

Energize Denver: Improvements

March 2025



DENVER
CLIMATE ACTION,
SUSTAINABILITY &
RESILIENCY

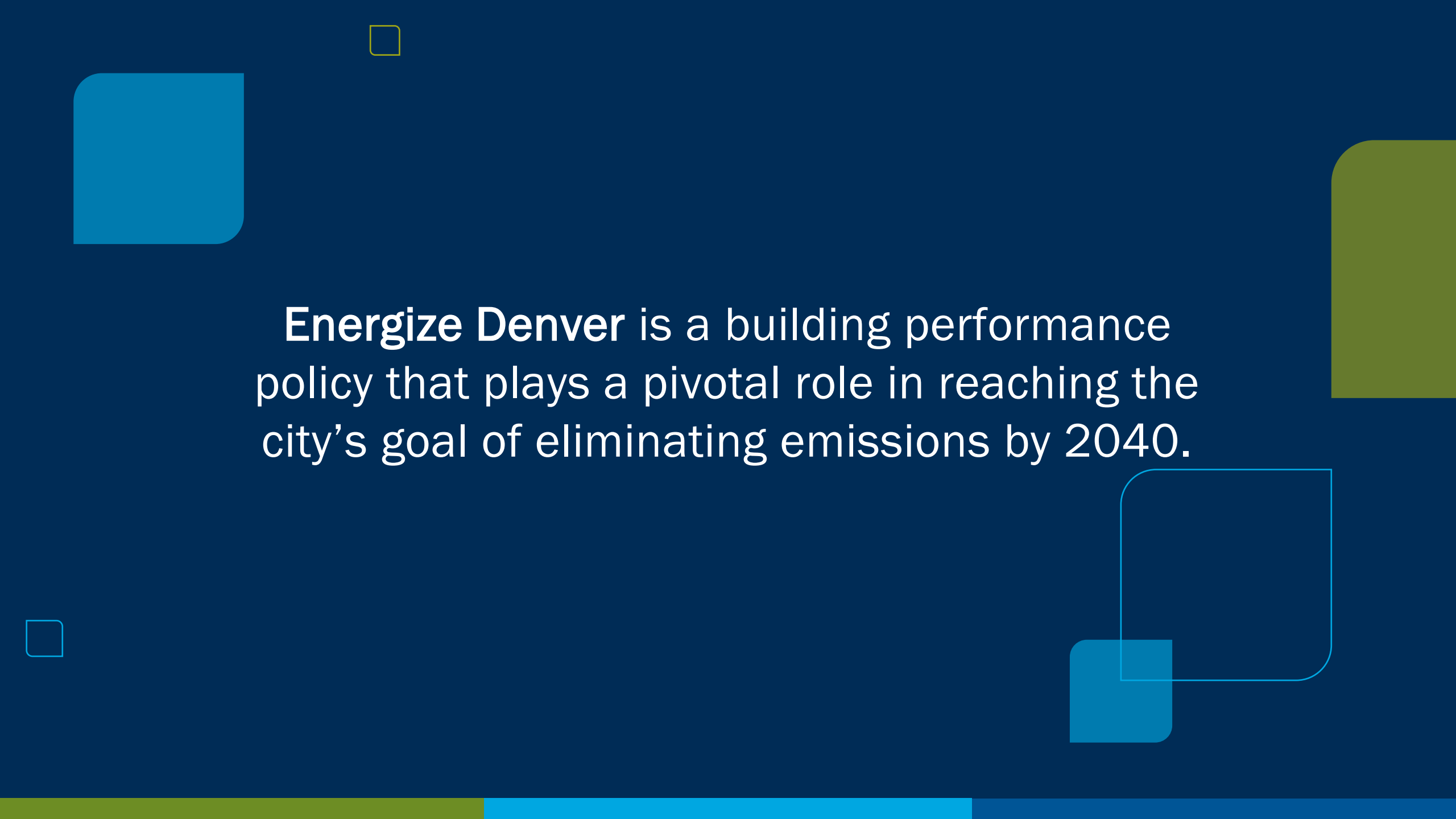
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Agenda

- Session Setup
- Overview of changes
- Support & Next Steps
- Q&A

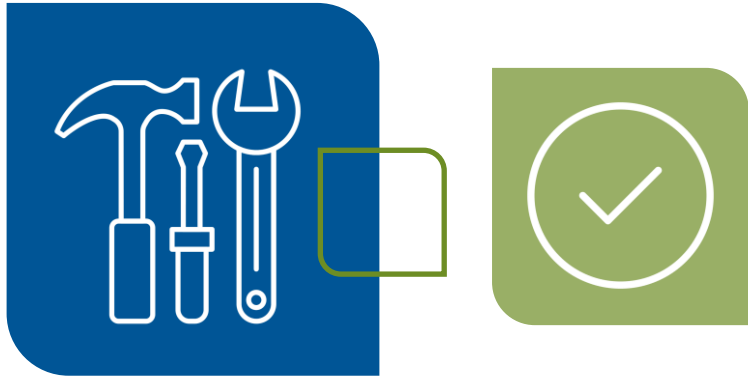
Session Setup

- Slides and recording will be posted on the Rules & Technical Guidance webpage next week.
- We'll go through the entire presentation and then answer questions.
- You can enter questions into the Q&A. You can also upvote questions.



