

Early Adopter Incentive Guidelines

CLEAN BUILDINGS PROGRAM

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Glossary

Authority having jurisdiction (AHJ): Washington State Department of Commerce.

Building owner: An individual or entity possessing title to a building.

Building improvement plan: Proposed Energy Efficiency Measures (EEMs) demonstrating a EUI equal to or less than the target established by the Clean Buildings Performance Standard.

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.

Covered commercial building: A building where the sum of nonresidential, hotel, motel and dormitory floor areas exceeds fifty thousand square feet of gross floor area, excluding the parking garage area.

EEMs: energy efficiency measures

Energy Star Portfolio Manager (ESPM): 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.

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 square feet per year.

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

Form A: [WAC 194-50](#), [Normative Annex Z6.1](#), Compliance with Standard 100

Form B: [WAC 194-50](#), [Normative Annex Z6.2](#), Building activity and energy use intensity target (EUI_t)

Form C: [WAC 194-50](#), [Normative Annex Z6.3](#), Energy-Use intensity Calculations

Form D: [WAC 194-50](#), [Normative Annex Z6.4.1](#), Audit Template

Gross floor area: The total number of square feet 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, crawl spaces and elevator shafts. Gross floor area does not include outside bays or docks.

Incentive reservation: The calculated one-time base incentive payment of eighty-five cents per gross square feet of floor area, excluding parking, unconditioned, or semi-conditioned spaces held for 36 months until early compliance with the Clean Buildings Performance Standard is met.

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

Normative Annex Z: Washington State Reporting Requirements, [WAC 194-50](#).

Participating utility: an electric, gas company, or thermal energy company, who is allowed a public utility tax (PUT) credit by the Department of Revenue.

Qualified Auditor: 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. A licensed professional architect or engineer.
- b. (b) An energy auditor/assessor/analyst certified by ASHRAE or the Association of Energy Engineers (AEE) for all building types.

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 square feet per year.

DRAFT

Incentive Program Basis

Overview

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

In addition, the law creates an Early Adopter Incentive Program for existing covered commercial buildings that are subject to mandatory compliance along with multifamily residential buildings. This Early Adopter Incentive Program will provide incentives that encourage early compliance with the Clean Buildings Performance Standard.

Terms and Documentation

This document serves to provide the process for applying to the Early Adopter Incentive Program. The Early Adoption Incentive Program is early compliance with the Clean Buildings Performance Standard. Mandatory compliance and the full glossary of terms, forms, and templates are located in Washington State Department of 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 manual 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](#) (6) An eligible building owner that 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 eighty-five cents per square foot of gross floor area, excluding parking, unconditioned, or semi-conditioned spaces.

[RCW 19.27A.320](#) limit on early adoption incentive payments. Incentive funds are limited to seventy-five million dollars. Commerce will not qualify incentives beyond seventy-five million dollars.

Notification

By July 1, 2021, Commerce must provide the owners of covered commercial buildings notification of the Clean Buildings Performance Standard requirements and a unique Building ID issued by Commerce.

With this notification, Commerce will inform owners of covered commercial buildings and multifamily residential buildings exceeding 50,000 square feet of gross floor area of the Early Adopter Incentive Program.

If a building owner is not notified and they own an eligible covered commercial building or multifamily residential building, they may contact Commerce to confirm eligibility and receive a unique Building ID.

Commerce will provide a link to the Clean Buildings Performance Standard reporting and management system known as the Clean Buildings Portal. There you will:

- Apply for Early Adopter Incentive Program
- Track the status of applications
- Manage your Clean Buildings profile and contact information
- Update building/parcel data

Incentive Terms

Incentive funds are limited to seventy-five million dollars. Commerce will not qualify incentives beyond seventy-five million dollars. Incentive applications are accepted and verified on a first-come, first-serve basis.

Each utility serving over 25,000 customers must administer incentive payments for the Clean Buildings Performance Standard Early Adoption Incentive Program established in [RCW 19.27A.220](#) on behalf of its customers who are eligible building owners of covered commercial or multifamily residential buildings.

