

SENATE BILL REPORT

SB 5514

As of February 10, 2025

Title: An act relating to increasing compliance pathways for the clean buildings performance standard with alternative metrics and extensions for reporting.

Brief Description: Increasing compliance pathways for the clean buildings performance standard.

Sponsors: Senators Shewmake, Krishnadasan and Nobles; by request of Department of Commerce.

Brief History:

Committee Activity: Environment, Energy & Technology: 2/12/25.

Brief Summary of Bill

- Authorizes the Department of Commerce (Commerce) to adopt additional compliance pathways to comply with the State Energy Performance Standard (Standard) by meeting an alternative metric, rather than the energy use intensity target.
- Authorizes Commerce to approve extensions for covered buildings to comply with the Standard in certain circumstances and adds an exemption for extenuating circumstances approved by Commerce.
- Requires gas and electric utilities to provide energy consumption data to all buildings under the Standard, instead of only large commercial buildings.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

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Background: State Energy Performance Standard. The State Energy Performance

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Standard (Standard), often referred to as the Clean Buildings Performance Standard, requires the Department of Commerce (Commerce) to establish rules for energy performance standards for covered buildings, to collect data on compliance, and report on outcomes. The Standard seeks to maximize reductions in greenhouse gas emissions from the building sector.

The Standard includes energy use intensity targets by building type. The energy use intensity targets are no greater than the average energy use intensity of a building type and must consider regional and local building energy use data. The Standard must also allow a conditional compliance method that includes investment criteria to ensure energy efficiency measures, identified through energy audits, are being implemented to meet the targets.

Commerce may impose penalties on building owners for failing to demonstrate compliance with the Standard.

Covered Buildings under the Standard. There are two types of covered buildings:

- tier 1 covered buildings include existing buildings where the sum of nonresidential, hotel, motel, and dormitory floor areas exceeds 50,000 gross square feet, excluding the parking garage area; and
- tier 2 covered buildings include multifamily residential, nonresidential, hotel, motel, and dormitory floor areas that are greater than 20,000 square feet and less than 50,000 square feet, excluding the parking garage area. Tier 2 buildings also include multifamily residential buildings where the floor areas are equal to or greater than 50,000 square feet, excluding the parking garage area.

Tier 1 buildings must comply with the Standard, and the tiered compliance and reporting begins June 2026 for buildings greater than 220,000 square feet.

All Tier 2 buildings must report on benchmarking, implementation of energy management plans, and operations and maintenance programs; they are not currently responsible for complying with the energy use intensity targets. Reporting for tier 2 buildings begins by July 1, 2027.

Exemptions from the Standard. The owner of a covered building is exempt from the Standard if the building:

- did not have a certificate of occupancy or a temporary certificate of occupancy for a year before the compliance schedule;
- did not have an average occupancy of at least 50 percent throughout the calendar year before the compliance schedule;
- contains conditioned space which is less than 50,000 square feet;
- is primarily used for manufacturing or industry;
- is an agricultural structure; or
- meets certain conditions of financial hardship.

For buildings that are listed on state or national historic registers or designated as historic under local or state law, no individual energy efficiency requirement must be met that would compromise the historical integrity of the building.

Utility Requirement to Provide Energy Consumption Data. All electric and gas utilities serving less than 25,000 customers in the state must either upload a covered commercial building's energy consumption data to the United States Environment Protection Agency (EPA) Energy Star Portfolio Manager or provide building owners with the consumption data. These utilities must provide building owners with monthly energy consumption data to benchmark the building. For buildings with three or more tenants, utilities must provide this data without requiring prior consent from tenants.

Summary of Bill: Alternative Metric. Commerce may adopt additional compliance pathways for building owners to comply with the Standard by meeting an alternative metric, rather than the energy use intensity target. Commerce may develop alternative metric targets related to energy use and greenhouse gas emissions if alternative metrics are included in the ANSI/ASHRAE/IES Standard 100-2018 or subsequent versions. Alternative metrics apply in most instances in lieu of energy use intensity targets, except alternative metrics do not apply to the early adoption incentive program.

Exemption from the Standard. A covered building is exempt from meeting the Standard if extenuating conditions exist, including when meeting the Standard would impair national security interests. The conditions must be approved by Commerce prior to the building's reporting date.

Extension to the Standard. Covered buildings may apply to Commerce for an extension no earlier than six months before and up to six months after the building's compliance date. Commerce may approve extension requests for conditions including conditions beyond the control of the building owner.

Additional Changes to the Standard. Commerce may adopt by rule a subsequent version of the ANSI/ASHRAE/IES Standard 100 as its model for standard development. The term "covered commercial building" is changed to "covered building" throughout the chapter.

Utility Requirement to Provide Energy Consumption Data. Gas and electric utilities that must provide consumption data to the EPA or building owners for very large buildings must now also provide that data for tier 2 buildings. The utilities must provide building owners with monthly energy consumption data to benchmark the building without requiring prior consent from tenants.

Appropriation: None.

Fiscal Note: Requested on February 8, 2025.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.