meet subsequent GHGITs.	Multifamily that meets low-income housing definition and had a pre-established refinancing date that will not occur until after 2036–2040.	NA	NA	yes	no	no
Change of ownership	One-time extension from all requirements for one year.	A covered building with a date of purchase within one year of the compliance deadline.	yes	yes	yes	yes	yes

(a) New Construction

Per SMC 22.925.110.A.1, *a newly constructed covered building that receives a certificate of occupancy less than three years before its compliance date may receive an extension for one compliance interval from meeting the requirements of Chapter 22.925.*

- **Eligibility Criteria:** A covered building constructed no more than three years before the building's compliance date.
- **How to Apply:** Building owners must submit an application for an extension along with the required documentation.
- **Application Deadlines:** Applications must be submitted to OSE no sooner than two years and no later than six months prior to the compliance deadline.
- **Documentation Required:**

- Certificate of occupancy allowing the building to be occupied dated no more than three years before the building's compliance date, and
- construction permit issued by SDCI.

Clarifications:

- Buildings will receive an extension from benchmarking verification, meeting the GHGIT, and completing a GHG report.
- Buildings must meet the GHGIT for the subsequent compliance deadlines (e.g., a building that receives an extension in 2031 must meet the 2036 GHGIT by October 1, 2036) or use Alternative Compliance.

(b) Financial Distress

Per SMC 22.925.110.A.2, *covered buildings under pre-existing financial distress at their compliance date may receive an extension from meeting the requirements of Chapter 22.925 for each compliance interval they remain under financial distress.*

- **Eligibility Criteria:** Covered buildings under pre-existing financial distress as defined in this Rule and SMC 22.925.020.
- **How to Apply:** Building owners must submit an application for an extension along with the required documentation.
- **Application Deadlines:** Applications must be submitted to OSE no sooner than two years and no later than six months prior to the compliance deadline.
- **Documentation Required:** Evidence of meeting one of the eligibility criteria for pre-existing financial distress. If the building is controlled by a court-appointed receiver or financial institution, OSE will accept documentation from them.

Clarifications:

- Buildings will receive an extension from benchmarking verification, meeting the GHGIT, and completing a GHG report.
- Buildings approved for the financial distress extension may have an additional five years to meet the GHGIT after receiving the extension (e.g., a building that receives an extension in 2031 would be required to meet the 2031 target during the 2036–2040 compliance interval). However, all buildings must meet net-zero emissions by 2046–2050.

(c) High Rental Vacancy Rate

Per SMC 22.925.110.A.3, *a covered building with a high rental vacancy rate, as determined by rule, during a consecutive 12-month period within the 36 months preceding the relevant compliance date may receive an extension from meeting the GHGIT for one compliance interval. Building owners must still meet benchmarking verification and all reporting obligations.*

- **Eligibility Criteria:** A building must have a rental vacancy rate equal to or greater than 35% of the total rentable floor area for an entire consecutive 12-month period within the 36 months preceding the BEPS compliance date. Rental vacancy refers to vacant space that is for rent but is unleased. This does not include hallways, lobbies, mechanical room space or other common area spaces. For the purposes of this Rule, commercial spaces leased free of charge for public benefit may be included in a building's calculation of vacant space. "Market-based incentives"

such as free months of rent as part of a paid rental agreement may not be included in the calculation of vacant space.

- **How to Apply:** Building owners must submit an application for an extension along with the required documentation demonstrating that the building meets or exceeds the vacancy threshold for the required time period.
- **Application Deadlines:** Applications must be submitted to OSE no sooner than two years and no later than six months prior to the compliance deadline.
- **Documentation Required:** Vacancy can be documented by submitting rent rolls, lease records, or other owner-supplied verifiable documentation that clearly demonstrates the building meets the vacancy threshold.

Clarifications:

- Spaces where tenants primarily work from home are not considered vacant.
- Buildings must meet the GHGIT for the subsequent compliance deadlines (e.g., a building that receives an extension in 2031 must meet the 2036 GHGIT by October 1, 2036) or use Alternative Compliance.
- Owners may reapply for a new extension five years before their compliance deadline if the building remains equal to or greater than 35% vacant.

(d) Change of Ownership

Owners of covered buildings with a date of purchase within one year preceding or on the compliance deadline identified in Table 3, Section 10 may apply for a one-year extension from benchmarking verification, meeting the GHGIT, and completing a GHG report.

- **Eligibility Criteria:** A building must have been purchased by a new owner within one year or on the exact date of the October 1 compliance deadline.
- **How to Apply:** Building owners must submit documentation demonstrating that the building was purchased within one year of the BEPS compliance deadline.
- **Application Deadlines:** Extension applications must be submitted to OSE no sooner than one year in advance of the compliance deadline. OSE will accept extension applications up to the compliance deadline.
- **Documentation Required:** Provide the date of sale, contact name for the new owner, and new owner's phone number. In addition, a copy of the change of ownership deed or title is required.

Clarification: Buildings must meet the GHGIT in the following compliance year (e.g., a building that receives an extension in 2031 must meet the GHGIT by October 1, 2032) or use Alternative Compliance.

(e) Low-Income Housing

Per SMC 22.925.110.A.4, *low-income housing may receive an extension from meeting the GHGITs in the 2031–2035 compliance interval. Building owners must meet benchmarking verification and all reporting obligations for the 2031–2035 compliance interval and must meet the GHGITs for all subsequent compliance intervals.*

- **Eligibility Criteria:** The covered building(s) must meet the definition of Housing, low-income as defined in SMC 23.84A.016.
- **How to Apply:** Building owners must submit an application for an extension along with the documentation required.
- **Application Deadlines:** Applications must be submitted to OSE no sooner than two years and no later than six months prior to the compliance deadline.
- **Documentation Required:** If the building can't be verified by OSE as low-income housing with restrictive housing covenants recorded on the current title via publicly available records, the building owner will be asked to provide a completed Office of Housing Low-Income Housing Checklist, including the recording number for the regulatory agreement that includes restrictive housing covenants consistent with the definition of Housing, low-income per SMC 23.84A.016.

Clarification: Buildings must meet the GHGIT for the subsequent compliance deadline (e.g., a building that receives an extension in 2031 must meet the 2036 GHGIT by October 1, 2036) or use Alternative Compliance.

(f) Human Service Uses

Per SMC 22.925.110.A.4, *covered buildings with more than 50 percent of the building occupied by human service uses may receive an extension from meeting the GHGITs in the 2031–2035 compliance interval. Building owners must meet benchmarking verification and all reporting obligations for the 2031–2035 compliance interval and must meet the GHGITs for all subsequent compliance intervals.*

- **Eligibility Criteria:** More than 50 percent of the covered building(s) must be occupied by human services per SMC 23.84A.016.
- **How to Apply:** Building owners must submit an application for an extension along with the required documentation showing that data verification conducted by a qualified person confirms that the building meets the required criteria.
- **Application Deadlines:** Applications must be submitted to OSE no sooner than two years and no later than six months prior to the compliance deadline. Extension applications may be provisionally approved until the 2031–2035 Benchmarking Data Verification Report confirming the human service use and percent of GFA is submitted at the compliance deadline.
- **Documentation Required:** Benchmarking Verification Report from 2027-2030 showing the human service use and percentage of GFA.

Clarifications:

- To be considered a human service use, the building must provide at least one of the services identified in SMC 23.84A.016 directly to a client group on the premises, rather than serve only administrative functions.
- Buildings must meet the GHGIT for the subsequent compliance deadline (e.g., a building that receives an extension in 2031 must meet the GHGIT by October 1, 2036) or use Alternative Compliance.

(g) Low-Rent Housing

Per SMC 22.925.110.A.6, *low-rent housing may receive an extension from meeting the GHGITs in the 2031–2035 compliance interval. Building owners must meet benchmarking verification and all reporting*

obligations for the 2031–2035 compliance interval and must meet the GHGITs for all subsequent compliance intervals.

