

# Codifying Building Performance – DC BEPS

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Washington DC's Building Energy Performance Standard ([BEPS](#)), with fines as high as \$7.5 million, is active and expected to make waves in the commercial real estate market.

The BEPS policy is defined within the CleanEnergy DC Omnibus Amendment of 2018 ([CEDC Act](#)) and is part of a new category of energy policy referred to as a Building Performance Standard (BPS). A BPS enables cities to influence long-term energy and environmental impacts of buildings by regulating operational energy in addition to design and construction. This allows localities to influence buildings well into their life-cycle in order to mitigate greenhouse gas emissions.

DC's policy harnesses the extensive energy data available from the [Benchmarking](#) law which has been in effect since 2013. The CEDC Act mandates the development of median property type Standards using this benchmarking data. These Standards serve as the minimum threshold of energy performance for the first cycle of BEPS and become a moving target in subsequent cycles. This will continue to become more stringent as the efficiency of the building stock improves

## Compliance Cycles & Eligibility

The DC BEPS is divided into three compliance cycles. The first cycle went into effect on January 1st, 2021. Each cycle is comprised of a planning & implementation phase, an evaluation period and a "gap year" for enforcement. The cycles and eligibility are as follows:

- **Cycle #1** (began 1/1/2021): Private Buildings  $\geq 50k$  sqft, Public  $\geq 10k$  sqft
- **Cycle #2** (begins 1/1/2027): Private Buildings  $\geq 25k$  sqft
- **Cycle #3** (begins 1/1/2033): All Buildings  $\geq 10k$  sqft

## Compliance Paths

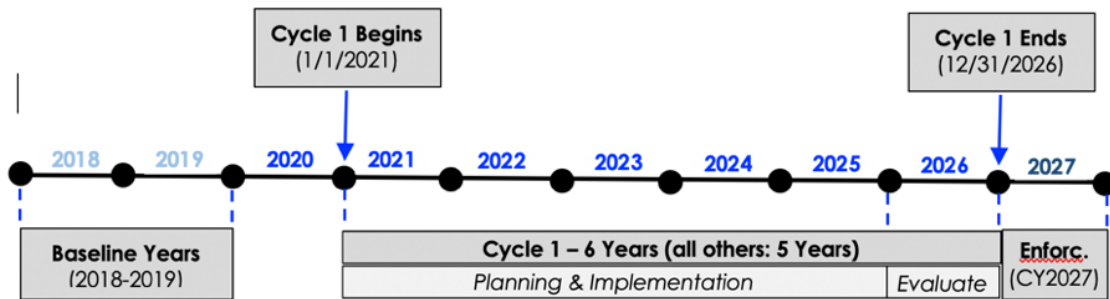
The BEPS policy defines three (3) primary compliance paths in addition to multiple alternative compliance methods. All are configured to be flexible and encompass the diverse nature of the existing building stock. Primary compliance (see Table 1) includes two performance-based options where projects must demonstrate verified energy savings and one prescriptive option that is action-based and achieved by hitting specific process milestones and benchmarks. The prescriptive path provides the lowest risk, but the least flexibility whereas the performance paths trade off more flexibility for higher risk.

**Table 1: BEPS Compliance Paths**

| Path            | Eligible Property Types                  | Evaluation  | Compliance Target                            |
|-----------------|--|-------------|--|
| Performance     | All                                      | Performance | 20% Site EUI reduction                       |
| Prescriptive    | All                                      | Action      | Satisfy process benchmarks                   |
| Standard Target | Property types with DC standard $>50$ ES | Performance | Exceed EnergyStar Standard for property Type |

## Cycle #1 Timeline

The Cycle #1 timeline has been extended one year for COVID-19 and now follows a six-year cycle plus an enforcement year. The standard timeline is defined in the figure below though there are multiple intermediate deadlines that vary based on the compliance path.



## Non-Compliance Penalties

Non-compliance or failure to hit specific timeline benchmarks will result in significant financial penalties to the property owners:

### **Alternative Compliance Penalty**

Max Penalty: **\$10/GSF (\$7.5M cap)**

Fines are adjustment proportionally based on actual performance

### **Civil Penalties**

\$500 - \$1,000 per offense or failure to submit

## Next Steps & Deadlines

**4/1/2023** - Pathway Selection Form Due

**4/1/2023** - Energy Audit (Prescriptive Only)

**4/1/2024** - Action Plan (Prescriptive Only)

**4/1/2026** - Implementation Report (Prescriptive Only)

**CY2026** - Evaluation Year

**12/31/2026** - End of Cycle #1

**4/1/2027** - Completion Action Report & Benchmarking Report

## Conclusion

BEPS is a very navigable policy written with enough flexibility to provide building owners a clear picture of expectations and goals. Proper planning and attention will make this a very manageable process for the average building, but inaction will yield significant financial penalties.

Policy-driven mandates often get a bad rap, but are actually an extremely effective tool to raise the bar and change an industry when drastic changes are imperative. BEPS will present it's share of challenges but will ultimately help us focus our efforts on our the largely untouched existing building stock and help us take that next giant leap forward in our pursuit of ambitious climate goals.

The [Building Innovation Hub](#) is a great resource for additional information on BEPS, financial incentives, and other happenings in local building industry