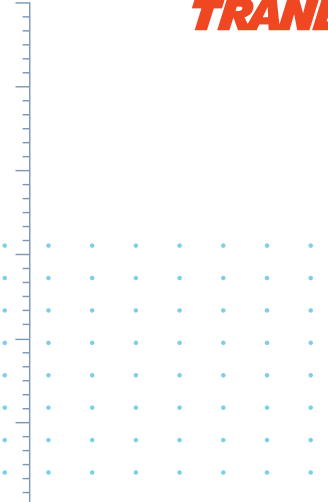


Washington Clean Buildings Performance Standard Overview



Commercial building owners throughout Washington State face rising pressures to reduce greenhouse gas emissions in the face of the Clean Buildings Performance Standard¹ and subsequent expansion bill of 2022. The bill requires owners of existing buildings to conform to state-mandated energy use intensity targets, or if they cannot, implement energy efficiency measures or face fines. The first of the deadlines for meeting the mandates are less than two years away.

Who does the Clean Buildings Performance Standard impact?

Owner of existing buildings that are 20,000 sqft and larger. All these building owners need to benchmark their energy consumption, create an energy management plan, and an operations and maintenance plan. Buildings are categorized into two main categories referred to as Tier 1 and Tier 2.

- **Tier 1** Buildings are existing commercial (non-residential) buildings whose floor area exceeds 50,000 gross square feet (excluding parking). Compliance reporting for Tier 1 buildings begins in **June 2026** for buildings larger than 220,000 square feet.
- **Tier 2** Buildings are existing residential buildings or commercial buildings smaller than 50,000 square feet.

Compliance Reporting Schedule

Compliance and reporting for Tier 1 buildings begins June 2026 for buildings greater than 220,000 square feet. Campuses can get an exemption from their Tier 1 target if the university is implementing a decarbonization plan. Tier 2 buildings must report on benchmarking, energy management plans, and operations and maintenance programs by July 1, 2027.

	June 1 2026	June 1 2027	June 2028
Tier 1	> 220,000 sq. ft.	> 90,000 sq. ft. but less than 220,001 sq. ft.	> 50,000 sq. ft. but less than 90,001 sq. ft.

	July 1 2027
Tier 2	> 20,000 - < 50,001 sq. ft.* <small>*includes all multifamily > than 20,000 sq. ft.</small>

More detailed information on deadlines, requirements and exemptions can be found at the [Washington State Department of Commerce](#).

How do I ensure my building(s) comply with the Clean Buildings Performance Standard requirements?

Understanding and navigating the new limits introduced as part of the Clean Buildings Performance Standard can be overwhelming and stressful for building owners. Each journey toward compliance may look different but rest assured, the right partner will meet you at any point. The Building Performance Standard mandates require 4 basic steps:

- 1** Building audit & benchmarking
- 2** Develop energy management plan and/or operations & maintenance program*
*Often must be completed 12 mo before reporting
- 3** Execute project
While meeting related incentive program requirements
- 4** Finish project, measurement & verification improvements

Trane® is ready to partner with you and help in your journey towards compliance.

Repeat every 5 years until building = Net-Zero

Taking Action

How Is Washington State promoting decarbonization and energy efficiency?

Washington State is taking significant steps to promote decarbonization and energy efficiency among commercial and industrial customers. Through various programs such as electrification, energy efficiency, and demand response, utility companies have awarded over four billion in incentives. Washington State stands out as a major contributor to this funding, with an average annual allocation of \$140 million in incentives from leading local utilities like Puget Sound Energy (PSE), City of Seattle, and Avista Corp. These collaborations allow Trane to assist our clients in accessing a variety of available incentives, which can amount to substantial savings. Coupled with our depth and breadth of expertise, backgrounds, and perspectives to both innovate new technologies and individualize solutions, we are committed to getting it right for our customers today and the world tomorrow.

Where do I begin?

Building owners looking to comply with the Washington State Building Performance Standards should begin by conducting a thorough energy audit of their properties. This audit will help identify current energy usage patterns, inefficiencies, and potential areas for improvement. Understanding the specific requirements of the WA standards is crucial, so reviewing the guidelines and setting clear, achievable goals is essential. Engaging with experienced energy consultants or service providers can provide valuable insights and recommendations tailored to your building's needs. By taking these initial steps, building owners can create a strategic plan to enhance energy efficiency, reduce emissions, and ensure compliance with state regulations. Trane® offers several alternative procurement pathways to ensure speed, transparency, and efficiency toward your compliance needs including a long standing partnership with Omnia partners (a public purchasing network) and as a qualified and authorized WA State Dept. of Enterprise Services (DES) energy services company under the DES ESPC program.

How can Trane help?

Trane is a global leader in air conditioning systems, services, and solutions. We offer comprehensive support to building owners striving for compliance with the Washington State Building Performance Standards through our robust services and unparalleled expertise. Our offerings include:

- **Detailed energy audits**
- **Advanced HVAC solutions**
- **State-of-the-art building automation systems designed to optimize energy efficiency**
- **Tailored energy management strategies**
- **Continuous monitoring, and maintenance services to ensure sustained performance improvements**

Trane can also provide comprehensive solutions for lighting, water conservation and management strategies, building envelope improvements, and alternative energy strategies, including solar and other renewable energy sources. Our team of seasoned professionals brings deep industry knowledge and a proven track record of helping buildings meet and exceed regulatory requirements. By collaborating with Trane, building owners gain access to innovative technologies and customized solutions that not only can help in their journey towards compliance but also help with operational efficiency and reducing costs.

How will I fund these improvements?

Compliance with the Clean Buildings Performance Standard will require careful planning, and securing funding may be an important part of achieving the desired outcomes. While local utility and rebate programs continue to provide performance-based funding, the Inflation Reduction Act (IRA) remains a valuable resource for federal incentives related to building retrofits.

Signed into law on August 16, 2022, the IRA represents a significant investment in clean energy^{2,3}. It offers a variety of clean energy tax credits designed to help alleviate the financial burden on building owners. These credits include base tax credits, with the possibility of additional bonus credits for qualifying projects.

While there may be some shifts in funding availability due to policy changes, the IRA continues to be a key resource for those seeking financial support for retrofitting projects. For the most up-to-date information on available funding and incentives, please reach out to your Trane Commercial Contact or explore the following resource:

- **[Trane Commercial: Legislation and Incentives Resource Center](#)**

Trane will work with you to navigate, plan, and develop a solution that's right for your building. We honor the legacy we've created and build on it by making buildings safer, more comfortable, and more cost-effective. Now, and for generations to come. **[Start planning today!](#)**

Disclaimer: *Trane does not provide tax, legal, or accounting advice. This material is for informational purposes only and it should not be relied on for tax, legal, or accounting advice. Tax law is subject to continual change. All decisions are your responsibility, and you should consult your own tax, legal, and accounting advisors. Trane disclaims any responsibility for actions taken on the material presented.*

1. <https://www.commerce.wa.gov/cbps/>

2. https://www.epa.gov/system/files/documents/2022-12/12%2009%202022_OAR%20IRA%20Overview_vPublic.pdf

3. <https://www.dol.gov/agencies/whd/IRA>



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Trane – by Trane Technologies (NYSE: TT), a global climate innovator – creates comfortable, energy efficient indoor environments through a broad portfolio of heating, ventilating and air conditioning systems and controls, services, parts and supply. For more information, please visit trane.com or tranetechnologies.com.

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