- [RCW 19.27A.240](#), a qualifying utility is not required to administer incentive payments for the Early Adoption Incentive program established in [RCW 19.27A.220](#), if the qualifying utility is not allowed a credit against public utility taxes due.
- Any [participating utility](#) serving less than 25,000 customers may voluntarily participate by providing notice to Commerce.

An eligible building owner that demonstrates early compliance with the applicable [EUI](#) under the Clean Buildings Performance Standard established under [RCW 19.27A.210](#), may receive a base incentive payment of eighty-five cents per square foot of gross floor area, excluding parking, unconditioned, or semi conditioned spaces.

When a building is served by more than one [participating utility](#), incentive payments must be proportional to the [energy use intensity reduction](#) of the participating utility's fuel.

Eligible Buildings

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

Buildings eligible to apply for the early adopter incentive program are:

- *Covered commercial buildings* as defined by the Clean Buildings Performance Standard and *multifamily residential buildings* with over 50,000 square feet of gross floor area.
- A baseline *EUI* that exceeds its applicable *EUI* by at least 15 kBtu per square feet per year.
- Served by at least one [qualified electric utility, gas company, or thermal energy company](#) participating in the Clean Buildings Early Adopter Incentive Program.
- Buildings must comply with all applicable laws, ordinances, codes, regulations and policies identified in the Clean Buildings Performance Standard.

Properties owned by Sovereign Nations

Commercial buildings over 50,000 square feet of gross floor area residing in Sovereign Nations are not required to comply with the Clean Buildings Performance Standard.

- By email request, a commercial building residing in Sovereign Nation may participate in the Early Adopter Incentive program. A memorandum of agreement will be issued to the building owner outlining the agreement to comply with Clean Buildings Performance Standard.
- Multifamily residential buildings with over 50,000 square feet of gross floor area residing in Sovereign Nations may apply to the Clean Buildings Early Adopter Incentive program. A memorandum of agreement will be issued outlining the agreement to comply with Clean Buildings Performance Standard.
- Participation requests must be sent to CleanBuildingsIncentiveProgram@commerce.wa.gov.

Early Adopter Incentive Application

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

Application Schedule

Covered commercial building owners and owners of multifamily residential buildings that exceed 50,000 square feet of gross floor area may submit applications according to the following schedule:

1. For a building with more than two hundred twenty thousand, square feet of gross floor area, beginning July 1, 2021, through June 1, 2025.
2. For a building with more than ninety thousand square feet of gross floor area but less than two hundred twenty thousand and one square feet of gross floor area, beginning July 1, 2021, through June 1, 2026.
3. For a building with more than fifty thousand square feet of gross floor area but less than ninety thousand and one square feet of gross floor area, beginning July 1, 2021, through June 1, 2027.

Pre Application Requirements (Self Qualification)

The building must be a covered commercial or multifamily residential building over 50,000 square feet of gross floor area to qualify for the Early Adopter Incentive.

The building is served by at least one [qualified electric utility, gas company, or thermal energy company](#) participating in the Clean Buildings Early Adopter Incentive Program.

- When a building has more than one participating utility providing energy services the incentive is based on the proportion of energy use reduction by fuel type.

Before applying, building owners must complete the following steps:

- Create an [Energy Star Portfolio Manager](#) (ESPM) account

- Enter building characteristics.
- 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.
 - Share (or edit access to) Properties. Add organization account WACleanBuildings and set up a connection request.
 - Complete the Share Properties form, select WACleanBuildings.
 - Complete WA State Clean Buildings Performance Standard Form C (Energy-use intensity calculations).
- Complete [Form B: Normative Annex Z6.2, Building activity and energy use intensity target \(EUI_t\), WAC 194-50](#).
 - Confirm EUI is 15 kBtu/sf/year or greater than the buildings EUI_t established by Form B.

