

TOP 10

Answers to Your Questions
about DC's Building Energy
Performance Standards



The Shifting Energy Environment

While national debates persist about climate change, regulatory controls and energy standards, the regulatory environment is in fact changing in states, cities and municipalities all across the country. Companies who remain abreast of changes can forestall challenges.

In MD Energy Advisors own back yard, the District of Columbia has instituted new regulations that will impact building owners, managers, engineers, property management firms and more. The Building Energy Performance Standards (BEPS), which were passed into law by the District of Columbia Council in March 2021, are a new regulatory tool that the District will use to help meet its green building and climate goals between now and **2032**.

Based on the District's Clean Energy DC Plan to make the city more sustainable and equitable, the standards outline actions that need to be taken, by both private industry and the District government in the District's buildings, energy infrastructure and transportation system to meet the city's greenhouse gas (GHG) reduction targets. Since buildings account for **73%** of the District's GHG emissions, reducing the amount of energy used in buildings is central to the city's climate goals. The District is using three strategies to achieve its GHG reductions:

- Energy efficient building design and operations for both new construction and existing buildings;
- Modernized and renewable energy supply, shifting the District's grid away from the use of fossil fuels and maximizing local renewable energy generation; and
- Transportation electrification and mode share changes.



There's a wealth of information available about these strategies and regulatory changes.

MD Energy Advisors is here to help you sift through it all and develop a plan that makes sense for you. As one of our first steps, we've compiled a list of the Top 10 questions and answers about DC BEPS, based upon data and information made available by the Building Innovation Hub (BIH) and the District Department of Energy and Environment (DOEE), who work collaboratively to lead educational, engagement and enforcement efforts for the District.

We share not only these important answers, we also offer our insights into what you should be doing now. [Here's our Top 10:](#)

1 What is a building performance energy standard?

Let's start with the basics. A Building Energy Performance Standard sets a minimum threshold for the energy performance of existing buildings. These standards are based on and measured against the building's energy performance, as demonstrated in its benchmarking data.

In the District of Columbia, large building owners ($\geq 50,000$ sq. ft. for privately-owned buildings and $\geq 10,000$ sq. ft. for District-owned properties) have been benchmarking their energy and water performance for close to a decade. This information is reported to the Department of Energy & Environment on an



annual basis using a free, online platform called ENERGY STAR Portfolio Manager. Under BEPS, the District aggregates individual building performance information per property type to establish a standard for buildings to meet. Buildings that do not meet the standard for their property type are required to improve their performance over the course of a compliance period and demonstrate their improvements.

The District of Columbia has trended ahead of national curves in adapting energy requirements and implementing ENERGY STAR ratings, therefore, your building may already be required to meet energy standards. In March 2021, these standards were updated as BEPS went into law. It's important that you know how these changes impact your building's compliance and management.

2 How do I know if BEPS applies to my building(s)?

BEPS builds on the District's previous benchmarking program.

If you were already mandated to benchmark your property, the BEPS program applies to your building. The first BEPS period will apply to private buildings larger than 50,000 sq. ft. and DC-owned buildings larger than 10,000 sq. ft.

Starting on **April 1, 2022**, all privately-owned buildings over 25,000 sq. ft. will be required to benchmark (starting with calendar year 2021 data). Starting on April 1, 2025, all privately-



owned buildings over 10,000 sq. ft. will be required to benchmark (starting with calendar year 2024 data).

What's important to note for planning now and into the future is that the benchmarking program will roll down in square footage over time. Buildings will be added to the BEPS program in three phases until all buildings 10,000 sq. ft. or larger are required to comply with BEPS:

- BEPS 1: Private buildings $\geq 50,000$ sq. ft. and DC-owned $\geq 10,000$ sq. ft.;
- BEPS 2: Private buildings $\geq 25,000$ sq. ft. and DC-owned $\geq 10,000$ sq. ft.; and
- BEPS 3: Private buildings and DC-owned $\geq 10,000$ sq. ft.

3 What is the timeline for the first cycle of BEPS?

The first compliance cycle, termed BEPS 1, will begin in 2021 and end in 2027. If your building is performing above the standard for your property type, you are not required to take action under BEPS. However, it's important to note that you are still required to benchmark your building annually under separate, but related, legislation. If your building is performing below the standard for your property type, you will be required to take action during the BEPS 1 compliance cycle.



