Updates to BEPS Guidebook August 18, 2026

Webinar Presentation to AOBA

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What is the Guidebook?

DOEE produced the Guidebook to help building owners understand the requirements, compliance methods, and enforcement of the BEPS program.

Draft History

- Version 1.0
  - Published as draft July 2021
  - Public comment period for sixty (60) days
  - Final version published March 2022
- Version 1.1
  - DOEE made minor updates that were published February 2023
- Version 1.2
  - Published as draft November 2025
  - Public comment period for forty-five (45) days
  - Final version published August 2026

Final version published here: https://dc.beam-portal.org/helpdesk/kb/BEPS_Guidebook/

Why did DOEE update the Guidebook?

For Guidebook v1.2, DOEE primarily made changes to reflect:

- BEPS Amendment Act of 2024
  - Law passed by DC Council in late 2024 that requires DOEE to create additional exemption criteria, shifted timelines for Cycle 2 and 3, and enacts small changes to existing compliance pathway options
- DOEE programmatic experience
  - Based on stakeholder feedback and experience working with owners that are attempting to comply, DOEE made some updates to its guidance to create more flexibility and/or address specific challenges with current implementation of the program

Process and Goals for Updating Guidebook

- **Process:** DOEE published Guidebook draft, collected public comments, and then made updates based on those comments
- **Public comments:** received over 300 public comments from seven (7) individuals or organizations
- **Goal:** ensure thoughtful incorporation of the changes while minimizing impact to language that has been in place for nearly five (5) years
- **Key Sections**: DC BEPS Score, Building Improvement Agreements, Financial Distress, (Good Faith Effort)

DC BEPS Score

- **Summary of changes:** DOEE made updates to ensure consistency whenever EPA changes the ENERGY STAR score models (i.e. maintain apples-to-apples comparison)

- **BEPS Score (Originally Section 3.2.4) Comments:**
  - Most comments agreed on merits of the concept but focused on *how* DOEE will communicate BEPS score.
  - Some commentors asked that DOEE re-evaluate how DC BEPS Score is defined to minimize instances where BEPS Score and ENERGY STAR Score are different.

- **Updates from Draft to Final for DC BEPS Score (Now Section 3.2.2.1 and referenced throughout):**
  - *Definition:* DOEE redefined the DC BEPS Score in a way that would greatly minimize the instances where the DC BEPS Score and the ENERGY STAR score do not match
  - *Communication:* DOEE will work closely with key stakeholders outside of the Guidebook updates to ensure that communication is clear and that owners have access to any pertinent information regarding their BEPS compliance metrics in a way that is convenient and easy to comprehend.

Alternative Compliance Payment Assessments

- Owners who do not meet the energy efficiency requirements of their chosen pathway will be assessed an alternative compliance payment.
  - *Example:* Owner A owns a 100,000 sq ft building and chooses Performance Pathway, committing to a 20% reduction in Site EUI (Adjusted to Current Year), comparing CY2018-CY2019 (average) to CY2026. Owner submits CY2026 data by May 2027. DOEE confirms a 12% reduction → Owner A to be assessed a payment.

- Maximum alternative compliance payment: $10/sq ft automatically reduced based on the building's progress
  - *Example:* Owner A maximum payment is $1M, but due to progress made (~60% of goal), payment automatically reduces to $400,000 (40% left towards goal)

- DOEE formally communicates the assessed payment. Owner A will have options to 1) pay the assessed payment, 2) request a reduction in the payment, or 3) settle the payment through a Building Improvement Agreement.
  - *Example*: DOEE assesses $400,000 payment to Owner A. Owner A submits a "good faith effort (GFE)" application and informs DOEE of intention to seek a settlement. DOEE reviews GFE application and reduces payment to $200,000. Owner A then requests to enter into a Building Improvement Agreement, at which point the owner proposes an energy efficiency project that meets the criteria in Guidebook Section 7.4

Building Improvement Agreement

- **Summary of changes:** DOEE created an option by which owners can request to enter into a "Building Improvement Agreement" that could allow the owner to redirect funds from payment of the alternative compliance payment to improve building energy efficiency.
- **Optional Agreements for Building Improvements (Originally Section 7.1.1) Comments:**
  - Many commentors supported this concept, but some commentors are concerned about it creating potential loopholes.
  - Most comments requested more clarity from DOEE on what will be required in what will/will not be allowed within the agreements.
- **Updates from Draft to Final for Building Improvement Agreements (Now Section 7.4)**
  - Eliminated Section 7.1.1 and created Section 7.4 that generally describes the enforcement settlement process
  - Owner will be required to:
    - Request a settlement and agree not to dispute the assessed payment
    - Propose a building energy improvement project
    - Compensate for the delay by agreeing to either pay a portion of the payment coupled with an efficiency project or complete an efficiency project that results in an investment well above the assessed payment (see chart on next slide)