- **Eligibility Criteria:** The covered building(s) must meet the definition of "Housing, low-rent" according to Section 3.This includes having over 60% of the units with current contract rent, as well as future contract rent for a minimum of ten years, that is at or below (1) 60 percent of median income, or (2) 40 percent of median income for SEDUs.
- **How to Apply:** Building owners must submit an application for an extension along with the documentation required.
- **Application Deadlines:** Applications must be submitted to OSE no sooner than two years and no later than six months prior to the compliance deadline.
- **Documentation Required:**
  - Building owners shall provide the current rent roll to OSE, which must demonstrate that the contract rents are consistent with the definition of "Housing, low-rent." All private information such as tenant names, contact information, and payment history must be redacted from the rent roll prior to sharing. The rent roll must also include, for each residential unit in the building, the number of private bedrooms and net unit area (i.e., square footage), which excludes any exterior and common areas.
  - Building owners shall resubmit an updated rent roll during the 2036–2040 and 2041–2045 compliance intervals to demonstrate that they have met the requirement to maintain the contract rent at or below (1) 60 percent of median income, or (2) 40 percent of median income for SEDUs, for a minimum of ten years after the relevant compliance date in 2031–2035.

Clarifications:

- Income and rent limits based on area median income are published annually by the Seattle Office of Housing.[31]
- A residential unit with net unit area, as measured according to SMC 23.86.007.B, as 400 square feet or less will be considered a small efficiency dwelling unit.[32]
- Low-rent housing is not low-income housing.

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

Per SMC 22.925.110.5, *low-income housing may receive an extension from meeting the GHGITs in the 2036–2040 compliance interval when a pre-established refinancing date would not occur until after the covered building's compliance deadline in 2036–2040. Building owners must meet benchmarking verification and all reporting obligations for the 2036–2040 compliance interval and must meet the GHGITs for all subsequent compliance intervals.*

- **Eligibility Criteria:** The covered building(s) must meet the definition of Housing, low-income as defined in SMC 23.84A.016 and have a pre-established refinancing date that does not occur until after the covered building's compliance deadline in 2036–2040.

[31] As of the date of publication of this Rule, reference tables are available on the Income & Rent Limits webpage.
[32] The 400 SF net unit area threshold aligns with Seattle's Mandatory Housing Affordability Act (SMC 23.58C.050) and the Multifamily Tax Exemption unit size thresholds (SMC 23.58A.004).

- **How to Apply:** Building owners must submit an application for an extension along with the required documentation.
- **Application Deadlines:** Applications must be submitted to OSE no sooner than two years and no later than six months prior to the compliance deadline.
- **Documentation Required:**
  - If the building can't be verified by OSE as low-income housing with restrictive housing covenants recorded on the current title via publicly available records, the building owner will be asked to provide a completed Office of Housing Low-Income Housing Checklist, including the recording number for the regulatory agreement that includes restrictive housing covenants consistent with the definition of Housing, low-income per SMC 23.84A.016.
  - In addition, the building owner must provide documentation of a pre-established refinancing date, such as documentation showing the maturity date of existing debt or the date of expiration of the Low-Income Housing Tax Credit (LIHTC).

Section 15. Path C: Decarbonization Compliance Plans

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

Two decarbonization compliance plan options for individual buildings are available, depending on the type of extenuating circumstance:

1) **Achieve net-zero emissions by 2041–2050.** This plan enables owners of individual buildings to apply for and develop custom incremental GHGITs towards a final target of net-zero emissions, along a custom timeline, instead of meeting the standard GHGITs at the building's standard compliance deadlines per Table 3, Section 10. The final target must be net-zero emissions to be reached by October 1 between 2041–2050. Net-zero is as defined in SMC 22.925.020 and in the definitions Section 3 of this Rule. To use a decarbonization compliance plan, the building owner or a qualified person must first demonstrate that the building meets the extenuating circumstances eligibility criteria described in this section by submitting the required documentation. If eligibility is approved, a qualified person must develop a decarbonization compliance plan following the plan requirements in Section 15.03.
2) **Achieve an approved low emissions GHGIT by 2041–2050.** This plan enables owners of individual buildings to apply for and develop custom incremental GHGITs to meet a final low emissions target along a custom timeline, instead of meeting the building's standard deadlines per Table 3, Section 10. The final target must be the approved low emissions target to be reached by October 1 between 2041–2050. To use this plan, the building owner or qualified person must first demonstrate that the building meets the extenuating circumstances eligibility criteria described in this section by submitting the required documentation. If eligibility is approved, a qualified person must develop a plan following the requirements in Section 15.03**.** The plan shall achieve one of the following two options:

a) A 90% reduction in the building's emissions by 2041-2050 from the building's selected baseline year, except for emissions from end use deductions that are allowed in all compliance intervals, per Section 12.06.
b) In select circumstances, a custom low emissions target may be allowed by the Director if the approved extenuating circumstance(s) preclude achieving a 90% reduction under option a). Approval for a custom low-emissions target will be considered conditional pending approval of a final updated plan to be submitted prior to the building's compliance deadline during 2041–2050.

Clarification: BEPS allows one narrow exception for a portfolio of buildings, rather than individual buildings, to use either a net-zero or low emissions plan, per SMC 22.925.100.E, which states: *the public owner of a building portfolio whose primary purpose is to provide education at no cost and who is funded through state and local taxes may apply to use a decarbonization compliance plan covering multiple buildings within the owner's building portfolio.* Owners that meet these conditions must demonstrate eligibility for the extenuating circumstance but may do so at a portfolio level for multiple buildings. If the extenuating circumstance is approved, the building owner shall comply with all other requirements of Section 15 at the portfolio level.

15.01 Net-Zero by 2041–2050 Decarbonization Compliance Plan

Per SMC 22.925.100.E, A building owner may apply to use a decarbonization compliance plan for an individual building to achieve net-zero emissions by 2041–2050 when the owner can demonstrate that meeting the compliance schedule in Table 3, Section 10 or meeting the GHGITs in Table 4, Section 12.02 is a significant hardship due to an extenuating circumstance.

This section explains the seven allowable extenuating circumstances for a net-zero decarbonization compliance plan, how to apply for them, how to demonstrate the building meets the extenuating circumstance, and the documentation required. Building owners must first demonstrate the building meets the extenuating circumstance to be approved to proceed with a decarbonization compliance plan by applying to OSE no later than one year prior to the building's standard compliance deadline in 2031–2035 per Table 3.[33] The earliest date to apply varies by extenuating circumstance.

(a) Substantial alteration

Per SMC 22.925.100E.1.a, *When a substantial alteration under Section 307* [sic] *of the Seattle Existing Building Code will be undertaken concurrently with building upgrades necessary to meet a covered building's GHGIT.*

A building owner may apply to use a decarbonization compliance plan to achieve net-zero emissions by 2041–2050 if substantial alterations, according to the current Seattle Existing Building Code,[34] need to occur at the same time as the upgrades essential for meeting the BEPS GHGIT, such that it makes

[33] For example, the owner of a 250,000 SF building seeking to use a decarbonization compliance plan in lieu of meeting the standard GHGIT for their October 1, 2031 compliance deadline must apply no later than October 1, 2030. However, when allowed for the extenuating circumstance, owners are strongly encouraged to apply for eligibility as part of their 2027–2030 compliance interval reporting to ensure ample time for OSE review and for decarbonization compliance plan development.
[34] This Rule will always use the Seattle Existing Building Code that is currently in force. Under the 2021 Seattle Existing Building Code the substantial alteration content is in Chapter 3, Section 311.

meeting the GHGITs or net-zero by the building's compliance deadlines per Table 3 infeasible. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a decarbonization compliance plan.

- **Eligibility Criteria:** Owners must demonstrate that their building is or will be undergoing a substantial alteration under the current Seattle Existing Building Code.
- **How to Apply:** Apply to OSE up to three years before and no later than one year prior to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10. Building owners must still submit a benchmarking verification report and GHG report at their compliance deadlines.
- **Documentation Required:** Stamped permitting record(s) from SDCI showing the scope of alteration and verifying that the planned work meets substantial alteration thresholds, and demonstrating how the substantial alterations will align with meeting the covered building's GHGITs or net-zero emissions by the compliance deadlines.

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

Per SMC 22.925.100.E.1.b, *When seismic upgrades for a covered building with unreinforced masonry will be undertaken concurrently with building upgrades necessary to meet the covered building's GHGIT.*

A building owner may apply to use a decarbonization compliance plan to achieve net-zero emissions by 2041–2050 when seismic upgrades to a covered building will contribute to a code-compliant retrofitted unreinforced masonry (URM) building as defined in the current Seattle Existing Building Code.[35] The URM upgrades must be undertaken concurrently with upgrades necessary to meet the covered building's GHGITs, such that it makes meeting the GHGITs or net-zero by the building's compliance deadlines per Table 3, Section 10 infeasible. For example, structural modifications are required for the building to meet seismic regulations, resulting in sufficient disruption or reconstruction to necessitate major system replacement opportunities. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a decarbonization compliance plan.

