



DENVER
CLIMATE ACTION,
SUSTAINABILITY &
RESILIENCY



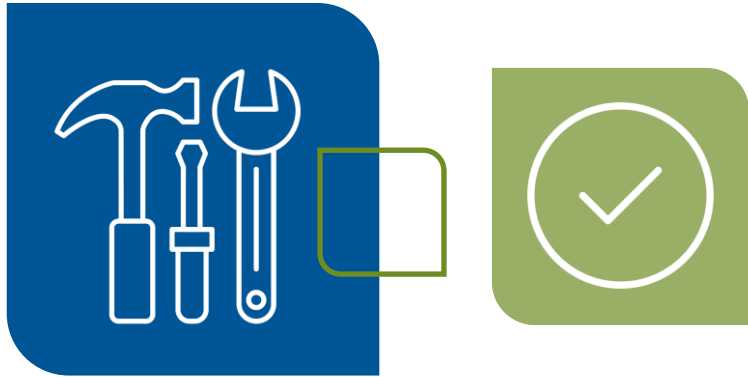
Energize Denver

Ordinance Update Request

April 2026



The Energize Denver Performance Policy is...



Energy Efficiency Requirements

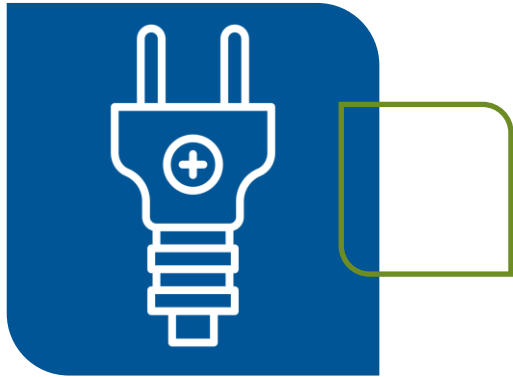
The policy requires each building to meet a certain level of energy efficiency through operations and equipment improvements to a building



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.

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

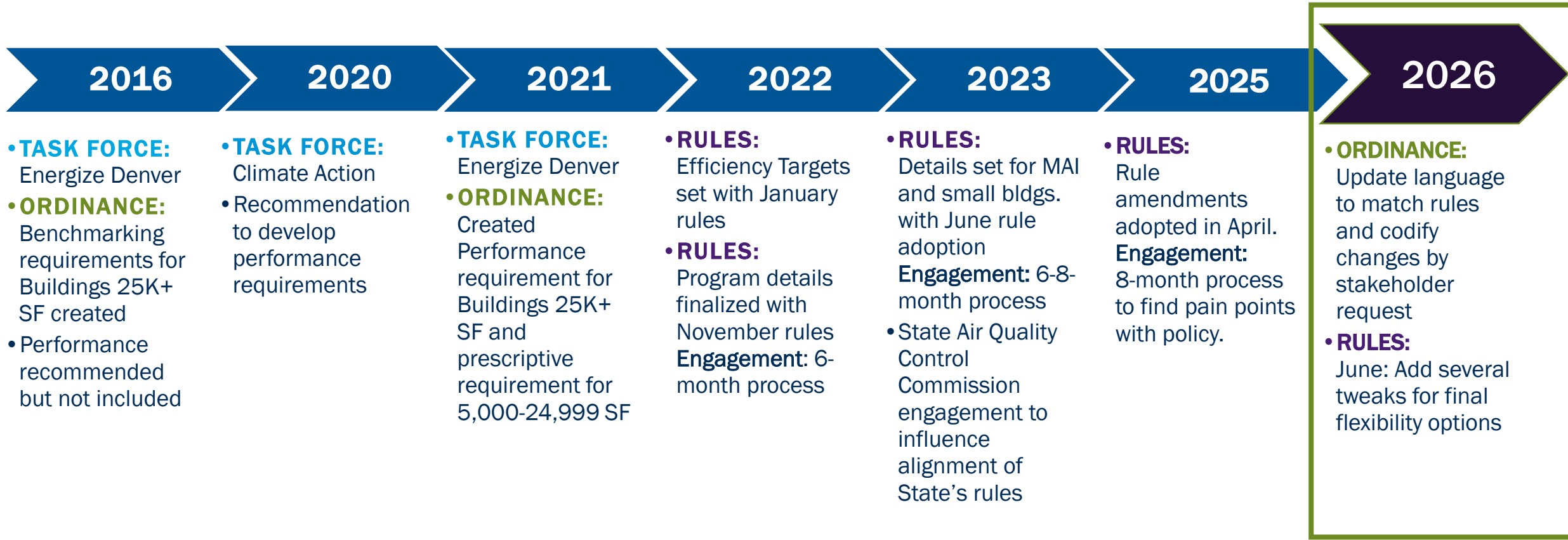
Replacing space and water heating systems before the end of system life is not required for the Performance Policy.