Energize Denver is a building performance policy that plays a pivotal role in reaching the city's goal of eliminating emissions by 2040.

The Energize Denver Performance Policy is...






Energy Efficiency Requirements

The policy requires each building to meet a certain level of energy use through operations and equipment improvements to a building




Building Size Categories

- 5,000 - 24,999 sq. ft. (8,000 buildings) must upgrade their lighting to LED or install solar to meet 20% of their usage.
- 25,000+ sq. ft. (3,000 buildings) must meet certain levels of energy efficiency based on building type by 2032.



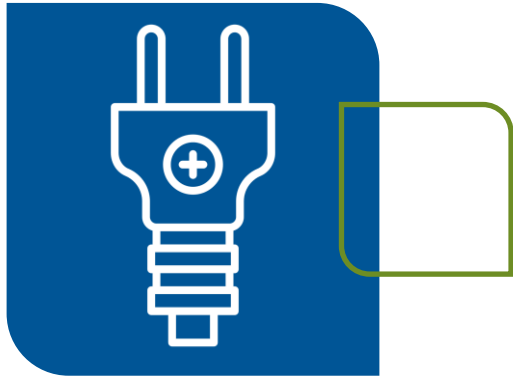
Energize Denver focuses on driving energy efficiency improvements but does not mandate electrification or HVAC system replacement.



28% of large buildings already meet the policy's requirements, up from 15% two years ago.



The Energize Denver Building Performance Policy is NOT...



An Electrification Requirement

Buildings are not required to electrify to be in compliance.



A Mandate to Replace HVAC Systems

Replacing space and water heating systems before the end of system life is not required for the Performance Policy.

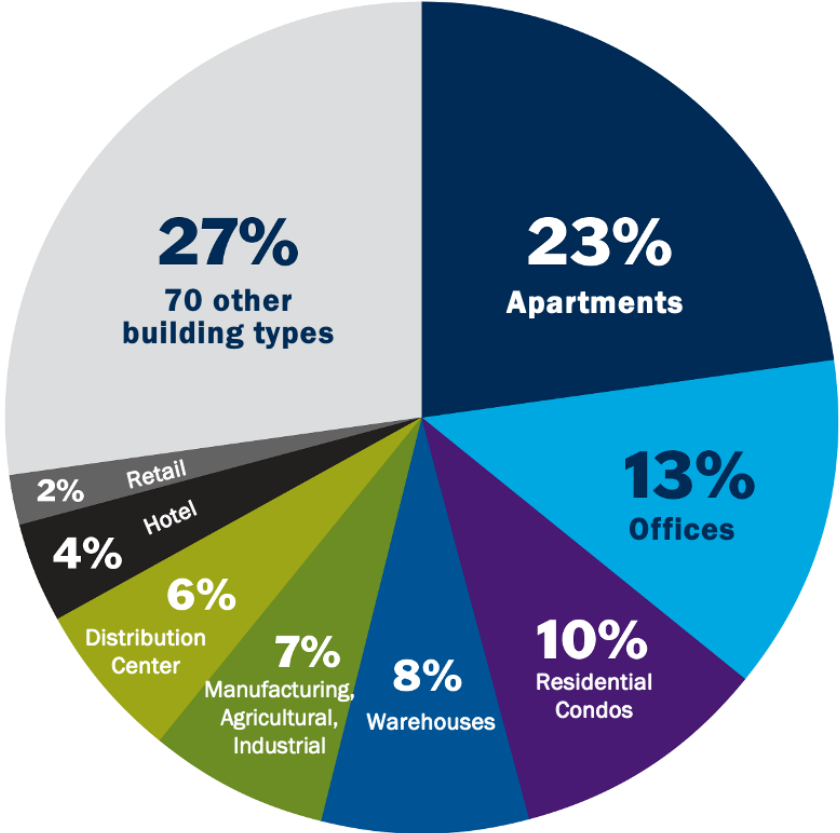


A 30% Energy Reduction Requirement for Every Building

The ordinance's overarching goal is a 30% reduction in energy use, but each building's target is unique.

Denver Buildings

Apartments	23%
Offices	13%
Residential Condos	10%
Warehouses	8%
Manufacturing, Agricultural, Industrial	7%
Distribution Center	6%
Hotel	4%
Retail	2%
70 other building types	27%



Buildings more than 25,000 square feet are 82% of commercial and multifamily square footage city-wide – 3,000 buildings.

Initial Challenges

Penalties Instead of Support

- The policy initially focused on a message of penalties instead of providing support and education for buildings.