Building Improvement Agreement

Table 23 – Settlement Agreement Scenarios

Cost of Building Improvement Project(s) (% of Assessed Payment)	Required Payment to DOEE (% of Assessed Payment)	Total Settlement Amount
120% or more	0%	Cost of building improvement project
At least 100% but less than 120%	120% – cost of building improvement*	120% of assessed payment
At least 80% but less than 100%	20%*	20% of assessed payment + cost of building improvement
Less than 80%	100% – cost of building improvement	100% of assessed payment

* The settlement will include (1) a specific percentage of the assessed alternative compliance payment to be paid on a schedule established in the settlement agreement, and (2) an estimated project amount. If the actual costs of the project implemented are less than 80% of the assessed amount, the project owner must pay the difference between the estimated and actual costs as an alternative compliance payment, plus interest. If the actual costs are between 80% and 100%, the payment is capped at 20%. If the actual costs are 100% or more, the amount of any remaining payment due will be adjusted.

Building Improvement Agreement

- **Updates from Draft to Final for Building Improvement Agreements cont'd (Now Section 7.4)**
  - Owners cannot:
    - Include replacement or installation of fuel-burning equipment in their agreement
    - Duplicate other legal regulatory requirements
    - Count something that is "business-as-usual"; costs should only include EEMs above in-kind replacement
  - Agreement will include:
    - List of approved EEMs
    - Schedule for implementation
    - Terms of the payment
    - Reporting requirements
    - Consequences of failure to meet the agreement
  - Buildings that enter into these agreements will be placed on the trajectory compliance pathway for future BEPS Compliance Cycles

Financial Distress Exemption

- **Summary of changes:** DOEE created new criteria and process that allows owners to receive exemptions due to financial distress.
- **Financial Distress (Chapter 6, Appendix D) Comments:**
  - Received comments on both the structure of the exemption *process* and *metrics* around financial distress, particularly for certain property types.
  - Key commentor feedback:
    - found the overall structure confusing, indicating that DOEE's intent was not being communicated clearly
    - asked that DOEE relax the administrative burden for qualitative distress
    - asked for relaxing of the metrics (e.g. higher DSCR threshold)
    - asked for DOEE to better define and/or limit how metrics are derived (e.g. what should/should not be counted as capital expense)
  - Several commentors provided guidance on how to better evaluate financial distress for property types with unique challenges (e.g. affordable housing, condos/coops, non-profit owners).

Financial Distress Exemption

- **Updates from Draft to Final for Financial Distress (Chapter 6, Appendix D) :**
  - General re-organization to clarify intent and highlight most important elements of the guidance
    - Provided a short explanation of the process for applying for distress, referencing details later in the Appendix.
    - Moved the Qualitative distress section further up in the Appendix, to emphasize this level of distress *and* that meeting Qualitative distress can stand on its own to demonstrate distress exists.
    - Relaxed the burden for what the owner must provide within their narrative to show infeasibility by relying on the owner providing information that they would already have rather than "new analyses" that may cost time/money to produce.
    - Eliminated additional documentation for anyone in qualitative distress – e.g. owners can simply provide the notice of foreclosure and a short narrative.

Financial Distress Exemption

- **Updates from Draft to Final for Financial Distress (Chapter 6, Appendix D) :**
  - Eliminated the timing constraint – owners can qualify for an exemption as long as at least 12 months of the distress occurs within the Compliance Cycle
  - Did not eliminate financial distress as a delay of compliance option, instead aligned requirements, in order to offer maximum flexibility
    - Owner chooses if they want delay or exemption
  - Relaxed the DSCR from 1.0 to 1.15
    - Will also allow for a DSCR higher than 1.15, if the owner can provide a lending agreement or other legal agreement showing that they are legally bound to keep their DSCR above 1.15.
  - Defined what should be counted towards "capital expenses" and moved definitions to the top of the Appendix, so the information is clearer.

