



Washington State
Department of
Commerce

We strengthen communities

Early Adopter Incentive Guidelines: Tier 1 Buildings

CLEAN BUILDINGS PROGRAM

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Glossary

Building Improvement Plan: A summary of proposed Energy Efficiency Measures (EEMs) demonstrating a path to future energy use intensity (EUI) equal to or less than the energy use intensity target (EUI_t) established by the Clean Buildings Performance Standard. Includes, EUI, EUI_t, a timeline of the EEM implementation and expected completion date, projected EUI_t reporting date, total EEM project cost, and EUI reduction calculation table. See exhibit B.

Clean Buildings Performance Standard: [WAC 194-50](#), ANSI/ASHRAE/IES Standard 100-2018 Energy Efficiency in Existing Buildings adopted by the Washington State Department of Commerce according to [RCW 19.27A.200](#), [19.27A.210](#) and [19.27A.220](#). This standard has been adopted by reference and modified to implement the requirements for covered commercial buildings as directed by the Washington State Legislature.

Contractor: Any non-state entity hired by the applicant or grantee to perform work on the proposed project, including but not limited to energy audits, engineering, project management, construction, installation, or demolition.

Covered commercial building: A building where the sum of nonresidential, hotel, motel and dormitory floor areas exceeds 50,000 gross square feet (sq. ft.), excluding the parking garage area.

EEMs: Energy efficiency measures.

Energy Star Portfolio Manager (ESPM): The Environmental Protection Agency (EPA) created [ENERGY STAR Portfolio Manager](#)[®], an online tool you can use to measure and track energy and water consumption, as well as greenhouse gas emissions. Use it to benchmark the performance of one building or a whole portfolio of buildings, all in a secure online environment. ** Internet Explorer is not supported by Portfolio Manager.*

Energy Star Portfolio Manager ID (ESPM ID): Issued by Energy Star Portfolio Manager for each building registered in the Energy Star Portfolio Manager online tool.

Energy use intensity (EUI): A measurement that normalizes a building's site energy use relative to its size. A building's energy use intensity is calculated by dividing the total net energy consumed in one year by the gross floor area of the building, excluding the parking garage. "Energy use intensity" is reported as a value of a thousand British thermal units per sq. ft. per year.

Energy use intensity target (EUI_t): Energy use intensity target (EUI_t) means the target for net energy use intensity of a covered building. The energy use intensity (EUI_t) compliance standard of a covered commercial building that has been established to comply with the standard

Gross floor area: The total number of sq. ft. measured between the exterior surfaces of the enclosing fixed walls of a building, including all supporting functions such as offices, lobbies, restrooms, equipment, storage areas, mechanical rooms, break rooms and elevator shafts. Gross floor area does not include outside bays or docks.

Incentive reservation: Once building owners complete their application, they have 36 months to meet the Energy Use Intensity Target (EUI_t) and receive the incentive payment.

Multifamily residential building: a building containing sleeping units or more than two dwelling units where occupants are primarily permanent.

Normative Annex Z: Washington state reporting requirements, WAC 194-50.

Qualified utility: An electric, gas company, or thermal energy company, that is allowed a public utility tax (PUT) credit as described in [RCW 82.16.0497](#).

Qualified energy auditor: A person acting as the auditor of record having training, expertise and three years professional experience in building energy auditing and any one of the following:

- A licensed professional architect or engineer.
- A Building Energy Assessment Professional (BEAP) certified by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE);
- A Certified Energy Auditor (CEA) certified by the Association of Energy Engineers (AEE).
- A certified energy manager (CEM) in current standing, certified by the Association of Energy Engineers (AEE)
- An energy management professional (EMP) certified by the Energy Management Association (EMA)

Weather normalized: A method for modifying the measured building energy use in a specific weather year to energy use under normal weather conditions.

Weather Normalized Energy Utilization Index (WNEUI): Measurement that normalizes a building's site energy use relative to its size based on the building's weather-normalized site energy use. A building's energy use intensity is calculated by dividing the total net weather-normalized energy consumed in one year by the gross floor area of the building, excluding the parking garage. Weather-normalized energy use intensity is reported as a value of a thousand British thermal units per sq. ft. per year.

Incentive Program Basis

Overview

The [Clean Buildings Law](#) passed in the 2019 legislative session and requires all covered commercial buildings in Washington to comply with a [State Energy Performance Standard](#). This law intends to reduce greenhouse gas emissions and energy consumption in large commercial buildings. Mandatory compliance with the standard is sorted by building size.