Focus on Service Providers

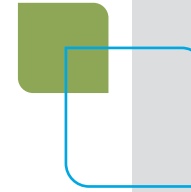
- There was a reliance on service providers or contractors for the necessary expertise to comply with the policy, and they needed more understanding of the program.




Alignment With Long-Term Planning

- The policy's timeline and requirements did not align well with the long-term planning schedules of many building owners, creating unrealistic expectations.


Unique Building Conditions

- The policy did not initially provide sufficient accommodations for unique building conditions, including economic or financial concerns, making it difficult for buildings to plan.






The city's goal is to work alongside Denver's building owners, property managers, and service providers to make reducing energy use practical and achievable.



Every building is different, and compliance cannot be one size-fits-all.



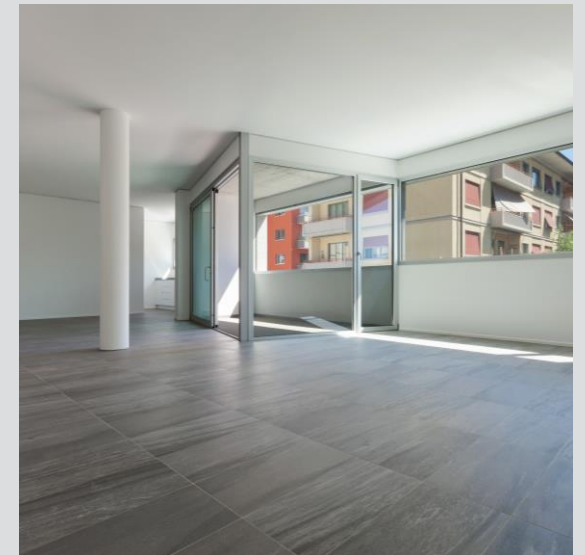
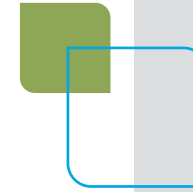
New Approach

Compliance with the Building Performance Standards should be a manageable, achievable process.

We understand that every building is different, and compliance cannot be one-size-fits-all.

The city's goal is to work alongside Denver's building owners, property managers, and service providers to make reducing energy use practical, more affordable, and better aligned with each unique building.

Upgrading a building's performance and reducing its energy use to meet Energize Denver targets takes time, planning, and funding.

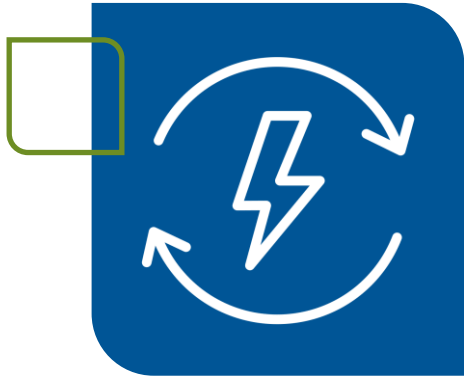


Pivoting From Penalties

- No performance penalties have been issued to date.
- Penalties for buildings 25,000 sq. ft. and larger have been cut in half.
- Created interim holds and adjusted timeline extensions to lower possibility of penalties.
- Offered a final corrective action opportunity — make penalties a last resort.

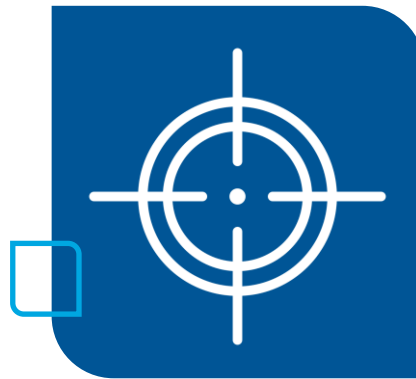


How to Comply



Tracking Energy Use

Buildings have been reporting their energy use to the city since 2017, providing a baseline to set energy use targets.



Energy Use Targets

In 2022, the city established energy use targets for buildings based on the reported data.



Compliance Options

Buildings must meet their energy use targets by the deadline OR if they need more time, submit a plan outlining how building will achieve the target.

Summary of Changes

A More Feasible Path to Compliance

Energize Denver prioritizes flexibility and real-world feasibility, giving building owners and property managers more time and options to develop a practical, cost-effective improvement plan that aligns with existing budgets and capital cycles.

Lower Costs, Higher Savings

Instead of a penalties-first approach, the city is focused on helping buildings save money through energy use reduction strategies, financial incentives, and tailored support — helping building owners cut costs while also helping Denver reduce pollution.