Application Requirements

Application for the Early Adopter Incentive must be completed and submitted to Commerce electronically through the Clean Buildings Portal and include the following information:

- WA State Building ID
- Parcel ID
- Portfolio Manager Account ID
- Documents required:
 - [Form C](#)
 - Monthly utility data up to 24 months before July 1, 2021 may be used.
 - [Form B](#)
 - [Form D](#)
 - Audit data submitted using the (TBD Report) included in the U.S. Department of Energy, Energy Asset Score tool, Audit Template (<https://buildingenergyscore.energy.gov/>).
 - The energy audit form must be provided electronically by completing the energy audit form included in the U.S. Department of Energy, Energy Asset Score Tool. This form must be completed in compliance with the level 2 energy audit, as published in ASHRAE Standard 211, Standard for commercial building energy audits.

- Commerce verifies submission of Form D.
- Summary of proposed improvements.
 - Existing EUI
 - EUI_t
 - Building Improvement Plan, *Exhibit C.
 - Building Improvement Plan completed and uploaded through Commerce's Clean Buildings Portal demonstrating that the building's proposed EUI is equal to or less than the target established by the Clean Buildings Performance Standard.
 - Narrative that describes the base case building condition and the proposed energy savings opportunities. The narrative must support all energy savings opportunities reported in the audit.
 - Business Inclusion Plan, *Exhibit B.
 - Projected EEM [Implementation](#) completion date.
 - Calculated post-implementation [WNEUI](#).
 - Projected [WNEUI](#) Reporting date.
 - Equitable and Inclusive Early Adopter Incentive criteria.
 - List of all energy utility companies serving the building.

Equitable and Inclusive Early Adopter Incentive Plan

Intent

Commerce strives to create a diverse, equitable and inclusive Early Adoption Incentive Program. The intent is to fill in the gaps and expand participation and opportunities across a broad range of businesses across the State. We believe that investing in energy efficiency will assist businesses in lowering energy costs, cutting carbon emissions, and strengthening local communities. To increase the equitable distribution of resources and funding, the Incentive Program has set aside XX % of the funding for the first two years of the Early Adopter Incentive Program. During the application process, building owners will have the opportunity to identify themselves through the diverse incentive inclusion plan and submit supporting documents where applicable.

Criteria

Building owners that fall under the following categories are eligible for diverse inclusion reservation:

To be determined through collaboration with stakeholders.

Documentation

1. Use the Commerce Incentive Application.
2. To be determined based on suggested categories from stakeholders.

Submitting an Early Adopter Incentive Application

All applications and supporting documentation must be submitted through Commerce's Clean Buildings Portal.

How to Submit an Application

Confirm eligibility under [Pre-Application Requirement](#) (Self-Qualification).

- Submit one application per covered commercial or multifamily residential building exceeding 50,000 square feet of gross floor area.
- Submit all supporting documents listed under [Application Requirements](#) through Commerce's Clean Buildings Portal.

Multi Parcel and Multifamily Residential Application

When one building has multiple parcels which 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 and Reporting Extension Request

An applicant may submit a one-time extension request through the Clean Buildings Portal to extend either the [Implementation](#) or [Reporting](#) date. Requests must be made six months before the scheduled [Implementation Completion](#) date or the [Reporting Requirements](#) 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](#) or [Reporting](#) date.

Verification of Application

1. Commerce will send an email verification of the Incentive Application receipt.
2. Commerce will verify the documents outlined under Application Requirements.
 - Commerce will notify applicants of:
 - Any missing documentation.
 - Questions or errors identified in the application and supporting documentation.
 - How to resubmit documentation.
 - Qualifications are not met.
3. Applicant may submit a request to re-review.
 - Building owner may request an administrative hearing to appeal a denial and release of incentive reservation (Annex Z5.8.1-4).