The law created an [Early Adopter Incentive Program](#) for existing covered commercial buildings subject to mandatory compliance as well as multifamily residential buildings.

Terms and Documentation

This document provides the process for applying to the Early Adopter Incentive Program. Instructions for compliance along with the full glossary of terms, forms, and templates are located in the [Commerce Adoption and Amendment of ASHRAE Standard 100, 2018, WAC 194-50](#), and [ASHRAE Standard 100-2018](#). This guidebook does not cover elements that are otherwise covered by law or rule.

This program guide addresses the Early Adopter Incentive Program only.

Authorizing Statute and Fund Sources

[RCW 19.27A.220](#) provides incentives and regulations that encourage energy efficiency in all aspects of new and existing buildings, including building design, energy delivery and utilization and operations.

[RCW 19.27A.220 \(5\)](#) A covered building owner who meets the requirements of subsection (4) may submit an application to the department for an incentive payment in a form and manner prescribed by Commerce. The application must be submitted by the following schedule:

- For a building with more than 220,000 gross sq. ft., beginning July 1, 2021 through June 1, 2025
- For a building with more than 90,000 gross sq. ft. but less than 220,001 gross sq. ft. beginning July 1, 2021 through June 1, 2026
- For a building with more than 50,000 gross sq. ft. but less than 90,001 gross sq. ft. beginning July 1, 2021 through June 1, 2027

[RCW 19.27A.220 \(6\)](#) An eligible building owner who demonstrates early compliance with the applicable energy use intensity target under the standard established under RCW 19.27A.210 may receive a one-time base incentive payment of \$0.85/sq. ft. of gross floor area, excluding parking, unconditioned, or semi-conditioned spaces. Commerce has enhanced the incentives over the original \$0.85/ sq. ft. We now offer owners an incentive payment of \$2.00/sq. ft. and \$0.05 per measured and verified kBtu saved beyond the 15 kBtu/sf/year minimum EUI reduction. This will help pay for energy saving upgrades up to 50% of improvement costs.

[RCW 19.27A.320](#) Incentive funds are limited to \$75 million.

Notification

Commerce will inform building owners of covered commercial buildings exceeding 50,000 sq. ft. of gross floor area of Clean Buildings Performance Standard requirements and issue a unique building ID. Commerce will also inform building owners of the Early Adopter Incentive Program.

If a building owner is not notified, and owns an eligible covered commercial building or multifamily residential building, the building owner should contact Commerce to confirm eligibility and receive a unique building ID.

Incentive Terms

Applications are accepted and verified on a first-come, first-served basis. Once the full amount of funding has been reserved, Commerce will create a waitlist. If Commerce receives more applications than available funding, buildings with the highest energy use will be prioritized.

Every utility that serves more than 25,000 customers must administer incentive payments to eligible building owners of covered commercial or multifamily residential buildings according to [RCW 19.27A.220](#). Any utility serving fewer than 25,000 customers may participate in the program by notifying Commerce.

A utility that is not allowed a credit against public utility taxes is not required to administer incentive payments for the Early Adoption Incentive program.

Eligible building owners who demonstrate compliance with the Clean Buildings Performance Standard by meeting the EUI performance metric and other program requirements are eligible to receive an incentive payment of up to \$0.85/sq. ft. of gross floor area, excluding parking, unconditioned, or semi-conditioned spaces. Commerce has enhanced the incentives over the original \$0.85/ sq. ft. We now offer owners an incentive payment of \$2.00/sq. ft. and \$0.05 per measured and verified kBtu saved beyond the 15 kBtu/sf/year minimum EUI reduction. This will help pay for energy saving upgrades up to 50% of improvement costs.

When a building is served by more than one participating utility, incentive payments must be proportional to the energy reduction of the participating utility's provided fuel.

Eligible Buildings

Building energy reporting for the incentive program must be consistent with the energy reporting requirements established under the Clean Buildings Performance Standard.

Eligible buildings applying for the Early Adopter Incentive Program must:

Be a covered commercial building as defined by the Clean Buildings Performance Standard or a multifamily residential building with more than 50,000 sq. ft. of floor area

- Have a baseline WNEUI that exceeds its applicable EUI by at least 15 kBtu/sq. ft. per year
- Be served by at least one qualified electric utility, gas company, or thermal energy company participating in the Clean Buildings Early Adopter Incentive Program
- Comply with all applicable laws, ordinances, codes, regulations and policies identified in the Clean Buildings Performance Standard

Properties regulated by Sovereign nations

Commercial buildings over 50,000 gross sq. ft. located within the boundaries of a reservation and generally subject to regulation under Tribal codes are not required to comply with the Clean Buildings Performance Standard.