Built for Today's Economy, Ready for the Future

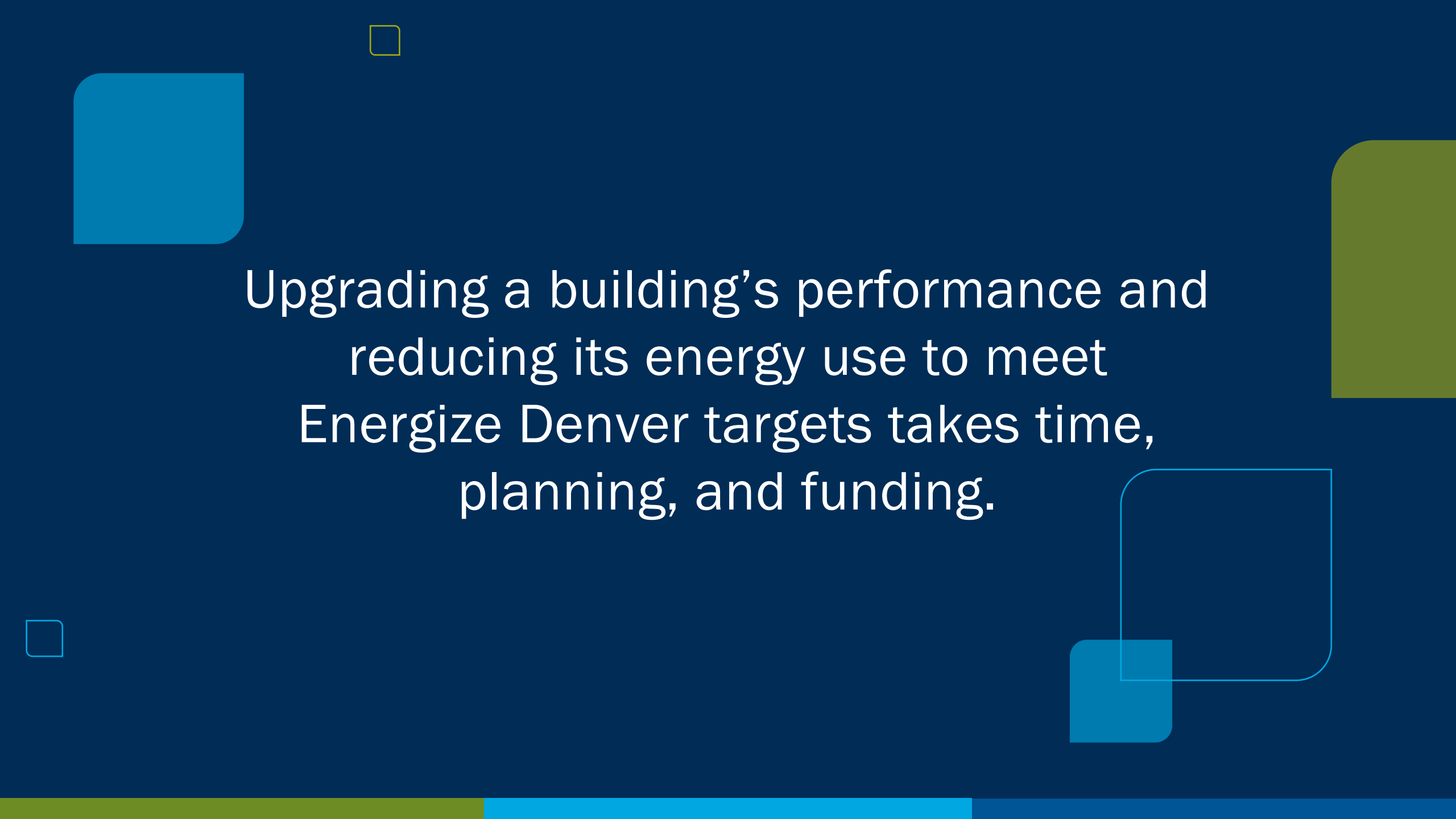
Updates align with current economic conditions and future market expectations, helping buildings remain competitive, energy-efficient, and attractive to tenants and investors.

Strategic Support, Not Just Mandates

Businesses have access to expanded rebates, planning assistance and a business hub with compliance dashboards and financial resources, so building owners can make informed decisions on their own timelines.

Flexibility to Meet Needs

The program recognizes that every building is different, offering timeline extensions, compliance adjustments, and realistic pathways that allow building owners to replace equipment at the end of its life on a schedule that makes financial sense.



Upgrading a building's performance and reducing its energy use to meet Energize Denver targets takes time, planning, and funding.



Getting the Right Target

- **Practical Energy Targets:**

- No building is required to reduce energy use by more than 42%.
- Credit for Adaptive Reuse – retroactive and future projects
- New custom target – creating the ability to adjust a building’s energy efficiency target beyond standard adjustments

- **Support:**

- New benchmarking checklist
- Help Desk coaching available
- Incentives support energy audits that can help identify target adjustments, savings, and compliance pathways, though not mandatory.