- **Eligibility Criteria:** Owners must demonstrate that their building is or will be undergoing a seismic upgrade contributing to a code-compliant retrofitted URM building under the current Seattle Existing Building Code.[36]
- **How to Apply:** Apply to OSE up to three years before and no later than one year prior to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10. Building owners must still submit a benchmarking verification report and GHG report at their compliance deadlines.
- **Documentation Required:** A signed and stamped structural engineering report describing the seismic work scope and timeline, referencing mandated structural code requirements and demonstrating how the alterations will align with meeting the covered building's GHGITs or net-zero emissions by the compliance deadlines.

[35] This Rule will always use the Seattle Existing Building Code that is currently in force. Under the 2021 Seattle Existing Building Code the seismic upgrade content is in Appendix A.
[36] This Rule will always use the Seattle Existing Building Code that is currently in force. Under the 2021 Seattle Existing Building Code the URM content is in Chapter 2 Section 202.

(c) Significant electrical infrastructure upgrades

Per SMC 22.925.100.E.1.c, *When building upgrades necessary to meet the GHGIT include the installation of significant electrical infrastructure upgrades to increase electric capacity in the building, such as adding a new transformer vault.*

Building owners may apply to use a decarbonization compliance plan to meet net-zero emissions by 2041–2050 when building upgrades that would be needed to meet the incremental standard GHGITs by the building's compliance schedule per Table 3, Section 10 include significant electrical infrastructure upgrades. For example, meeting the GHGIT would require a major increase in the building's electric capacity, such as adding a new transformer vault. Building owners must apply to demonstrate the building meets this extenuating circumstance and be approved to proceed with a decarbonization compliance plan.

- **Eligibility Criteria:** Upgrades must expand electrical capacity or modernize infrastructure to support electrification to enable the building to meet their incremental GHGITs or net-zero emissions. Allowable electric upgrades that qualify as "significant electrical infrastructure" are as follows:[37]
  - A new utility pad-mounted transformer or a new utility transformer vault located in the existing building, or on the site, or an enlargement of the floor area of such a vault.
  - Trenching, facilities, and/or duct banks in the public right of way.
  - The estimated constructed cost of the electric upgrades exceeds 50% of the project valuation.[38]
- **How to Apply:** Apply to OSE no earlier than March 15, 2027 and no later than one year prior to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10. Building owners must submit the benchmarking verification report and GHG report with their application.
- **Documentation Required:** Building owners must submit documentation completed by a qualified person demonstrating why the electrical upgrades are infeasible. The documentation must include, at a minimum:
  - An analysis of all potential energy efficiency measures that would reduce the building's electrical load, and the associated electrical capacity reductions,
  - an analysis of the estimated increase in capacity required for the upgrades under the proposed engineering design, which includes capacity reductions from the energy efficiency measures.
  - a schematic-level engineering design for the energy efficiency measures, new equipment, and new electrical infrastructure to meet net-zero emissions, and

[37] The conditions align with the 2021 Seattle Energy Code Chapter 5, 503.4.6 Exception 4. If the Seattle Energy Code is updated prior to submittal of the application for eligibility and this impacts the applicant, applicants may use the updated code.

[38] Project valuation refers to the total construction cost covering, at a minimum, required demolition, site work, building upgrades including mechanical, electrical and plumbing, and utility work.

- a load analysis of the building's current maximum demand based on the current Seattle Electrical Code[39] and an assessment of the nameplate capacity and physical capacity of current existing electrical equipment, signed and stamped by a professional electrical engineer licensed in Washington State verifying that the significant electrical infrastructure upgrades are required or unavoidable to decarbonize heating, hot water, and/or other major building systems.
- If claiming electrical upgrade costs exceed 50% of the project valuation as the eligibility criteria, costs shall be documented by an AACE Class 3 or equivalent cost estimate including required demolition, construction, site work, and utility fees.[40]

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

Per SMC 22.925.100E.1.d, *When building upgrades necessary to meet the GHGIT would require the replacement of HVAC heating system equipment or service hot water equipment already vested under the Seattle Energy Code by January 12, 2024, and that equipment has not yet reached a defined percentage of life expectancy.*

Building owners may apply to use a decarbonization compliance plan to meet net-zero emissions by 2041–2050 when building upgrades necessary to meet the GHGIT would require the replacement of HVAC heating system equipment or service hot water equipment already vested under the Seattle Energy Code on or before January 12, 2024, and that equipment has not yet reached 100% of its average useful life. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a decarbonization compliance plan.

The allowable reference for HVAC heating system equipment or service hot water equipment average useful life is Appendix 7: Building Systems Useful Life table listing average useful life located in the *Preventative Maintenance Guidebook: Best Practices to Maintain Efficient and Sustainable Buildings* ©2010 Building Owners and Managers Association (BOMA) international, Washington, D.C.[41]

- **Eligibility Criteria:**
  - Equipment must be used for HVAC heating systems or service hot water, or in hotels or healthcare buildings with hot water or steam boilers dedicated to laundry. This provision is not intended for distribution equipment, such as ducting, piping, pumps, or fans.
  - Equipment must not have reached 100% of its average useful life, per the BOMA 2010 *Preventative Maintenance Guidebook,* as of the building's compliance deadline.
  - Equipment must have been permitted on or before January 12, 2024.

[39] This Rule will always use the Seattle Electrical Code (SEC) that is currently in force. Under the 2023 Seattle Electrical Code the load analysis criteria are outlined in the National Electrical Code (NEC) Section 220.87 Determining Existing Loads. Note that the SEC includes the NEC and Seattle changes. A link to the 2023 NEC can be found at the SDCI Electrical Code website.

[40] 56R-08: Cost Estimate Classification System - As Applied in Engineering, Procurement, and Construction for the Building and General Construction Industries [August 7, 2020] | AACE

[41] This reference was selected to support alignment with the WA CBPS standards, which also use this reference document. The document may be purchased from BOMA International directly, or the BOMA *Preventative Maintenance Guidebook Building Systems Useful Life Table* may be accessed at no charge on the WA Department of Commerce website.

- **How to Apply:** Apply to OSE no earlier than March 15, 2027 and no later than one year prior to the building's October 1 compliance deadline in 2031–2035, per Table 3, Section 10. Building owners must submit the benchmarking verification report and GHG report with their application.
- **Documentation Required:**
  - Documentation of equipment age and condition from a qualified person based on equipment install date, nameplate or other reference and the equipment's average useful life according to the BOMA 2010 *Preventative Maintenance Guidebook*.
  - Audit or feasibility analysis by a qualified person demonstrating that the only means to meet the building's GHGITs and net-zero emissions is by replacing equipment not yet at its average useful life. The analysis must include energy and emissions calculations or modeled estimates and a review of energy efficiency measures that were considered to meet compliance interval GHGITs and net-zero emissions.
    - an analysis of all potential energy efficiency measures,
    - energy and emissions calculations or modeled estimates,
    - an evaluation of alternative solutions to the particular equipment that were considered,
    - and confirmation that the only means to meet the building's GHGITs is by replacing equipment not yet at its useful life.
  - Copy of the SDCI equipment permit showing issuance on or before January 12, 2024.

(e) Non-interruptible operations in laboratory or healthcare

Per SMC 22.925.100E.1.e, *When the building upgrades necessary to meet the GHGIT would require access to a laboratory, or an in-patient or emergency healthcare facility, that must maintain non-interruptible operations.*

A building owner may apply to use a decarbonization compliance plan to meet net-zero emissions by 2041–2050 when the building upgrades necessary to meet the GHGIT would require access to a laboratory, or an in-patient or emergency healthcare facility that must maintain non-interruptible operations, such that it makes meeting the GHGITs or net-zero by the building's compliance schedule per Table 3, Section 10 infeasible. This also may include critical spaces where work would require stopping utility service that would impact the critical operations. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a decarbonization compliance plan.