Utility and Department of Revenue Notification

1. Commerce will produce the incentive payment calculation for each participating utility. The incentive payment is based on a maximum of eighty-five cents per square feet of gross floor area, excluding parking, unconditioned, or semi-conditioned spaces.
 - a. Incentive calculations are based on the proportion of energy use reduction by fuel type.
 - b. Payment is based on the proportion of energy savings by fuel type.
 - i. Participating utilities are only responsible to pay the incentive proportional to the energy savings associated with fuel they provide.
2. Commerce will notify each applicable [qualified utility](#) administering incentive payments and the Department of Revenue of verified incentive applications for incentive reservation.
 - a. Utility and Department of Revenue verify tax credits are available.
 - b. Participating [qualified utility](#) will approve incentive calculation and proposed reporting date with Commerce.

Approved Incentive Reservation

1. Commerce will email approved applicants with a notice of incentive reservation and the calculated incentive payment and further instruction to:
 - a. Implement building improvement plan as documented in the Building Improvement Plan.
 - b. Implement all applicable requirements of the Clean Buildings Performance Standard.
2. Commerce will hold the incentive reservation according to the approved implementation and reporting schedule.

Implementation Requirements

1. Within 18 months of application approval, the applicant must provide Commerce with documentation of:
 - a. Implementation of all EEMs documented in the [Building Improvement Plan](#), including implementation of the Operations and Maintenance requirements from the Energy Management Plan.
2. Any variations to the [Building Improvement Plan](#) must gain approval from Commerce before implementation.

Reporting Requirements

1. Within 18 months after implementation of all EEMs applicants must provide the following documentation to verify the building WNEUI is less than or equal to the building EUI_t and that the Energy Management Plan is complete.
 - a. [Z6.1 Compliance with Standard 100 \(Form A\)](#)
 - b. [Z6.2 Building activity and energy use intensity target \(EUI_t\)\(Form B\)](#)
 - c. [Z6.3 Energy-Use intensity Calculations \(Form C\)](#)
2. Every six months applicants must submit a status report of progress toward meeting target [EUI_t](#).

Meeting Target EUI_t

EUI_t and Clean Buildings Performance Standard Requirements are Met

1. Commerce reviews required reporting documentation.
2. Commerce will notify the applicant of compliance.

Utility Notification

1. Commerce will notify the applicable [participating utility](#) administering incentive payments that full compliance with the Clean Buildings Performance Standard is met.
 - a. Utility proceeds toward administering incentive payment.

Not Meeting Target EUI

EUI and Clean Buildings Performance Standard Requirements are Not Met

1. Commerce will notify the applicant that requirements of the Early Adopter incentive have not been met.
2. Applicant may appeal and provide documentation to support compliance.
 - a. Applicant may submit a request to re-review.
 - b. Applicant may request an administrative hearing to appeal a denial and release of incentive reservation ([Annex Z5.8.1-4](#)).
3. Commerce will release the incentive reservation and the building is placed on a waitlist for future consideration of remaining funds when full compliance is demonstrated.

Utility Notification

1. Notify applicable [participating utility](#) administering incentive payments of reservation release or waitlist placement.

Incentive Payment

1. [Participating utility](#) issues the calculated one-time Clean Buildings Performance Standard early adopter incentive payment.
 - a. The incentive is based on [Form C: WAC 194-50, Normative Annex Z6.3](#), the ratio of energy savings attributed to each fuel to the total energy saved by the implemented [EEMs](#).
2. Utilities document payment, plus administrative cost.
3. Utilities notify WA Department of Revenue to apply a credit against (Public Utility Tax) PUT liability.

Close Out

1. Utility notifies Commerce of issued incentive payment.
2. Commerce closes Early Adopter Incentive application.

Exhibit B

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 C

Building Improvement Plan

Executive Summary

1. Project Overview
2. Selected Energy Efficiency Measures Summary
3. Project Benefits

Scope of Work

1. Energy Audit
2. Detailed Energy Efficiency Measure Improvement List
3. Project Schedule

Energy and Performance Guarantee

1. Energy Performance Guarantee
2. Measure and Verification (M&V) Reporting Plan

Investment Grade Audit

1. Executive Summary
 - a. ASHRAE Level 2
 - b. DOE Audit Template, performed by a qualified energy auditor. *Defined in WAC 194-50, Section