Other Incentives

New Incentive for Decarbonized Networks:

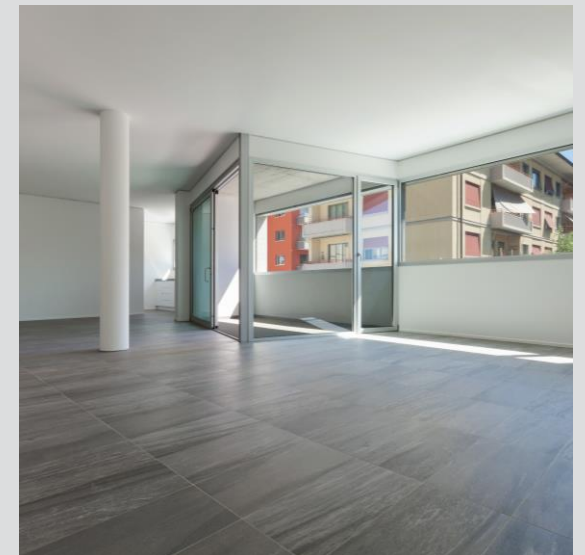
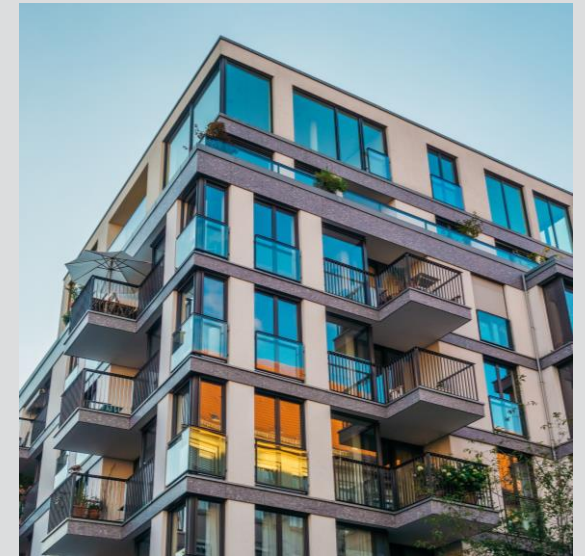
- Additional target incentive for buildings that connect to non-emitting thermal energy networks (e.g., district geothermal systems and other types).

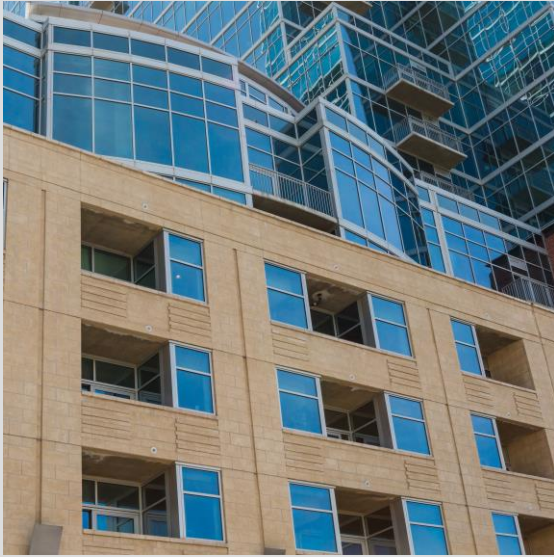
Expanded Renewable Credit Options:

- Off-site solar investments can now be located anywhere in Colorado (previously limited to Denver).
- On- or off-site renewables owned by the building owner within Denver now count at a 1.5x credit multiplier instead of 1:1.

New Rebates

Denver is offering new rebates to help offset the costs of energy efficiency audits and energy management training for building staff.





Extended Timelines

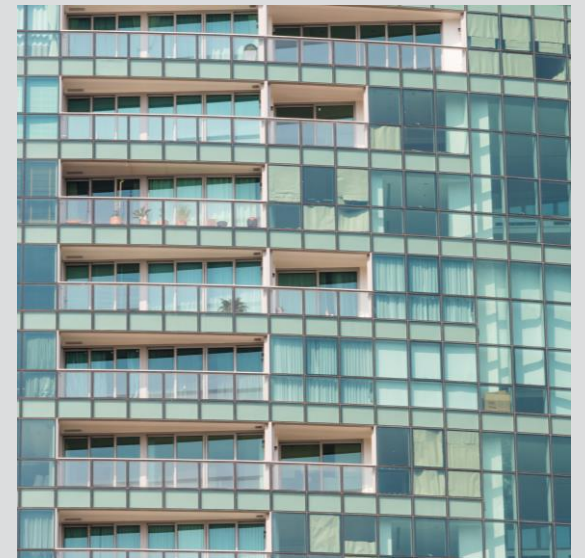
- **Extended Compliance Deadlines:** Compliance deadlines are now extended to 2028 and 2032, giving buildings more time to plan, budget, and implement energy efficiency improvements.
- **Heating & Cooling Equipment:** Buildings can receive time extensions to wait until end of system life to replace equipment.
- **Extensions & Holds:** Ability to apply for interim compliance holds or timeline extensions.