- **Eligibility Criteria:** Spaces impacted and classified as the following building activity type per Table 4, Section 12.02 shall be eligible: Hospital, Laboratory. A building with impacted spaces not of these activity types, but that provides state-licensed skilled nursing, and/or hospice care may also be eligible.
- **How to Apply:** Apply to OSE no earlier than March 15, 2027 and no later than one year prior to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10. Building owners must submit the benchmarking verification report and GHG report with their application.
- **Documentation Required:**

- An owner representative in a role such as chief medical officer, laboratory director, or hospital administrator must provide an affidavit that explains the need for an alternative timeline due to the necessity of non-interruptible operations (e.g., continuous operations without shutdown options), and explains how patient safety requirements or research integrity precludes implementing decarbonization measures necessary to meet the GHGITs or net-zero emissions by the compliance deadlines in Table 3, Section 10.
- Audit or feasibility analysis by a qualified person that confirms the only means to meet the building's GHGITs or net-zero emissions according to the compliance schedule per Table 3, Section 10 is by accessing and/or conducting work in a space with non-interruptible operations.
  - an analysis of all potential energy efficiency measures,
  - energy and emissions calculations or modeled estimates,
  - an evaluation of alternative solutions to the particular equipment and/or space that were considered,
  - confirmation that the only means to meet the building's GHGITs or net-zero emissions according to the compliance schedule per Table 3, Section 10 is by accessing and/or conducting work in the space with non-interruptible operations

(f) Lease precludes owner access to equipment

Per SMC 22.925.100.E.1.f, *When the owner of a covered building has a tenant lease in place by January 12, 2024, or earlier that specifically precludes owner access to equipment on which work would be required to meet the GHGIT. This extenuating circumstance is only available for the 2031–2035 compliance interval.*

A building owner may apply to use a decarbonization compliance plan to meet net-zero emissions by 2041–2050 when the owner of the covered building has a tenant lease in place before January 12, 2024, that specifically precludes owner access to equipment on which work would be required to meet the GHGIT, such that it makes meeting the GHGIT or net-zero by the building's standard schedule per Table 3, Section 10 infeasible. Before pursuing this option, owners are encouraged to renegotiate or amend the lease to allow the necessary access. Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a decarbonization compliance plan.

- **Eligibility Criteria:**
  - A tenant lease that will be in force at the time of compliance that includes language which explicitly bars owner access to tenant HVAC or service hot water systems.
  - Lease must have been executed on or before January 12, 2024.
  - The covered building must exceed the calculated 2031–2035 GHGIT.
- **How to Apply:** Apply to OSE no earlier than March 15, 2027 and no later than one year prior to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10. Building owners must submit the benchmarking verification report and GHG report with their application.
- **Documentation Required:**

- A fully executed lease agreement highlighting the prohibition on equipment access, the initial lease date, and the date the lease expires (Confidential language that is not relevant shall be redacted.)
- Audit or feasibility analysis by a qualified person that confirms the only means to meet the building's GHGITs or net-zero emissions according to the compliance schedule per Table 3, Section 10 is by accessing and/or conducting work in then tenant space. The analysis must include a review of energy efficiency measures and energy and emissions calculations or modeled estimates
  - an analysis of all potential energy efficiency measures,
  - energy and emissions calculations or modeled estimates,
  - an evaluation of alternative solutions to the particular inaccessible equipment that were considered,
  - confirmation that the only means to meet the buildings GHGITs or net-zero emissions according to the compliance schedule per Table 3, Section 10 is by accessing and/or conducting work in the tenant space.

(g) No practicable low and zero GHG emissions alternatives

Per SMC 22.925.100.E.1.g, *When there are no practicable low and zero GHG emissions alternatives available on the market for a necessary function.* This circumstance applies when equipment does not currently exist on the market, but evolving technology may be available by 2041–2050.

- **Eligibility Criteria:** The building can't achieve its GHGITs per the schedule in Table 3, Section 10 because doing so would require replacing equipment used for a necessary, specialized function for which no low and zero GHG emissions products or technologies currently exist on the market.
- **How to Apply:** Apply to OSE up to three years before and no later than one year prior to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10. Building owners must submit the benchmarking verification report and GHG report with their application.
- **Documentation Required:** A third-party audit or engineering analysis by a qualified person documenting that the only means to meet the building's GHGITs and net-zero emissions is by using equipment that is currently unavailable. The analysis must include, at a minimum:
  - an analysis of all potential energy efficiency measures,
  - energy and emissions calculations or modeled estimates,
  - an evaluation of alternative solutions to the particular equipment that were considered,
  - confirmation of specialized processes that cannot be satisfied via available zero-GHG systems, and
  - documentation of the necessary function, technology issue, and current status of relevant product market availability (e.g., only available in Europe).

Clarification: if the necessary equipment is still not available, and there are no other viable alternatives, three years before the building's compliance deadline to meet net-zero emissions in 2041-2050, the building owner may request approval to revise the plan to a low emissions decarbonization compliance plan.

15.02 Low Emissions by 2041–2050 Decarbonization Compliance Plan

A building owner may apply to use a decarbonization compliance plan to achieve low emissions by 2041–2050 when the owner can demonstrate that meeting the compliance schedule per Table 3, Section 10 or meeting the GHGITs is a significant hardship due to an extenuating circumstance.

This section explains the five allowable extenuating circumstances for a low emissions decarbonization compliance plan, how to apply for them, how to demonstrate the building meets the extenuating circumstance, and the documentation required.

Building owners must first demonstrate the building meets the extenuating circumstance to be approved to proceed with a decarbonization compliance plan by applying to OSE no later than one year prior to the building's standard compliance deadline in 2031–2035 per Table 3, Section 10.[42] The earliest date to apply varies by extenuating circumstance.

(a) Net-zero infeasible in low income multifamily

Per SMC 22.925.100.E.2.a, *When upgrades necessary to meet net-zero emissions in a low-income housing multifamily building are infeasible.*

Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a decarbonization compliance plan.

- **Eligibility Criteria:** The covered building(s) must meet the definition of Housing, low-income as defined in SMC 23.84A.016. Extenuating circumstances that are considered infeasible include:
  - No viable tenant relocation options.
  - Mechanical room or exterior space constraint to accommodate net-zero HVAC or DHW equipment that would serve all residents.
- **How to Apply:** Apply to OSE no earlier than March 15, 2027 and no later than one year prior to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10. Building owners must submit the benchmarking verification report and GHG report with their application.
- **Documentation Required:**
  - If the building can't be verified by OSE as low-income housing with restrictive housing covenants recorded on the current title via publicly available records, the building owner will be asked to provide a completed Office of Housing Low-Income Housing Checklist, including the recording number for the regulatory agreement that includes restrictive housing covenants consistent with the definition of Housing, low-income per SMC 23.84A.016.
  - The building owner must also document that decarbonization to meet net-zero emissions is infeasible per the eligibility criteria.
  - If seeking approval for the no viable tenant relocation criteria, an affidavit from the organization's leadership (e.g., executive officer, property or operations officer roles)

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

that significant tenant relocation would be required for the work, describing the options considered, and why none of those options are viable.

- If seeking approval for space constraints, an audit or feasibility analysis by a qualified person that confirms the necessary mechanical space to accommodate the equipment needed to meet net-zero emissions is not available either within the building or on the building site. The analysis must include, at a minimum:
  - an analysis of the current HVAC and DHW loads and capacity needs for new equipment,
  - an analysis of all potential energy efficiency measures that would reduce the sizing needs for new equipment,
  - energy and emissions calculations or modeled estimates, and
  - an analysis of all potential space options to locate the equipment.

(b) Historic buildings

Per SMC 22.925.100.E.2.b, *When building upgrades necessary to meet net-zero emissions would adversely affect the special features or characteristics of a landmark identified in the designating ordinance or designation report, or would compromise the historic integrity of a building within a historic district, as determined by either the City's Historic Preservation Officer, or historic board or commission, whichever has authority to grant or deny a Certificate of Approval for the building upgrades.*

Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a decarbonization compliance plan.

- **Eligibility Criteria:** Historic landmark buildings must be officially designated as a local or national historic landmark or part of a registered historic district. The building owner must demonstrate that upgrades recommended by a qualified person to meet net-zero emissions would conflict with preservation or character-defining features protected under governing regulations. There must be no reasonable alternative approach using current available technology that can achieve compliance without undermining historic protections.
- **How to Apply:** Apply to OSE no earlier than March 15, 2027 and no later than one year prior to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10. Building owners must submit the benchmarking verification report and GHG report with their application.
- **Documentation Required:**
  - Documentation from the relevant historic preservation authority (either the City's Historic Preservation Officer, or historic board or commission) confirming the building's status.
  - An audit or feasibility analysis by a qualified person that documents the equipment needs and identifies the schematic design to achieve net-zero emissions. The analysis must include, at a minimum:
    - an analysis of the current HVAC and DHW loads and capacity needs for new equipment,
    - an analysis of all potential energy efficiency measures that would reduce the sizing needs for new equipment,
    - energy and emissions calculations or modeled estimates, and

    - an analysis of all alternative options in lieu of upgrades that would compromise historic features or characteristics or the historic integrity of the building
  - Condition assessment by a qualified preservation professional explaining why the energy or emissions retrofits recommended by the qualified person cannot be made without compromising historic features or characteristics or the historic integrity of the building.