Owners of any covered commercial or multifamily residential building over 50,000 gross sq. ft. located within reservation boundaries of sovereign nations may request participation in the Early Adopter Incentive Program by email. The building owner must execute a memorandum of agreement that ensures the building will be subject to the requirements of the Clean Buildings Performance Standard. Buildings owned on tribal land but not tribally owned may apply without a memorandum.

- Participation requests must be sent to CleanBuildingsIncentiveProgram@commerce.wa.gov.

Equitable and Inclusive Early Adopter Incentive Plan

Intent

Commerce strives to create a diverse, equitable and inclusive Early Adopter Incentive Program. We intend to fill in the gaps and expand participation and opportunities across a broad range of businesses in Washington. We believe investing in energy efficiency will help businesses lower energy costs, cut carbon emissions, and strengthen local communities.

To increase the equitable distribution of resources and funding, the Incentive Program prioritized half of the \$75 million for buildings that meet our equitable and inclusive (E&I) criteria. During the application process, building owners will have the opportunity to identify their building's E&I eligibility and submit supporting documents when applicable. After three years, if the prioritized funding has not been accounted for, Commerce will release those funds for all eligible building owners. Commerce may periodically review the status of the incentive program and reserves the right to adjust the amount of prioritized funds for each building size.

Criteria

Buildings that fall under any of the following categories are eligible for incentive funding prioritized under the following criteria:

- Highest Energy Users
- Rural Communities
- Multifamily Affordable Housing

Documentation

Equity and Inclusive Incentive Qualifications, [Exhibit C](#).

Early Adopter Incentive Application

Applicant process and descriptions will be available on the Clean Buildings Portal.

Pre-application Requirements

Building owners must complete the following steps before applying:

- Sign up for a [Secure Access Washington \(SAW\) account](#). Use [this link](#) for SAW instructions
- Access the Clean [Buildings Portal](#) and complete the building profile section
- Complete an energy audit
- Create an [Energy Star Portfolio Manager account](#)
 - Enter building characteristics
 - Select: Standard ID: State of Washington Clean Buildings Standard
 - ESPM allows for multiple [IDs](#) for cross-referencing your property in other systems like "Seattle Building Energy Benchmarking Reporting ID" and "State of Washington Unique Facilities Identifier (UFI)".
 - [Share Building Properties](#). Add the organization account WACleanBuildings and set up a connection request.
 - Automate utility data upload
 - Set up web services/data exchange. Provide ESPM ID and utility data upload access to all energy utilities serving the building.
 - A complete ESPM profile will create the building's WNEUI required for determining eligibility.

The energy audit must be conducted by a qualified energy auditor as defined by the Clean Buildings Performance Standard and be completed no earlier than three years before the application date.

Commerce will accept benchmarking data no earlier than January 1, 2019.

Energy Audit

The energy audit should meet one of the following requirements:

- Analyzes proposed energy efficiency measures.
- Analyzes all cost-effective energy efficiency measures. The audit must include an evaluation of the energy performance and investment value of the energy efficiency measures.
 - These measures may include but are not limited to lighting, HVAC equipment, building envelope, steam, chilled water, domestic hot water and other water-using systems, building controls, energy generation and distribution, and waste management systems.
- Conducted by a contractor who provides a documented guarantee that the building will meet the EUI.

Use the audit information to complete the [U.S. Department of Energy, Energy Asset Score Tool Audit Template](#), in accordance with Form D: WAC 194-50. Use Form D to document the energy efficiency measures proposed from the energy audit.

Submitting an Early Adopter Incentive Application

All applications and supporting documentation must be submitted through the Clean Buildings Portal.

How to Submit an Application

Confirm eligibility under Pre-Application Requirement

1. Submit one application per covered commercial or multifamily residential building exceeding 50,000 gross sq. ft.

2. Submit all supporting documents listed under [Application](#) through the Clean Buildings Portal.

Multi-Parcel and Multifamily Residential Application

- When one building has multiple parcels that represent multiple owners, applicants must designate a single portal user to prepare and submit an incentive application.
- Management companies, condo, and homeowner associations may be designated portal users to prepare and submit incentive applications

To submit the required information, the designated user must obtain "Shared Access" in the Clean Buildings Portal from each parcel or building owner of the eligible building. All parcels must be submitted through the Clean Buildings Portal as part of a single submission.