Short-term Holds for:

- **Financial Distress & Vacancy:** Buildings facing financial hardship or high vacancy rates can receive a two-year compliance delay, with annual check-ins.
- **Redevelopment Areas:** Buildings within formally designated redevelopment zones may delay retrofits for up to two years if a redevelopment plan is in place.
- **Lease Expirations:** Buildings with major leases expiring near target deadlines can receive a hold until the new tenant moves in.
- Plus other reasons.....

Long-term Extensions for:

- End of HVAC system service life
- Energy service capacity limitations
- Downtown steam loop system infrastructure planning
- Residential condominium fundraising schedules
- Plus other reasons.....



Simplifying Processes for Buildings 5,000-24,999 sq. ft.

- **Already in compliance with LEDs?** Self-verification is now allowed for building owners that are already in compliance with the LED lighting requirements and do not need to make lighting upgrades.
- **Timeline extensions simplified:** The process for timeline extensions is easier.
- **Energy tracking:** a simplified process for calculating a building's annual energy usage is now available.
- **15% Energy Use Reduction streamlined:** building owners who are approved to do energy efficiency upgrades in place of LED lighting or renewables are no longer required to perform 12 months of energy benchmarking after the completion of upgrades.



Support & Next Steps

Technical Support

Building Management Portal

Launching May 1, a centralized platform for managing compliance, tracking progress and accessing resources.

1:1 Coaching Services

Expanded support capacity and personalized consultations for building owners to develop tailored compliance strategies.

Enhanced Contractor & Service Provider Trainings

Expanded training programs for professionals supporting energy compliance efforts.

Compliance Status Reports

Providing buildings with the ability to demonstrate compliance for real estate transactions through a disclosure letter.

Free Online Energy Management Tool

Features include virtual energy assessments, project planning tools, resource library.

Financial Assistance

A variety of financial support mechanisms are available through partners, including low-interest loans, grants, and other funding sources

Timeline

Oct – Feb

- Three rounds of feedback sessions, focus groups, and public comment
- Multiple versions of draft documents with feedback-driven changes



March

- Notice of public hearing, posting of final draft documents, and final 20-day public comment period



April

- April 1 public hearing to adopt rules.
- Final opportunity for public comment (3 minutes)
- Service Provider training opportunities



May 1

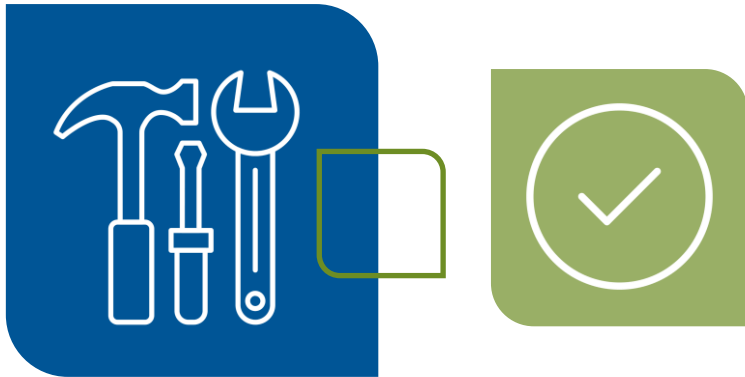
- Benchmarking season begins (ends Sept 1)
- New building management portal debuts

Benchmarking Due – May 1 to Sept 1

- More time to use the new checklist to double-check benchmarking data
- Third-party data verification requirement:
 - At least once in the next two years (either the 2025 or 2026 reporting year), you will need to have third-party data verification on your benchmarking report.
 - If you've already received a target adjustment, the data verification requirement is satisfied.



MAI Application now due December 31, 2025



- The default target for MAI buildings is the 30% EUI reduction on the performance pathway
- By April 1, the MAI buildings' targets will be updated to reflect this default target
- Application is only necessary if you want to change your pathway or metric away from the 30% EUI reduction performance target





Commitment to Collaboration

- Improved clarity on compliance steps.
- Streamlined communications
- Assistance for businesses navigating the policy.
- Trainings and connections to qualified contractors.
- Dedicated business hub and compliance portal.



How Energize Denver Supports Businesses

Flexible, Feasible Compliance Paths

Aligning with business needs and capital cycles to provide customizable compliance options.

Lower Costs, Higher Savings

Focus on cost reductions via more time, flexibility, efficiency improvements, and incentives.

Future-Proof Buildings

Ensuring buildings remain competitive, energy-efficient, and adaptable for the long-term.

Expanded Business Support

Providing more rebates, compliance tools, and expert assistance to guide businesses through the process.