Clarification: Historic buildings that can comply with the GHGITs in each compliance interval without compromising features protected under landmark or historic designation are not eligible for the decarbonization compliance plan pathway.

(c) Building characteristic(s) precludes electrical capacity upgrade(s)

Per SMC 22.925.100.E.2.c, *When structural or electrical capacity upgrades necessary to meet net-zero emissions are infeasible due to distinct technical and/or physical limitations of the covered building.*

Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a decarbonization compliance plan.

- **Eligibility Criteria:**
  - The electrical capacity upgrades that would be required to enable the building to meet net-zero must meet the eligibility criteria for "Significant electrical infrastructure upgrades" per Section 15.01(c), and
  - an electrical load study of the building confirms that a technical or physical limitation of the building precludes the electrical capacity upgrades necessary to meet net-zero emissions.
- **How to Apply:** Apply to OSE no earlier than March 15, 2027 and no later than one year prior to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10. Building owners must submit the benchmarking verification report and GHG report with their application.
- **Documentation Required:** Building owners must submit documentation completed by a qualified person demonstrating why the electrical upgrades are infeasible. The documentation must include, at a minimum:
  - An analysis of all potential energy efficiency measures that would reduce the building's electrical load, and the associated electrical capacity reductions,
  - an analysis of the estimated increase in capacity required for the upgrades under the proposed engineering design, which includes capacity reductions from the energy efficiency measures.
  - a schematic-level engineering design for the energy efficiency measures, new equipment, and new electrical infrastructure to meet net-zero emissions, and
  - a load analysis of the building's current maximum demand based on the current Seattle Electrical Code[43] and an assessment of the nameplate capacity and physical capacity of current existing electrical equipment, signed and stamped by a professional electrical

[43] This Rule will always use the Seattle Electrical Code (SEC) that is currently in force. Under the 2023 Seattle Electrical Code the load analysis criteria are outlined in the National Electrical Code (NEC) Section 220.87 Determining Existing Loads. Note that the SEC includes the NEC and Seattle changes. A link to the 2023 NEC can be found at the SDCI Electrical Code website.

engineer licensed in Washington State verifying that the significant electrical infrastructure upgrades are required or unavoidable to decarbonize heating, hot water, and/or other major building systems.
    - If claiming electrical upgrade costs exceed 50% of the project valuation as the eligibility criteria, costs shall be documented by an AACE Class 3 or equivalent cost estimate including required demolition, construction, site work, and utility fees.[44]

Clarification: Barriers rooted only in cost without technical justification are not acceptable criteria.

(d) Building characteristic(s) precludes structural capacity upgrade(s)

Per SMC 22.925.100.E.2.c, *When structural or electrical capacity upgrades necessary to meet net-zero emissions are infeasible due to distinct technical and/or physical limitations of the covered building.*

Building owners must apply to demonstrate the building meets this extenuating circumstance to be approved to proceed with a decarbonization compliance plan.

- **Eligibility Criteria:** A structural engineering evaluation of the building confirms that a technical or physical limitation of the building precludes the structural upgrades necessary to meet net-zero emissions.
- **How to Apply:** Apply to OSE no earlier than March 15, 2027 and no later than one year prior to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10. Building owners must submit the benchmarking verification report and GHG report with their application.
- **Documentation Required:** Building owners must submit documentation completed by a qualified person demonstrating why the structural upgrades are infeasible.
    - A structural engineering report or feasibility study by a licensed structural engineer that describes the distinct technical and/or physical barriers of the building that prevent the structural alterations needed for the scope of work.
    - An audit or feasibility analysis by a qualified person. The analysis must include:
        - An analysis of the current HVAC and DHW loads and capacity needs for new equipment,
        - an analysis of all potential energy efficiency measures that would reduce the sizing needs for new equipment,
        - energy and emissions calculations or modeled estimates, and
        - an analysis of all alternative options documenting there are no alternatives to the equipment sizing and placement requiring structural alterations.
        - The study must include a description of the energy efficiency measures that have, or will be, taken to reduce the building's heating, cooling and hot water loads and the subsequent size and extent of new equipment.

Clarification: Barriers rooted only in cost without technical justification are not acceptable criteria.

[44] 56R-08: Cost Estimate Classification System - As Applied in Engineering, Procurement, and Construction for the Building and General Construction Industries [August 7, 2020] | AACE

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

Per SMC 22.925.100.E.2.d, *When a cost analysis of the measures necessary to meet net-zero emissions and a property valuation or other business financial analysis, whose content shall be determined by rule, can demonstrate that the incremental cost of meeting net-zero would create financial distress to the building.*

This extenuating circumstance applies when the cost to meet net-zero is infeasible as determined via a financial analysis, such that the cost to meet net-zero emissions, above and beyond standard asset management costs under code, would create financial distress as defined in SMC 22.925.020 and contained in this Rule.

OSE will work with stakeholders to develop the rules for this extenuating circumstance as part of SMC required rulemaking to be completed by December 31, 2027. This will include developing the content required, by rule, for the property valuation or business financial analysis.[45]

Covered buildings already experiencing financial distress are eligible for an extension per Section 14.04(b) and should use that option.

(f) No practicable zero GHG emissions alternatives

Per SMC 22.925.100.E.2.e, *When there are no practicable zero GHG emissions alternatives available on the market for a necessary function.*

- **Eligibility Criteria:** The building can't achieve the required net-zero emissions target in 2041–2050, because doing so would require replacing equipment used for a necessary, specialized function for which no zero GHG emissions products or technologies currently exist.
- **How to Apply:** Apply to OSE up to three years before and no later than one year prior to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10. Building owners must submit the benchmarking verification report and GHG report with their application.
- **Documentation Required:** A third-party audit or engineering analysis by a qualified person documenting that the only means to meet net-zero emissions is by using equipment that does not currently exist. The analysis must include, at a minimum:
  - an analysis of all potential energy efficiency measures,
  - energy and emissions calculations or modeled estimates,
  - an evaluation of alternative solutions to the particular equipment that were considered,
  - confirmation of specialized processes that cannot be satisfied via available zero-GHG systems, and
  - documentation of the necessary function, technology issue, and current status of any relevant product development.

[45] The City wants to be responsive to stakeholder concerns to develop equitable rules that can be inclusive of financial impacts on different property ownership models and types and therefore is recommending this additional engagement.

Clarification: if the necessary equipment becomes available on the market at least three years before the building's compliance deadline to meet net-zero emissions in 2041-2050, OSE may request a revision to the decarbonization compliance plan which incorporates the new technology.

15.03 Decarbonization Compliance Plan Requirements – Net-Zero and Low Emissions

(a) Decarbonization Compliance Plan

Decarbonization compliance plans must include:

1) **Building Energy and Greenhouse Gas Emissions Audit**
   a) An audit completed by a qualified person must be completed no earlier than four years prior to the submission of the decarbonization compliance plan or for its use in verifying extenuating circumstances.[46]
   b) If the floor area of the primary use of the building or the gross floor area of the building has increased or decreased by more than 10%, or 25,000 square feet, whichever is less, the audit must be updated to reflect the current floor area.
   c) The audit must:
      i) At a minimum, meet the standards of an ASHRAE Level 1 audit. Energy benchmarking as part of the Level 1 audit may consist of reviewing the building's existing energy benchmarking data per the BEPS benchmarking data verification requirements in Section 11**.**
      ii) Include an equipment inventory, including HVAC, service/domestic hot water, electrical, lighting, and conveyance systems, with installation dates or age estimates if unavailable.
      iii) Identify any equipment that will reach the end of its average useful life during the timeframe of the plan. The allowable reference for HVAC heating system equipment or service hot water equipment average useful life is *Preventative Maintenance Guidebook: Best Practices to Maintain Efficient and Sustainable Buildings* ©2010 Building Owners and Managers Association (BOMA) international, Washington, D.C.[47]
      iv) Include an analysis of any planned improvements to existing building equipment that may be relevant to the decarbonization plan. The upgrades must meet current Seattle Building Code and current Seattle Energy Code requirements.[48] Include an analysis of the planned energy efficiency and greenhouse gas emissions reduction actions.