Under-performing buildings will have to improve performance during BEPS cycle 1 and demonstrate their improvement through benchmarking at the end (in 2027). During the 6-year timeframe, building owners of under-performing buildings will have five years to improve their building's performance and must then demonstrate those improvements through a full calendar year of benchmarking data.

There's a variety of energy efficiency solutions for every building type. Energy efficiency not only protects the environment and promotes sustainability, it reduces cost expenditures. Start thinking about [customized energy solutions for your building](#), now.

4 What if I just built a new building, am I required to comply with BEPS?

Here's the thing: A new building becomes an existing building as soon as it's built. Therefore, you are required to comply with BEPS, per the guidelines. If you are required to benchmark (see answer #1) you must begin benchmarking your building starting the calendar year after receiving your Certificate of Occupancy; and once a full calendar year of utility data can be collected. After a full calendar year of benchmarking data has been reported, a new building will be required to meet the standard at the beginning of the next BEPS period.



The Building Innovation Hub has created a helpful resource, entitled: [“Where DC’s Building Code Meets BEPS”](#) for information about how buildings built under the District’s new code fare against the BEPS requirements.

5 How will BEPS affect older & historic landmark buildings?

The District of Columbia is world renowned for its architectural landmarks and historical buildings. The District DOEE has always taken an inclusive view of these buildings when implementing energy standards and operated from the viewpoint that sustainability and green building design are not at odds with those of historic preservation.

Moreover, data demonstrates that historic buildings are often more energy efficient than modern construction. There are many elements, commonly related to lighting, insulation, heating and cooling that we find in older buildings, especially those constructed prior to 1940 that make them more energy efficient. **Also, keep in mind that building systems and components, such as HVAC and lighting that do not contribute to the historic character of a building, may be updated without triggering historic review.**

The District’s Office of Planning’s [Sustainability Guidelines for Older and Historic Buildings](#) provides details and guidance related to BEPS.

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What are the penalties for noncompliance?

Buildings that do not meet the standard for any BEPS period will be required to improve performance during the subsequent compliance cycle. The building owner has until the end of the cycle to bring their building into compliance following one of the compliance pathways available.

The District Department of Energy & Environment has proposed maximum penalties as a part of its rules process. The proposed penalties can be found on the [District's website](#), which overviews municipal regulations. The rules allow for fines up to \$7.5 million.

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Where can I find information about the specific rules for compliance and how to do so?

On December 4, 2020, the [DC Register](#) published the proposed Building Energy Performance Standards (BEPS) and updated benchmarking rules. Additionally, the 2021 Building Energy Performance Standards have been established and posted in the DC Register, effective January 1, 2021. The rules were finalized

following the public comment period in March 2021. **At any time, you can find rules regarding compliance on the DC Register.**

8 What can/should I do right now?

Our work with clients provides us with in-depth knowledge about the time and process involved in enhancing your building's energy solutions. If you've not previously undertaken this process, you must consider that fundamental to this work is data and an understanding of your building's energy performance. **Be sure you know your building's ENERGY STAR score and compare it to the 2021 Building Energy Performance Standards to see if your building meets the standard for your property type.** If you don't know how your building is performing, you can check on the District's public disclosure website.

From there, you and your team should strategically evaluate available options, assess expenditures, prepare for permitting processes and begin to make the necessary hires to do improvements and generate the record of improved performance that you will need to get full credit for them.

You need a thoughtful, strategic approach to improve your building's energy performance as soon as possible. To support you in the process, here are several [MD Energy Advisors' case studies](#) you can learn from.

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What incentives or assistance is available in the compliance process?

Currently, a building owner can access rebates and incentives or request technical assistance from the [DC Sustainable Energy Utility](#) (DCSEU). Additionally, the Building Innovation Hub has developed a funding and financing map that presents the financial incentives available to assist the District's building owners in improving building performance. DOEE also provides tools and resources. The Department produces scorecards that rank a building's energy performance against similar property types and provides a high-level estimate of potential cost savings.

MD Energy Advisors' energy efficiency experts are at the ready to provide you with advice. Reach us at BEPS@mdenergyadvisors.com or call [410.779.9644](tel:410.779.9644) x. 3 to learn more about BEPS.

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How do I stay informed and engaged?

Knowledge combined with action is power. Stay informed and engaged by:

- Signing up for the Building Innovation Hub and DOEE's newsletters; and
- [Contacting MD Energy Advisors](#) for expert advice and more insights.



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