Implementation Extension Request

An applicant may submit a one-time extension request through the Clean Buildings Portal to extend the project completion date. Requests must be made six months before the scheduled completion date. Commerce will review and may approve extension requests based on supporting documents provided.

Extension request must include:

- Request for 6-month or 12-month extension
- Purpose and supporting documentation for the extension request
- Plan for meeting Implementation completion date

Application

Documents for the Early Adopter Incentive Program must be completed in accordance with the Clean Buildings Performance Standard and submitted to Commerce electronically through the [Clean Buildings Portal](#).

The application process is supported step-by-step within the Clean Buildings Portal and must include the following information:

Clean Buildings Portal Reporting

- Form B: EUI_t - Building activity type. Form B is integrated into the Clean Buildings Portal. Enter in the building/Parcel details and Activity Types by gross floor area and Form B will calculate the energy use intensity target (EUI_t) will be set in this form.
- Form C - ESPM Benchmarking and EUI Calculations, 12 months of energy use data form C is integrated into the Clean Buildings Portal.
- Utilities - select your utility service provider(s). Report Energy Savings Opportunities from Form D by inputting the Electricity Savings (kWh) and Natural Gas Savings (therms) for the measures identified to meet the EUI_t.
- Form D, U.S. Department of Energy, Energy Asset Score tool Audit Template: [WAC 194-50, Normative Annex Z6.4.1](#). Audit data must be submitted using the Audit Template provided at this website: <https://buildingenergyscore.energy.gov/>. On the Building tab select Audit Template report type: WA Commerce CB Report - Form D.
 - Align with Clean Building Portal:
 - Gross Floor Area
 - Reported EUI

- Form C - ESPM Benchmarking and EUI Calculations with the Clean Buildings Portal.
 - Only report 12 months of Metered Energy to align with the Clean Buildings Portal Benchmarking Start Month and Benchmarking Start Year.
 - Annual Energy, Cost & Carbon Savings of Form D must report the predicted energy savings
 - Complete and confirm the report status is "Submitted" in the U.S. Department of Energy, Energy Asset Score dashboard
- Business Inclusion Plan, [Exhibit A](#)
 - Building Improvement Plan, [Exhibit B](#)
 - If applicable Equity and Inclusive Incentive Qualifications, [Exhibit C](#)

Verification of Application

Commerce will send an email to verify the documents outlined under Application Requirements.

Within 30 days after the receipt of application, Commerce will notify applicants of the following:

- Application approval to begin construction
- Any missing documentation and how to resubmit documentation
- Questions or errors in the application
- If any qualifications were not met

Applicant may submit a request another review if the application is denied.

Approved Incentive Application

Commerce will provide the incentive calculation for each participating utility. The incentive payment is based on \$2.00/sq. ft. of gross floor area, excluding parking, unconditioned, or semi-conditioned spaces and \$0.05 per measured and verified kBTU saved beyond the 15 kBTU/sf/year minimum EUI reduction.

- Incentive calculations are based on the total energy use reduction.
- Payment of the incentive is by the utility provider/s and is based on the proportion of energy savings, by fuel type and utility provider.

Participating utilities are only responsible for paying the incentive proportional to the energy savings associated with the fuel they provide.

Commerce will notify each utility administering incentive payments and the Department of Revenue of verified incentive applications. Utilities and the Department of Revenue will determine if tax credits are available and approve the incentive calculation.

Commerce will email the approval with a notice of approved funding and the calculated incentive payment with further instructions to implement the building improvement plan. Commerce will hold the approved funding according to the reporting schedule.

Implementation Requirements

Within 18 months of application approval, the applicant must provide Commerce with documentation of implementation of all EEMs documented in the Building Improvement Plan and the Operations and Maintenance requirements from the Energy Management Plan.

1. Any variations to the Building Improvement Plan must get approval from Commerce before implementation
2. Email CleanBuildingsIncentiveProgram@commerce.wa.gov stating that implementation of EEMs is complete

Reporting Requirements

Within 18 months after implementation, applicants must **update in the Clean Buildings Portal** the following to verify the building WNEUI is less than or equal to the building EUI.

1. Form B EUI - Building activity
2. Form C - ESPM Benchmarking and EUI Calculations,
 - a. Report 12 months of energy use data.
 - b. Select the new 12 month period to "Get the Energy Use Intensity"
 - c. EUI must meet the building's Energy Use Intensity Target.
3. Upload copies of monthly utility bill summaries that coincide with the meter entries of benchmarking data in Form C, Energy-Use Intensity calculations
 - a. Utility bill summaries will provide verification of meter entries that confirm the EUI is met

Reporting Review

Commerce reviews required reporting documentation and will notify the applicant:

1. If the requirements are met, Commerce will notify the applicant and utility administering incentive payments.
2. If the requirements are not met, the applicant may appeal and provide documentation to support compliance. Commerce will place the building on a waitlist while the appeal is being reviewed.

