Oregon Building Performance Standard

Frequently Asked Questions

In December 2024, the Oregon Department of Energy adopted rules specifying a <u>Building Performance Standard</u> (BPS), as directed by House Bill 3409 (2023). The standards are effective as of January 1, 2025, and compliance will be required at the earliest by 2028, although covered building owners may need to take action now to ensure they are prepared for compliance.

FAQs

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What buildings need to comply with BPS?

BPS reporting is divided into two tiers, Tier 1 and Tier 2:

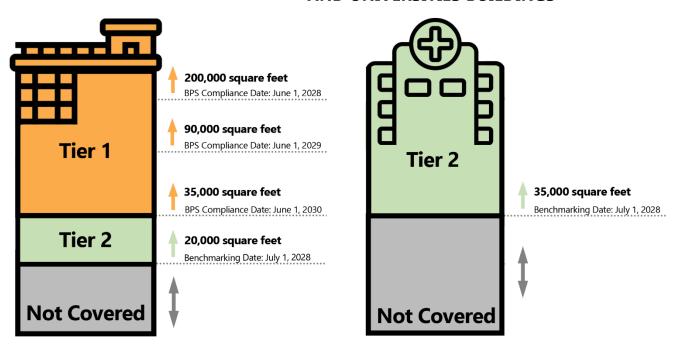
- Tier 1 means a building in which the sum of gross floor area for hotel, motel and nonresidential use equals or exceeds 35,000 square feet, excluding any parking garage.
- Tier 2 means:
 - a building with gross floor area, excluding any parking garage, that equals or exceeds 35,000 square feet and that is used as a multifamily residential building, a hospital, a school, a dormitory or a university building; or
 - Tier 2 means a building in which the sum of gross floor area for hotel, motel and nonresidential use exceeds 20,000 square feet but does not exceed 35,000 square feet, excluding any parking garage.



Please see the diagram below for more information:

NON-RESIDENTIAL, HOTELS, AND MOTELS

MULTIFAMILY RESIDENTIAL, HOSPITALS, SCHOOLS, DORMITORIES, AND UNIVERSITIES BUILDINGS



What are my reporting and compliance requirements?

Tier 1 and Tier 2 buildings have different BPS reporting and compliance requirements, as laid out in the table below.

	Tier 1	Tier 2
Form A: Application	Required for non-exempt buildings with their own energy metering	Required
Form G: Grouped Building Application	Required for non-exempt buildings with shared energy metering	N/A
Operations & Maintenance Plan (O&M)	Required	Not Required
Energy and Emissions Management Plan (EMP)	Required	Not Required
Form B: Building EUI Target	Required	Required
Form C: Calculation of EUI	Required	Required
Form D: Decarbonization Plan	Required for campuses with district heating or cooling	Not required



	that utilize the	
	Decarbonization Plan path	
Form E: Energy Audit	If EUI > EUI target and	
	building seeking conditional	Not required
	compliance or Investment	Not required
	Criteria pathway	
File Form L: Life Cycle Cost Assessment	Required for buildings using	
	the Investment Criteria	Not required
	pathway in Appendix X	
Form H: Historic Buildings	Only for historic buildings,	Only for historic buildings,
	not an exemption	not an exemption
Form X: Exemptions	Potential exemptions for:	
	no certificate of occupancy,	
	low occupancy,	
	unconditioned	
	or semi-heated spaces,	N/A
	manufacturing or industrial	
	facilities, agricultural	
	facilities,	
	or financial hardship	

What are my deadlines?

Compliance deadlines span from 2028 to 2030, depending on the building's Tier and square footage.

- Tier 1 building reporting deadlines span from June 1, 2028 to June 1, 2030, depending on the building's size.
- Tier 2 building reporting deadline is July 1, 2028.

Buildings should use <u>EnergyStar Portfolio Manager</u> and begin tracking data from their utility bills. Tier 1 buildings, in particular, should start collecting and evaluating utility data now, since owners need to know if their building is not meeting its EUI target and more work must be done in advance of the deadlines.

What if I think I'm exempt from this regulation?

There are exemption criteria for:

- Low building occupancy
- Unconditioned or semi-heated spaces
- Industrial or manufacturing facilities
- Agricultural facilities
- Financial hardship

Exempt buildings are still covered buildings, but do not need to meet the BPS requirements for that compliance cycle. A building owner must apply to and receive approval from ODOE in order to be exempt. A



building can also file as a Historic Building, but this does not mean the building is exempt from other BPS requirements.

Even if you think your building is exempt, the *Form X: Exemption Application* must be submitted to ODOE through the BPS portal. Note that ODOE reviews exemption applications before granting a building exemption.

How will I know if my building must meet BPS requirements?

ODOE is required to reach out to building owners with BPS requirements by July 2025. ODOE will attempt to contact as many building owners as possible using the addresses on file with county assessor offices. However, ODOE's list of buildings with BPS requirements will not be exhaustive. This means that even if ODOE does not contact you, you may still be required to comply with BPS requirements and be responsible for any civil penalties and fines that may occur due to not filing on time.

What kind of penalties could I be responsible for?

If you fail to complete reporting for a Tier 1 building, you could be liable for a civil penalty of up to \$5,000 plus up to \$1 per square foot per year. If you do report your Tier 1 data but are **not** in compliance with the EUI targets for your building, a penalty of up to \$1,500 plus up to \$0.20 per square foot per year could be assessed. First and second warnings are given before any fines are assessed.

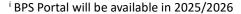
There are currently no Tier 2 penalties.

Who is responsible for filing out these forms

Ultimately, the building owner is responsible for filing all required BPS forms. The building owner can designate this work to a building or facility manager or other trusted associate, but the building owner is still liable for any penalties for non-filing or non-compliance.

I've never filed these types of forms before, what should I do?

ODOE will provide templates for the majority of the forms required. It is our hope that part of the program's incentive funding will be used to help building owners create energy management and operations & maintenance plans and file the necessary documentation for BPS compliance.





Are there incentives? How do I know if I qualify?

There is approximately \$14 million available for BPS incentives, but the incentive program is still under development. The incentive funds available, and how they can be spent, are as follows:

- The state's general fund provides \$2 million for incentive funds. These funds can only be used for buildings whose EUIs are at least 15 points higher (worse) than their BPS EUI target. If applicable, a Tier 1 building owner may be eligible for up to \$0.85 per square foot, and a Tier 2 building may be eligible for up to \$0.35 per square foot.
- The remaining \$12 million in BPS funds comes from a Climate Pollution Reduction Grant. These funds can *only* be used for direct emission reductions, such as helping pay for equipment and envelope upgrades and improvements.

The development of incentive allowances will undergo a <u>formal rulemaking process</u> and there will be opportunity for public review and comment. Updates about the incentive plan and its development are posted on the <u>BPS website</u> and will be included in any future BPS newsletters (sign up to receive BPS newsletters and email updates <u>here</u>).

BPS Incentives

Total Funds \$14M

\$2M from HB 3409

Restrictions

- Property must be 15 EUI worse than target
- Up to \$0.85/sqft available for Tier 1
- Up to \$0.35/sqft available for Tier 2

Opportunities (draft concept)

Funding can be used to secure strategic energy management (SEM) trainings and materials

~\$12M from CPRG

- Funding must be used for direct energy reduction (i.e. equipment)
- Incentives up to \$250,000 per project

Funding can be used for upgrades, improvements, and new equipment

ⁱⁱ As of January 2025, ODOE is actively reviewing recent presidential executive orders on federal funding and how they may affect programs in Oregon.