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Q&A



Public comment due March 31, 2025



- Email comments to energizedenver@denvergov.org
- Mail comments by March 27 to:

Office of Climate Action
Attn: Energize Denver team
201 W. Colfax Ave., Dept. 704
Denver, CO 80202
- Sign up for April 1 public hearing,
3-minute public comment allowed





Energize Denver Help Desk

- Hours: 8am-5pm, M-F
- Phone: (844)-536-4528
- Schedule a Phone Appointment: <https://energyreporting.as.me/appointment>
- Email for Buildings 25,000 sq. ft. and larger: energizedenver@denvergov.org
- Email for Buildings 5,000 - 24,999 sq. ft.: energizesmallbuildings@denvergov.org



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Q&A answered during webinar:

- There was a recent MAI deadline on alternative compliance how will the April 1st updates to the Energize Denver program impact this recent deadline?
 - See slide 25. MAI Draft Technical Guidance page 29
- When will the benchmarking portal be open for report submission?
 - May 1
- Will there be an alignment between Energize Denver and Colorado Reg 28 energy efficiency rules and regulations and deadlines at some point?
 - There is a bill (HB 25-1269) moving through the state legislature right now that would allow if local jurisdiction has a program that is as stringent as the state, the buildings in that jurisdiction would just comply with that program (benchmarking at the state level would still be required).
- My basic questions are how the proposed Denver changes will now be impacted by CO HB25-1269. If Reg 28 is now a complete unknown, which could offer reciprocity if we meet local regs like Energize Denver, what is the likelihood the proposed Denver regs will be accepted by the CEO and will the 2028 and 2032 dates align?
 - We believe our program would still meet the state because they also allow custom target and timeline adjustments.
- Restaurants in Denver have been getting hit incredibly hard with rising costs, many are closing down or moving out of Denver. Is there any thought to offering a reprieve and exempting their gas usage (for cooking) so we don't lose more of them?
 - We believe the adjustments to the program, timeline, custom target adjustments, etc. will help the restaurants meet an energy efficiency target while also moving towards meeting our long-term climate goals.

Q&A answered during webinar:

- What will the new targets be for 2028, 2025 was moved to 2026 but does that still apply for the new 2028 target?
 - The original 2024/2025 interim target has been shifted back to 2028. Draft 25K+ Technical Guidance page 13
- Is the onsite renewable credit applied by ED?
 - Yes, Building needs to submit the renewable information through the renewable credit form and the team applies it during performance evaluation.
- What dates will require 3rd party verification with the updated target years?
 - Once in the next two years, and then one last time when the final target is evaluated. Draft 25K+ Technical Guidance Page 30
- The current first interim 2025 target is now the 2028 target?
 - Yes
- Will the portal be connected to EnergyStar?
 - Yes, but only a certain amount of information comes through.
- Will owners be able to share their portal information with consultants, similar to Energy Star?
 - Yes
- Will all penalties be issued in 2029, including targets that could already be missed for benchmarking or the end of 2025 mandates for buildings under 25,000 sq ft?
 - The penalties for 25K+ were based on a cost of compliance study. We removed miscellaneous costs and HVAC replacement from the calculation, which reduced the 25K+ penalties in half.
- Will fines for these smaller buildings also be cut in half?
 - No, the penalties for smaller buildings stay at the same level.

Q&A answered during webinar:

- Can third party providers fill out Target Adjustment and Lighting Compliance Applications for customers?
 - Yes
- Regarding churches, how does this new one work?
 - We encourage all worship facilities to call into our help desk because they are more than likely eligible for our Equity Priority Building Compliance Assistance program.
- How can you log in to the building management portal?
 - Can building owners share log in information with contractors? We'll send instructions in late April for the May 1 launch of the portal. Contractors can have their own login for a building.
- What is the new penalty (\$/kbtu)?
 - See Draft Technical Guidance page 72
- How do these changes address the equity and climate concerns that CASR is threatening people living in multifamily communities that use significantly less energy and support sustainable alternative transportation modes with massive fines while giving millions in subsidies to wealthier people in single family homes?
 - We believe the new options for custom targets, residential condominium ACO, and other items help this group.
- Have we solved the community solar garden contracts tracking either within ESPM or the new dashboard so we can see their impacts on EUI targets?
 - No, we don't have a solution for this.
- Is there a backup plan in place if EnergyStar/Portfolio Manager funding gets cut and the platform loses support/upkeep?
 - We just spoke with the EPA yesterday and there are no planned cuts to ESPM.
- Will the city be sending out letters stating where we stand currently on each building?
 - Yes, these will go out in mid-April.

