

# Energy Performance for Buildings

## Background

The Colorado Energy Office's (CEO) Greenhouse Gas Pollution Reduction Roadmap and House Bill (HB) 19-1261 include targets for reducing statewide greenhouse gas (GHG) pollution 25 percent by 2025, 50 percent by 2030, and 90 percent by 2050 (from 2005 levels). HB 21-1286 passed this legislative session as part of that effort and requires owners of large buildings to collect and report annually to CEO on energy use benchmarking data and comply with performance standards related to energy and greenhouse gas emissions.

## HB 21-1286: Energy Performance for Buildings

The program requires owners of covered buildings to submit annual benchmarking data to CEO by Dec. 1, 2022, and by June 1 every year thereafter, and meet building performance standards beginning in 2026. On or before June 1, 2027, an owner must demonstrate that in 2026, the covered building met the performance standards to be established by a task force created by the legislation (see below). An owner must demonstrate compliance with the performance standards every five years after June 1, 2027. The Air Quality Control Commission (AQCC) is required to adopt rules in 2026 or 2027 that extend or modify the performance standards. Then, in the future, the commission may modify the performance standards by rule.

## What You Need to Know

The Colorado Department of Public Health and Environment (CDPHE) will collect an annual fee from owners of \$100 per covered building. "Covered Building" are buildings – including hospitals and other health facilities – comprising a gross floor area of 50,000 square feet or more. CEO will assist covered building owners with the reporting requirements by:

- Creating a database of covered buildings and owners;
- Developing maps and lists showing the energy use and performance standard data reported;
- Coordinating with any local government that implements its own energy benchmarking; and,
- Collecting an annual fee from owners of \$100 per covered building.

Owners that violate the benchmarking requirements or provisions pertaining to the sale or lease of a covered property are subject to a penalty of up to \$500 for the first violation and up to \$2,000 for each subsequent violation. Owners in violation of performance standard requirements are subject to a penalty of up to \$2,000 for a first violation and up to \$5,000 for each subsequent violation, as established in rule by the AQCC.

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## Task Force and Rulemaking

The bill directs CEO to convene a task force no later than Oct. 1 with members identified in the bill to develop and provide consensus recommendations to the AQCC and the Governor concerning:

- Interim performance standards that would achieve a 7 percent reduction in GHG emissions by 2026 as compared to 2021;
- Performance standards that would achieve a 20 percent reduction in GHG emissions by 2030 compared to 2021 levels; and,
- The processes for advising, soliciting public input on, and making recommendations to the AQCC on performance standards for 2030-2050.

Consensus recommendations are due to the CEO by Oct. 1, 2022. The AQCC must promulgate rules by May 1, 2023, that consider the recommendations of the task force and achieve the GHG emission reductions outlined in the bill.

## Implementation Timeline

- **Oct. 1, 2021:** Task force on benchmarking to be appointed by CEO.
- **Oct. 2, 2022:** Recommendations to AQCC for benchmarking reflecting goal of 7 percent reduction in GHG emissions by 2026 and 20 percent by 2030; the task force must examine classes of buildings with “unique energy needs,” including hospitals and nursing homes.
- **Dec. 1, 2022:** Building owners must submit benchmarking information to CEO (and by June 1 annually thereafter).
- **Jan. 31, 2023:** The AQCC is to adopt recommendations as rules if they garner two-thirds approval of the task force.
- **Jan. 1, 2024:** Benchmarking compliance begins and is reassessed every five years.
- **2029:** The AQCC may expand benchmarking to buildings smaller than 50,000 square feet.

### Additional Resources

- [HB 21-1286](#) and [Fiscal Note](#)