Incentive Payment

1. Utility calculates the incentive payment based on the ratio of energy savings by fuel type and total energy saved from EEMs. This is reported on Form C, Energy-Use Intensity Calculations.
2. Participating utility issues the incentive payment
3. Utility documents payment plus administrative cost
4. Utility notifies the WA Department of Revenue to apply a PUT credit

Close Out

1. Utility notifies Commerce that incentive payment is issued
2. Commerce closes the application

Exhibit A

Business Inclusion Plan

Do you anticipate using, or is your firm, a state certified minority business? Y/N

Do you anticipate using, or is your firm, a state certified women's business? Y/N

Do you anticipate using, or is your firm, a state certified veteran business? Y/N

Do you anticipate using, or is your firm, a Washington state small business? Y/N

If you answered No to all of the questions above, please explain:

Please list the approximate percentage of work to be accomplished by each group:

Minority _____%

Women _____%

Veteran _____%

Small business _____%

Please identify the person in your organization who will manage your Business Inclusion Plan:

Name: _____

Phone: _____

E-Mail: _____

Exhibit B

Create a Building Improvement Plan

The Building Improvement Plan is a document created by a *qualified energy auditor* that must include:

- Existing WNEUI
- EUI_t
- Projected Energy Efficiency Measure (EEM) completion date

Calculated post-implementation EUI:

- Projected EUI_t reporting date
- Scope of work documentation:
 - Energy audit or analysis summary that includes the narrative of methods used to estimate energy savings
 - Narrative describing the base case building condition and the proposed energy savings opportunities
 - Total EEM project cost
- EUI reduction calculation table

	EUI
(Insert the establishing year) Site EUI	00.0
Identify the Proposed EUI Reductions by Energy Efficiency Measure (EEM)	
EEM 1:	00.0
EEM 2:	00.0
EEM 3:	00.0

- Uploaded the Building Improvement Plan to the Clean Buildings Portal

Exhibit C

Equity and Inclusive Incentive Qualifications

Funding allocation by population

- 50,000 - 90,001 GFA: \$12.5 million
- 90,000 - 220,001 GFA: \$12.5 million
- Over 220,000 GFA: \$12.5 million

Eligibility

The project must be located at an existing facility owned by an eligible applicant and located in Washington state. Buildings that fall under any of the following categories are eligible for incentive funding under the diverse inclusion reservation:

- High energy users: Buildings 25 WNEUI above their target
- Geographic equity
 - [Washington Environmental Health Disparities Map: Washington State Department of Health](#)
 - The building is located in a highly impacted community and must meet at least one of the following two criteria:
 - The census tract is covered or partially covered by Indian Country as defined in and designated by statute
 - The census tract ranks a 9 or 10 on the Environmental Health Disparities Map, as designated by the Department of Health
 - [Highly Impacted Communities Webpage](#)
 - [Highly Impacted Communities Data Table \(CSV\)](#)
 - Multifamily Affordable Housing: as defined by [RCW 43.185A.150](#) projects which demonstrate serving the greatest need

To provide confirmation of eligibility use the following criteria:

- Highest Energy Users
 - Provide confirmation WNEUI is 25 above target by completing and submitting [Form C, energy-use intensity calculations](#). Report on Form A, General Compliance the 12 months used for reporting the WNEUI.
- Rural Communities
 - Eligible applicants are Washington state cities and towns with populations under 50,000 or counties under 200,000 not participating in a CDBG Entitlement Urban County Consortium. HUD Exchange, State CDBG Program Eligibility Requirements.

- Your building is considered to be in a rural area if it's on the following list [2019 HUD LMI Data for WA State Non-Entitlement Jurisdictions](#)
- Multifamily Affordable Housing
 - Upload documentation generated from the [HUD Resource Locator](#) to confirm the building is multifamily affordable housing as defined by RCW 43.185.070.
 - Go to the [HUD Resource Locator](#) and click on the "Find Affordable Housing Opportunities Near Me" link
 - Enter your building's address in the "search for city or address" field.
 - If your building isn't identified by a red or purple circle it doesn't qualify as multifamily affordable housing.
 - If it is identified by a red or purple circle, click on the circle, take a screenshot, and upload the jpg to your Clean Buildings Portal account.