Q&A answered during webinar:

- Can we attend the public hearing in person?
 - No, it is a virtual hearing where you can sign up for public comment.
- Will there be a separate penalty if owners do not perform Data Verification in 2025 or 2026?
 - If a building has not data verified by the end of 2026 benchmarking season, the benchmarking report for that year would not be considered in compliance until that's done, so a \$2,00 benchmarking citation would be applicable.
- Will the new custom target also be available to MAI buildings?
 - Yes
- When will the revised fines come out?
 - See Draft 25K+ Technical Guidance page 72.
- Are there any updates on training incentives for certifications like Passive House?
 - Yes, they just launched: [Pilot Rebate Program for All-Electric Affordable Housing](#)
- When is the online penalty fine calculator getting updated with new target EUI numbers and years?
 - We do not have a schedule yet for updating the calculator.
- Are we still eligible for a rebate if we have already completed an energy audit or data verification for this program?
 - Yes, the energy audit rebates are retroactive back to November 2022.
- If we cannot meet the 2032 target, will the plan we provide have to include an ASHRAE Level 2 Audit?
 - Yes, for the timeline extension you must do an ASHRAE Level 2 audit to inform the compliance plan.

Q&A answered during webinar:

- Can you speak on customers who are currently on district steam, and if there's any updates to share.
 - Plans are still being discussed. No updates at this time, but the timeline extension has been adjusted for the steam loop to have a minimum of a 5-year delay for the infrastructure planning.
- Is Energy Performance Colorado going to shift deadlines as well? Have the two out of sync is a challenge.
 - See HB25-1269. If the legislative adjustment to the state program passes, then you'd only have to comply with one for the performance requirements.
- Will we have to continue to use the "Approved list of service providers" for future audits and target adjustments.
 - You do not have to use providers from the trained list for audits or target adjustments, except for the MAI ACO. That's just a list to show you providers who have been trained in the requirements.
- Is the new Building Management Portal launching in May also available for Service Providers, i.e., have a separate login for Service Provider and they can view all of the submission they are submitting across multiple building owners.
 - Yes, the portal is planned to work that way.
- If we lease a building warehouse, who is responsible for the Energize Denver compliance?
 - The building owner is the responsible party.

Q&A we didn't get to:

- Is there a chance the Trump Administration will shut this down considering the threats to shut down the EPA? Can the state choose to continue to roll this out?
 - The Trump Administration only has control over federal regulations, not state or local.
- We have a 30K' building and we're considering putting in a 60 KWH solar system on our roof, which would drop our energy efficiency below our 2026 target. Do I understand the new rule correctly that we would now get an increased benefit by getting 1.5 times that KWh credit because the solar panels are on site?
 - Yes
- Condo self verification ... how do we self certify 90% LED lighting requirement ?
 - See the Draft 5K Technical Guidance page 12+. This option is not available until April 1 after the rules are adopted.
- My condo changed all our lighting to LED 2-3 years ago ... I have no proof except to show someone or show you photos ... do I need to do more?
 - We need you to fill out a lighting audit spreadsheet. See the Draft 5K Technical Guidance page 12+. This option is not available until April 1 after the rules are adopted.
- Will historic buildings be qualified for a custom target adjustment, if so is there a specific application the Property owner needs to fill in?
 - Historic buildings are eligible for a slightly different custom target adjustment. See Draft 25K+ technical guidance page 41.
- What about fee structures, when will fines be levied
 - See Draft 25K+ Technical Guidance page 72. The earliest we'll be assessing performance penalties is in 2029.

Q&A we didn't get to:

- When is the performance online calculator be updated with timeline extensions?
 - We don't have a timeline yet for updating the calculator.
- Is it a proper understanding that in order for a building landlord to possibly meet the target # required, that a tenant(s) of the landlord would be forced to make changes within their business to meet the building target requirement. In the specific case of a manufacturing tenant, is it the program stance that the manufacturer would perhaps have to change out their equipment????
 - No, please take a look at the new custom target adjustment (page 42). Or there are multiple options for manufacturing, agricultural, or industrial buildings (see MAI Draft 25K+ Technical Guidance). You can also reach out to our industrial administrator Daniel Raynot to have a conversation (Daniel.Raynor@denvergov.org).
- One of our owners has two separate buildings (5,000 sf and 7,000 sf) with two separate addresses. The buildings have the same building ID and the square footage is combined in the City of Denver Assessor's database. What is the process to correct this in the Energize Denver database?
 - Reach out to energizesmallbuildings@denvergov.org and they can help you fix that.
- Is the penalty delta in 2028 still on a straight line to the 2032 based on the initial benchmark, or is that what the 3rd party verification in 2025 or 2026 becomes?
 - The original 2024 interim target was shifted back to 2028, so the “straight-line” concept not longer applies. See Draft Technical Guidance page 35 for an explanation.

Q&A we didn't get to:

- Will the new disclosure show current compliance status or compliance status relative to the 2028 or 2032 target?
 - Yes, the new disclosure letter will show the compliance status information that CASR has on file in reference to both target dates.
- Is there a certain type of standard form for the long-term plan?
 - Yes, there is a template for the compliance plan – See Draft 25K+ Technical Guidance page 56 and Appendix D.
- I sent my question to sustainability@denvergov.org. Please advise if better contact to discuss incentive/rebate updates/inclusions.
 - The folks covering the sustainability inbox will forward the question to the electrification team. Their direct email is electrification@denvergov.org.