Financial Distress Exemption

- **Updates from Draft to Final for Financial Distress (Chapter 6, Appendix D) :**
  - For non-income-producing buildings: Developed a "general test" for financial distress that requires the owner to show that their financial obligations outweigh their total revenue
    - Test offers flexibility for these owners to "tell their story" as to why they could not meet their BEPS obligations, while noting examples of documentation required by DOEE to approve an application for distress
  - Re-drafted the anticipatory distress section that still allows for the flexibility but better defines the concept that owners must be able to point to a specific event or reason that they anticipate a change in their financial status (e.g. a major tenant is not planning to renew their lease, which will lead to a large loss of income).
  - (In development) spreadsheet templates that will define the calculations that will be needed in order to meet the Quantitative tests

Good Faith Effort

- **General Info:**
  - Good Faith Effort (GFE) will be treated as a mitigating circumstance as part of the *payment settlement process,* once payment has been assessed

- **Application Process:**
  - Owners will apply through the BEPS Online Portal
  - Offered as selectable option in the Completed Actions Report (CAR)
    - Separate application available outside the CAR, if needed by owner
  - Owner will select from specific criteria and then include a narrative and any associated supporting documentation
  - Criteria likely to mirror the options from the GFE Subcommittee, except for the "points system," which DOEE will not be moving forward with at this time

- **Timing on Guidance:**
  - Aiming to release final guidance in Fall 2026

Good Faith Effort

- **How will GFE interact with Building Improvement Agreements or other settlements with DOEE?**
  - Process begins* with DOEE evaluating a building's performance relative to their chosen pathway, checking to ensure a Completed Actions Report has been received, and determining if a payment is due
    - Automatic payment reduction will be applied based on building's progress as per 20 DCMR 3521.1(c)
  - DOEE will formally communicate the assessed payment to the building owner
    - Building owner will indicate whether they would like to seek a settlement, which could be based off of the GFE application that has already been provided
  - Owner will have the option to:
    - Agree to assessment & request a settlement (e.g. Building Improvement Agreement)
    - Pay the assessment in full
    - Deny the infraction

*Process described here assumes that owner has already applied for/considered any baseline adjustments, pathway changes, delays of compliance, and/or exemptions (such as financial distress).

That was a lot of info - What do I need to know?

- **Keep up the good work!** Most buildings are on track to hit their targets. Please be mindful of all the upcoming deadlines to stay on track (see next slide).
- **You have options!** If you are concerned about not hitting your targets, please review the Guidebook and upcoming Good Faith Effort Guidance to explore what options are available to you.
- **In financial trouble?** See Chapters 6 and Appendix D for guidance on exemptions due to financial distress.

What’s Next for You?

- **Upcoming Deadlines/Key Dates:**
  - **December 31, 2026**
    - Deadline for buildings within the BEPS compliance cycle to **request pathway change** and/or submit application for an **alternative compliance pathway**
  - **April 1, 2027**
    - Deadline for buildings within the BEPS compliance cycle to **request delay of compliance** or **exemption**
  - **May 3, 2027**
    - All CY 2026 **benchmarking data** due to DOEE for buildings >10,000 sq. ft.
    - All CY 2026 benchmarking data must be **third-party verified** for buildings >10,000 sq. ft.
    - **BEPS Completed Action Reports** due to DOEE for buildings >50,000 in the BEPS compliance cycle
    - Buildings in the compliance cycle evaluated on whether they have met the targets or milestones required on their approved pathway
  - **January 1, 2029**
    - BEPS Cycle 2 standards set by DOEE

What’s Next for DOEE?

- **Next few days:**
  - Send an announcement through our building performance e-newsletter

- **Next few weeks:**
  - Finalize and publish the following related documents:
    - FAQs
    - Summary of Comments Received
    - Supplemental Calculation Worksheets related to Financial Distress
  - Update the Guidebook website to display the electronic section-by-section version (similar to our previous version)
  - Schedule a webinar series – we’ll focus in on a specific topic each session and allow for a lot of Q&A

- **Next few months:**
  - Continue updating our FAQs and hosting webinars/Q&A sessions
  - Continue working on the Good Faith Effort Guidance, with a final version to be posted sometime this fall

Questions?

Contact our team:

- Submit a ticket through Building Performance Helpdesk
- Email building.performance@dc.gov
- Attend one of our upcoming BEPS Q&A sessions (details forthcoming!)