[46] A prior audit completed within the timeframe specified may be updated with the information required in this rule. For example, an audit used for WA Clean Buildings Compliance may be used and updated as needed.
[47] This reference was selected to support alignment with the WA CBPS standards, which also use this reference document. The document may be purchased from BOMA International directly, or the BOMA *Preventative Maintenance Guidebook Building Systems Useful Life Table* may be accessed at no charge on the WA Department of Commerce website.
[48] Although exceptions exist for certain building types or situations, the 2021 Seattle Energy Code generally does not allow electric resistance or fossil fuel space heating or service hot water equipment.

v) Include a list of measures and operational changes to achieve required emissions reductions, including any other planned or necessary asset replacement or upgrades that need alignment in the context of emissions reduction measures.

vi) Include a cost analysis for achieving both incremental and final GHGITs for each compliance interval. The analysis should account for:

(1) Implementation costs for each measure or group of measures. If applicable, include both the total cost and any incremental cost above that required to meet the current Seattle Energy Code. Cost shall be documented by an AACE Class 3 or equivalent cost estimate.[49]

(2) The social cost of carbon metric as specified in Section 14.[50]

(3) Financial considerations such as utility cost savings, grants, incentives, tax deductions, and other financial mechanisms.

2) **Energy Efficiency and Greenhouse Gas Emissions Reduction Actions**

a) The plan must outline the actions to achieve low or net-zero greenhouse gas emissions by 2041–2050. This plan should be based on technology and equipment currently available on the market as of the date of the decarbonization compliance plan submission.

b) If applicable, the qualified person shall identify any building functions for which no practicable zero GHG emissions alternatives currently exist. This information should be updated for any consideration of new technologies as part of progress reporting.

c) Any allowable BEPS end use deductions planned to be used (see Section 12.06) may be incorporated into the plan for each relevant compliance deadline.

3) **Incremental and final Greenhouse Gas Emissions Intensity Targets (GHGITs)**

The plan must specify custom GHGITs that materially decrease the building's GHGI for each custom compliance deadline, including the final net-zero or low-emissions target depending on plan type, to be met between October 1, 2041, and October 1, 2050. If the plan extends over more than two five-year compliance intervals to achieve the final net-zero or low-emissions target, a key milestone may be substituted for the GHGIT. A milestone is considered work in the building that clearly advances the building towards meeting the next GHGIT, or the final net-zero or low-emissions target (for example, a lighting upgrade that has minimal impact on emissions but decreases electrical energy use to minimize the need for electric infrastructure upgrades when installing heat pump equipment).

4) **Alignment with Seattle Energy Code "Future Decarbonization Plan" (If Applicable)**

The qualified person must determine if the building owner has previously submitted a schematic design to SDCI for a "Future Decarbonization Plan" due to any approved Seattle Energy Code exceptions for fossil fuel equipment.[51] If so, the schematic design, cost estimate, and any required SDCI forms must be appended to the BEPS decarbonization compliance plan. The decarbonization schematic design and cost estimates used for the SDCI Future Decarbonization Plan requirements may be used for the BEPS decarbonization compliance plan requirements if relevant.

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[49] This aligns with the 2021 Seattle Energy Code Chapter 5, 503.4.6 Exception 4.

[50] This is specified as $190 per MTCO2e for the 2031–2035 compliance interval. No later than December 31, 2027, the Director by rule may raise the dollar amount per MTCO2e for the 2031–2035 compliance interval to adjust for inflation and to account for adjustments to the social cost of carbon by a relevant government agency.

[51] Per section C503.4.6 of the 2021 Seattle Energy Code.

5) **Other Plan Requirements**
All Plans must identify the analytical methods, calculations, and calculation software used and how the energy savings and emissions reductions were determined.

(b) Progress Reports for Decarbonization Compliance Plan

1) The progress report to be submitted at each custom compliance deadline shall fulfill the reporting obligations of the GHG report described in Section 12.01.
2) OSE shall develop administrative guidance for the decarbonization compliance plan progress report, but at a minimum the report shall be an update on progress and steps taken to meet the custom GHGITs or substitute milestones as well as the documentation of the building's GHGI. Additional details relevant to the extenuating circumstance of the building shall also be included (e.g., progress on the substantial alteration, seismic upgrade or electrical infrastructure upgrades).

(c) Reporting Obligations for Net-Zero and Low Emissions Decarbonization Compliance Plans

1) **2027–2030 Compliance Obligations:** In accordance with the deadlines in Table 3, Section 10, a qualified person for the covered building must complete benchmarking verification per Section 11 and submit a GHG report per Section 12.01**.** Under most extenuating circumstances, building owners may apply for approval to use a decarbonization compliance plan beginning March 15, 2027. Owners are strongly encouraged to apply for eligibility as part of their 2027–2030 compliance to ensure ample time for OSE review and for plan development. See Sections 15.01 and 15.02 for your extenuating circumstance to understand the application timeframe.
2) **2027–2034, Apply to Use a Decarbonization Compliance Plan**: Building owners that want to demonstrate their building meets an extenuating circumstance to use a decarbonization compliance plan must apply for approval according to the timeline and with the required documentation identified for each extenuating circumstance in Sections 15.01 and 15.02.
    a) Under most extenuating circumstances, benchmarking verification and a GHG report shall be submitted at the same time as the eligibility application.
    b) OSE will review the applications in the order received.
    c) After approval of the extenuating circumstance by OSE, a qualified person shall develop a draft decarbonization compliance plan.
3) **2027-2035, Submit the Draft Decarbonization Compliance Plan for Review**: Once an extenuating circumstance has been approved as eligible for a decarbonization compliance plan pathway, a qualified person must submit the draft plan to OSE for review per the following timeline:
    a) Owners are strongly encouraged to submit their draft decarbonization compliance plan soon after their extenuating circumstance eligibility has been approved, but no later than six months prior (April 1) to the building's October 1 compliance deadline in 2031–2035 per Table 3, Section 10 (e.g., for a 250,000 SF building, a qualified person must submit the draft plan by April 1, 2031.)
    b) OSE will review the draft decarbonization compliance plans in the order received.
    c) If the draft plan is approved by OSE, it shall be considered the final plan. If modifications are required, the qualified person shall make the modifications and re-submit as part of step 4.

4) **2031–2035 Compliance Obligations:** In accordance with the deadlines in Table 3, Section 10, a qualified person for the covered building must:
   a) Complete benchmarking verification per Section 11**.**
   b) If not already approved as part of step 3 above, a qualified person must also re-submit a revised decarbonization compliance plan. If the revised plan is approved by OSE, it shall be considered the final plan.[52] The final plan shall fulfill the reporting obligations of the GHG report.
5) **2036–2040 Compliance Obligations:** In accordance with the custom timeline specified in the covered building's approved final decarbonization compliance plan, a qualified person must:
   a) Complete benchmarking verification per Section 11 for the January – December twelve-month time period prior to the building's custom GHGIT deadline.
   b) Submit a progress report on the decarbonization plan.
   c) Report on the building's first custom GHGIT and/or milestone (e.g., a 250,000 SF building may have a custom deadline of October 1, 2039, for a qualified person to complete and report on measures essential to prepare the building for decarbonization.)
6) **2041–2045 Compliance Obligations:** In accordance with the custom timeline specified in the covered building's approved final decarbonization plan, a qualified person must:
   a) Complete benchmarking verification per Section 11 for the January – December twelve-month time period prior to the building's custom GHGIT deadline.
   b) Submit the final report documenting the building has achieved net-zero or low emissions according to the custom target, OR
   c) Submit a progress report on status towards the building's GHGIT and/or milestone. (e.g., a 250,000 SF building may have a custom deadline of October 1, 2044, for a qualified person to complete and report on a 40% emissions reduction target.)
7) **2046–2050 Compliance Obligations:** In accordance with the custom timeline specified in the covered building's approved final decarbonization compliance plan, a qualified person must:
   a) Complete benchmarking verification per Section 11 for the January – December twelve-month time period prior to the building's custom GHGIT deadline documenting that the building has met net-zero emissions or the approved low emissions target
   b) Submit the final report documenting the building has achieved net-zero or low emissions according to the custom target.

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

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

[52] Note that there may be multiple rounds of feedback and revisions required before a plan is finalized.

Penalties: If the Director finds that a building owner has failed to complete benchmarking verification and report progress on their decarbonization compliance plan at each custom compliance deadline in their approved plan, a penalty for failure to report per SMC 22.925.180 shall be issued. If the Director finds that a building owner has failed to meet a custom interim GHGIT or milestone or the net-zero or low emissions target per the timeline in the approved plan, a penalty for noncompliance per SMC 22.925.180 shall be issued.

15.04 District Campus Decarbonization Compliance Plan

Per SMC 22.925.100.F, *A district campus that can demonstrate through a campus decarbonization compliance plan that upgrades to the district campus plant will generate cumulative emissions reductions from 2028–2050 that are equal to or greater than the cumulative emissions reductions that would be achieved by meeting standard or alternate GHGITs may submit a campus decarbonization compliance plan to OSE for approval*.

Building owners must demonstrate that the district campus meets the criteria to be approved to proceed with a decarbonization compliance plan.

(a) Eligibility for District Campus Decarbonization Plan

- **Eligibility Criteria:**
  - Building owners with two or more buildings on the same or adjacent parcels per the definition of district campus in Section 3, and
  - the district campus is served by district campus heating and/or cooling system, whether owned by the building owner or by another private entity, and
  - the decarbonization compliance plan will result in cumulative emissions reductions from the district campus baseline GHGI to 2050 that will be equal to or greater than the cumulative emissions reductions that would be achieved by meeting either the standard GHGITs per Section 13.02 or the alternate GHGIT method per Section 14.01.[53]
- **How to Apply:** Apply to OSE by October 1, 2028, per Table 3, Section 10.
- **Documentation Required:**
  - Affidavit from the owner or a senior level employee in asset or facilities management that the building owner owns and is responsible for operations of the district campus heating and/or cooling system, OR name of the private entity who owns the district campus heating and/or cooling system and a copy of the agreement between the building owner and the district system provider, and
  - Description of the district campus system, list of buildings served, total GFA served and a map of the system. If there are buildings on the district system not owned by the owner of the district campus, include a list of the buildings, their GFA, and the ownership entity.
  - Preliminary evaluation showing how the cumulative emissions reductions criteria will be met.

[53] This Rule clarifies that using the alternate GHGIT method and starting at the campuses' own baseline year of 2019 or later through 2050 may be used for a more straightforward calculation.

(b) District Campus Decarbonization Compliance Plan Requirements

The district campus decarbonization compliance plan must include, at a minimum, the following components:

1) **District Campus Description**
   a) Include a description and map of the district campus heating and/or cooling system and a list of each building on the system, as well as the GFA for each building. If there is more than one owner, the plan must identify the additional owners and their respective buildings for compliance with SMC 22.925 and include verification of a joint agreement and the timeframe of the agreement. (Note: Future additions or changes of owners must be included in progress reporting).
2) **Audits, Studies or Other Plans**
   a) Building and district system audits and district campus heating and/or cooling system decarbonization studies that have informed the decarbonization plan.
   b) A copy of the WA CBPS District Campus Decarbonization Plan, if one was approved by Washington State Department of Commerce.
3) **Total District Campus Gross Floor Area**
   a) The total district campus GFA for the year used for the baseline energy and emissions must use verified benchmarking data. Any of the substantiating documents allowed for benchmarking verification (Section 11) may be used to document and/or measure the sum of the building floor areas connected to the district system.[54]
   b) The gross floor area (excluding parking) must include each of the following:
      i) The GFA for each covered building greater than 20,000 square feet served by the district plant.
      ii) The GFA of any buildings with allowed exemptions per Section 8 greater than 20,000 square feet served by the district plant.
      iii) Total GFA of buildings not covered by SMC 22.925 (e.g., buildings less than 20,000 square feet, industrial buildings, etc.) but served by the district plant.
      iv) The GFA may optionally include other buildings >20,000 SF that are located on and function as part of the district campus but are not served by the district plant. If these are included in the GFA, they must be included in the campus description and map.
4) **Documentation of Baseline Energy Use and Baseline Emissions**
   a) The year 2019 or later may be used as a baseline. The baseline year must be the same for each energy source.
   b) The baseline energy use, in total annual kBtu, must include all energy sources used by the district campus.[55] This includes, but is not limited to:
      i) Utility-supplied electricity and natural gas, bulk fuels, and thermal imports to the district plant.

[54] OSE may accept the total GFA used for an approved WA CBPS District Campus Decarbonization plan, as long it includes the GFA of all buildings >20,000 SF connected to the district system, and each individual building subtotal is broken out in the BEPS district campus decarbonization compliance plan. The GFA must align with the year used for the baseline energy and emissions. A copy of the approved WA CBPS plan must be included.
[55] Most district campuses should already have this information in ENERGY STAR Portfolio Manager.

ii) Other energy used by buildings on the district campus that are served by the district plant, such as buildings connected to an active (in use) gas or electric utility meter.
iii) Owners may optionally include energy use from other buildings >20,000 SF that are located on and function as part of the district campus but are not served by the district plant.
iv) Delivered fuels used exclusively for emergency back-up at the building level may be excluded.

c) Following the submetering requirements in Section 12.07, baseline energy use may optionally exclude:
i) End-use deductions allowed per 12.06
ii) Energy used by exempted buildings per Section 8
iii) Structures not considered a covered building per SMC 22.925.020
iv) Energy exports not used by the campus, if applicable (e.g., co-generation, following the submetering requirements in 12.07)

d) When calculating baseline emissions, in total kgCO2e, use the emissions factors and rules per Section 12.04**.**

5) **Documentation of baseline GHGI**
a) Provide a calculation of the baseline GHGI of the district campus.
b) The baseline GHGI is the sum of all GHG emissions from the district campus minus the sum of allowed GHG emissions deductions per Section 12.06, divided by the gross floor area of the district campus.

$$\boldsymbol{Baseline\ GHGI}(\boldsymbol{kgCO2e/SF/yr}) = ((\sum GHG\ emissions\ (kgCO2e/yr) - \sum GHG\ deductions\ (kgCO2e/yr))/Gross\ Floor\ Area\ (SF)$$

c) The baseline GHGI may use verified energy benchmarking data from the year 2019 or later that consists of either:
i) Twelve consecutive months of verified energy benchmarking data. The twelve-month period shall run from January 1–December 31 or from July 1–June 30; or
ii) The annual average of twenty-four consecutive months of verified energy benchmarking data. The twenty-four-month period shall run from January 1–December 31 or from July 1–June 30.

6) **Projected Emissions Reductions, Actions and Analysis**
a) Provide the timeline for the projected incremental emission reductions and other milestones key to decarbonizing the district campus that will be achieved and/or reported at each compliance deadline per Table 3, Section 10 (e.g., October 1 of 2033, 2038, etc.).
b) The plan must clearly specify an emissions target or percent reduction in emissions that will be met by either October 1, 2038, or October 1, 2043. (e.g., scope of work and energy efficiency measures by October 1, 2033, energy efficiency measures and projected emissions target or reduction by 2038; projected emissions target or reduction by 2043, net-zero by 2050.)
c) For each compliance interval, detail the measures that will be taken to decarbonize the district campus heating and/or cooling system. This must include projected emissions reductions from the decarbonization measures, and any rationale for relying on any emerging technologies (if planned). Key project steps that are required for

decarbonization (e.g., energy efficiency measures to reduce load, timing of permits, agreements with service providers, or future connected buildings) must be included.

i) If buildings >20,000 SF not served by the district plant but on the "campus" are included in the plan and baseline, include the planned decarbonization measures and timeline for them, if applicable.[56]

d) Include emissions reductions from any improvements completed since the baseline year and estimates of emissions reductions for all planned upgrades.

e) Demonstrate that the timeline and actions for achieving cumulative emission reductions from the baseline GHGI to 2050 will be equal to or greater than the cumulative emissions reductions that would be achieved by meeting the alternate GHGIT method per Section 14.01.

f) Include a summary of known project risks and contingency plans. If applicable, an alternate timeline for the decarbonization measures may be included.

7) Supporting Documentation

a) Names, qualifications, and responsibilities of key staff or contractors managing the plan.

b) Include references to other key related plans or institutional commitments to decarbonization, if applicable (e.g. campus sustainability plan, climate action plan, etc.).

c) All Plans must identify the analytical methods, calculations and calculation software used to determine energy savings, emissions reductions and cumulative emissions reductions over time.

(c) Progress Reports for District Campus Decarbonization Plans

1) The progress report to be submitted at each compliance deadline shall fulfill the reporting obligations of the GHG report in Section 12.01.

2) OSE shall develop administrative guidance for the progress report, but at a minimum the report shall include an update on key project milestones taken on the district plant decarbonization, documentation of the district campus GHGI, report on progress towards meeting the emissions targets, and details about any additional buildings added or planned to connect to the district plant.

(d) Reporting Obligations for District Campus Decarbonization Plans

1) **2027–2030 Compliance Obligations:** In accordance with the deadlines in Table 3, Section 10, a qualified person for the district campus must complete benchmarking verification per Section 11 and submit a GHG report by October 1, 2028.

a) **Apply to Use a District Campus Decarbonization Compliance Plan**: A building owner that wants to use a decarbonization compliance plan must apply with the required documentation per Section 15.04 for approval per the following timeline:

i) A qualified person must submit the application (or application and a draft plan) By October 1, 2028.[57]

ii) OSE will review the applications (and draft plans) in the order received.

[56] These emissions reduction measures may be counted toward the cumulative emission reductions required under this plan.

[57] OSE will also accept an application and a draft plan for review at the same time as early as October 1, 2028.

iii) After approval from OSE, a qualified person shall develop a plan or make modifications as requested to the draft plan.

b) **Submit the District Campus Decarbonization Compliance Plan for Review**: If a draft plan was not already submitted, submit a plan to OSE for review per the following timeline:
   i) By October 1, 2030.
   ii) OSE will review the applications in the order received.
   iii) If the plan is approved by OSE, it shall be considered the final plan. If modifications are required, the qualified person shall make the modifications by April 1, 2031.

2) **2031–2035 Compliance Obligations:** A qualified person for the district campus must:
   a) Complete benchmarking verification by October 1, 2033.
   b) Submit a progress report on the district campus decarbonization project.
   c) Meet the milestone, emissions target or percent emissions reduction specified in the approved plan.
3) **2036–2040 Compliance Obligations:** A qualified person for the district campus must:
   a) Complete benchmarking verification by October 1, 2038.
   b) Submit a progress report on the district campus decarbonization project.
   c) Meet the emissions target or percent emissions reduction specified in the approved plan (if applicable).
4) **2041–2045 Compliance Obligations:** A qualified person for the district campus must:
   a) Complete benchmarking verification by October 1, 2043.
   b) Submit a progress report on the district campus decarbonization project.
   c) Meet the emissions target or percent emissions reduction specified in the approved plan (if applicable).
   d) Provide an update on the expected cumulative emissions reduction.
5) **2046–2050 Compliance Obligations:** A qualified person for the district campus must:
   a) Complete benchmarking verification by October 1, 2048.
   b) Submit a progress report on the district campus decarbonization project.
   c) Meet the emissions target or percent emissions reduction specified in the approved plan (if not already met).
   d) Provide an update on the expected cumulative emissions reduction (if not already met).
6) **Final Report:** If not already submitted and approved, a qualified person for the district campus must submit a final progress report on the district campus decarbonization project as well as provide an update on the required cumulative emissions reduction by October 1, 2050.

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

- A summary of specific changes requested and the rationale for each change.
- The impact on timeline for the district plant decarbonization and cumulative emissions.

- Documentation of input from relevant building decision-makers.
- Any supporting materials necessary to substantiate the reason for the proposed modifications.

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

Section 16. Enforcement and Penalties for Non-Compliance

16.01 Enforcement

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

(a) Failure to Comply

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

1) Failure to comply with the reporting obligations. Examples include:
   a) Failure to submit a benchmarking verification report
   b) Failure to submit a GHG report
   c) Failure to submit documentation required under alternative compliance or a decarbonization compliance plan
2) Inaccurate or incomplete reporting. Examples include:
   a) Failure to report accurate gross square footage or correct building activity type(s)
   b) Failure to document or report accurate end use deductions
   c) Inaccurate GHGI or GHGIT calculations
3) Failure to meet the GHGIT, alternative compliance requirements, or an approved decarbonization compliance plan or district campus plan.

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

(b) Enforcement Grace Periods

Per SMC 22.925.180.C, *the Director may establish grace periods for imposing fines for any class of structure upon a finding that such grace period will facilitate the submission of reports, accurate reporting, compliance with greenhouse gas emissions reduction requirements or otherwise further the purposes of* SMC 22.925.

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

16.02 Penalties

Per SMC 22.925.180.A, penalties shall be imposed 360 days after the compliance deadline. Penalties are issued once per compliance interval pursuant to the compliance schedule in Table B of 22.925.060 (not annually).[58]

(a) Failure to comply

Penalties for failure to comply per SMC 22.925.180.A are as follows:

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

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

Owners of covered buildings using the building portfolio, district campus or connected buildings compliance options will be fined as follows:

1) For failure to report and for inaccurate or incomplete reporting owners will be assessed a fine based on the size of each individual building.
2) For failure to meet GHGIT (or meet an alternative compliance option) owners will be assessed a fine based on the total gross floor area of all buildings greater than 20,000 square feet in the building portfolio, district campus or connected buildings, and prorated by square foot if there are multiple owners of a district campus or connected buildings.

[58] For example, the owner of a building over 220,000 square feet could be fined for failing to report (benchmarking verification and GHG reports) in 2027, and for failing to report and/or failure to meet the GHGIT in 2031, 2036, 2041, and 2046. The owner of a building or campus utilizing a decarbonization compliance plan could be fined for failing to report (benchmarking verification and GHG reports) in 2028, and for failing to report and/or for failing to meet the dates and milestones in their approved plan.

(b) Tenant Obligations and Penalties

Per SMC 22.925.130.B, *Unless otherwise restricted by state or city regulations, tenants shall allow building owners access to mechanical systems and utility information as necessary to comply* with SMC 22.925.

Per SMC 22.925.180.B, *If the Director determines that a tenant has failed to allow access to mechanical systems or to provide utility information to a building owner as required under Section 22.925.130, the Director may impose a fine on the tenant as follows:*

Table 8: Tenant Penalties Overview		
Gross floor area of tenant's space	**Building Category**	**Penalty**
Greater than 20,000 square feet	Nonresidential buildings	$10.00/SF
	Multifamily buildings	$7.50/SF
	Low-income or low-rent housing	$2.50/SF
Greater than or equal to 5,000 square feet but not more than 20,000 square feet	All buildings	$2,500
Less than 5,000 square feet	All buildings	$500

(c) Penalty Adjustments

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

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

(d) Revenue Expenditures

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

Appendix A: Building Activity Type Classifications

Table 9 shows the 2024 ENERGY STAR Portfolio Manager property types (property uses) that correspond to each of the BEPS building activity types. In determining an ENERGY STAR Portfolio Manager property type, the definitions published by ENERGY STAR Portfolio Manager shall be followed, unless otherwise instructed in the Energy Benchmarking and Reporting or BEPS Director's Rules. If ENERGY STAR Portfolio Manager updates the property types listed in Table 9, the Office of Sustainability & Environment may update Table 9 to reflect those changes in future rules, BEPS compliance guidance documents, and in any reporting tools.

Table 9: ENERGY STAR Portfolio Manager Property Types (Property Uses) Mapped to BEPS Building Activity Types

Portfolio Manager Property Types[59] (as of October 2024)	**BEPS Building Activity Types**
Adult Education	Other
Ambulatory Surgical Center	Hospital
Aquarium	Museum
Bank Branch	Retail Store
Bar/Nightclub	Restaurant
Barracks	Other
Bowling Alley	Other
Casino	Other
College/University	College/University
Convenience Store with Gas Station	Other
Convenience Store without Gas Station	Other
Convention Center	Entertainment/Public Assembly
Courthouse	Other
Data Center	Data Center
Distribution Center	Non-Refrigerated Warehouse
Drinking Water Treatment & Distribution	No Target (Exempt from BEPS)
Enclosed Mall	Retail Store
Energy/Power Station	Other
Fast Food Restaurant	Restaurant
Financial Office	Office
Fire Station	Fire/Police Station
Fitness Center/Health Club/Gym	Recreation
Food Sales	Supermarket/Grocery Store
Food Service	Restaurant
Hospital (General Medical & Surgical)	Hospital
Hotel	Hotel
Ice/Curling Rink	Other
Indoor Arena	Other
K-12 School	K-12 School
Laboratory	Laboratory

[59] List of Portfolio Manager Property Types, Definitions, and Use Details | ENERGY STAR

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

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