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.

Energize Denver Policy Engagement



Funding & Support

Building Management Portal

Launched in 2025, 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 Service Provider Trainings

Expanded training programs for professionals supporting energy compliance efforts.

Compliance Status Disclosure

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

New Support Hub

In Summer 2026, we're launching a new website that clearly communicates building owner actions and available support at each step.

Financial Assistance

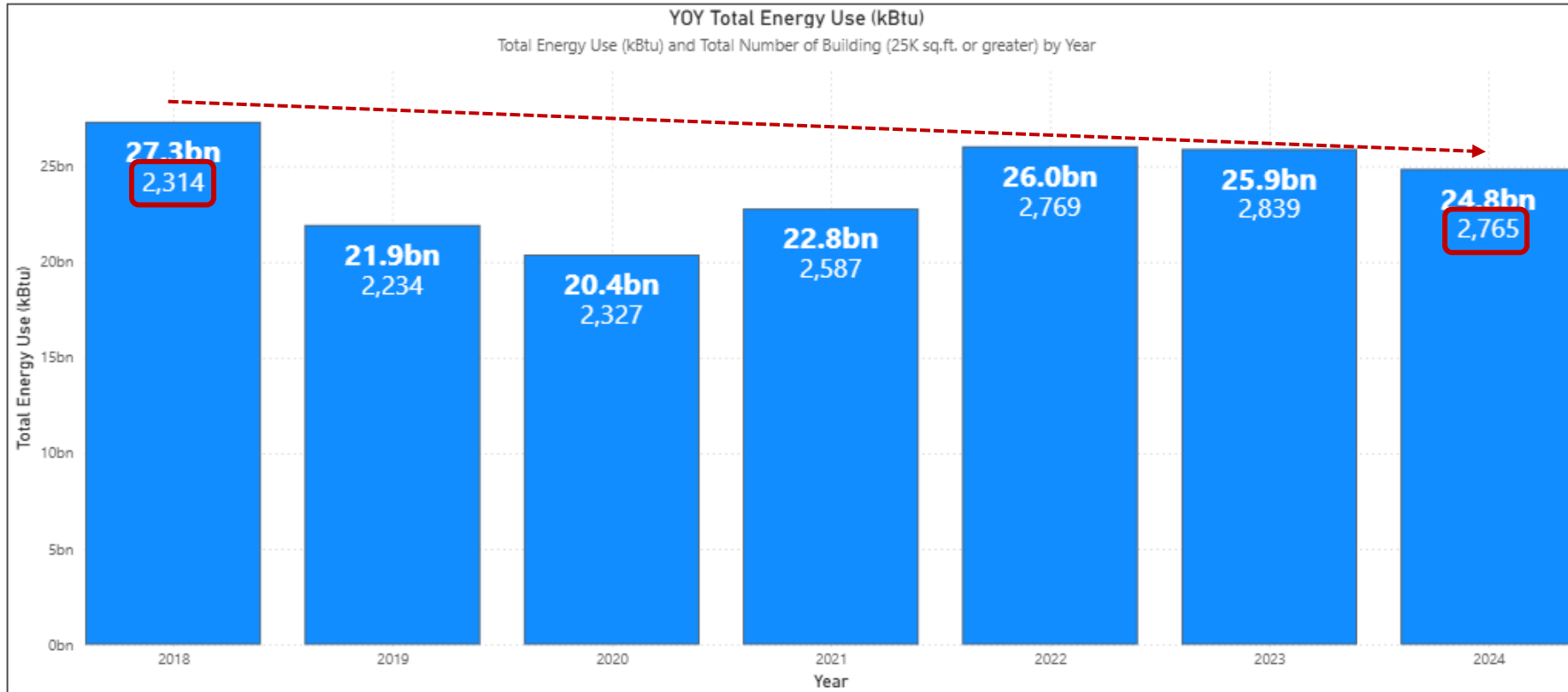
2025 rebates available for energy audits and prof. development, and a variety of financial support mechanisms are available through partners, including low-interest loans, grants, and other funding sources.

Overall Energy Reduction from Large Buildings

Overall Total Energy Reduction in kBtu

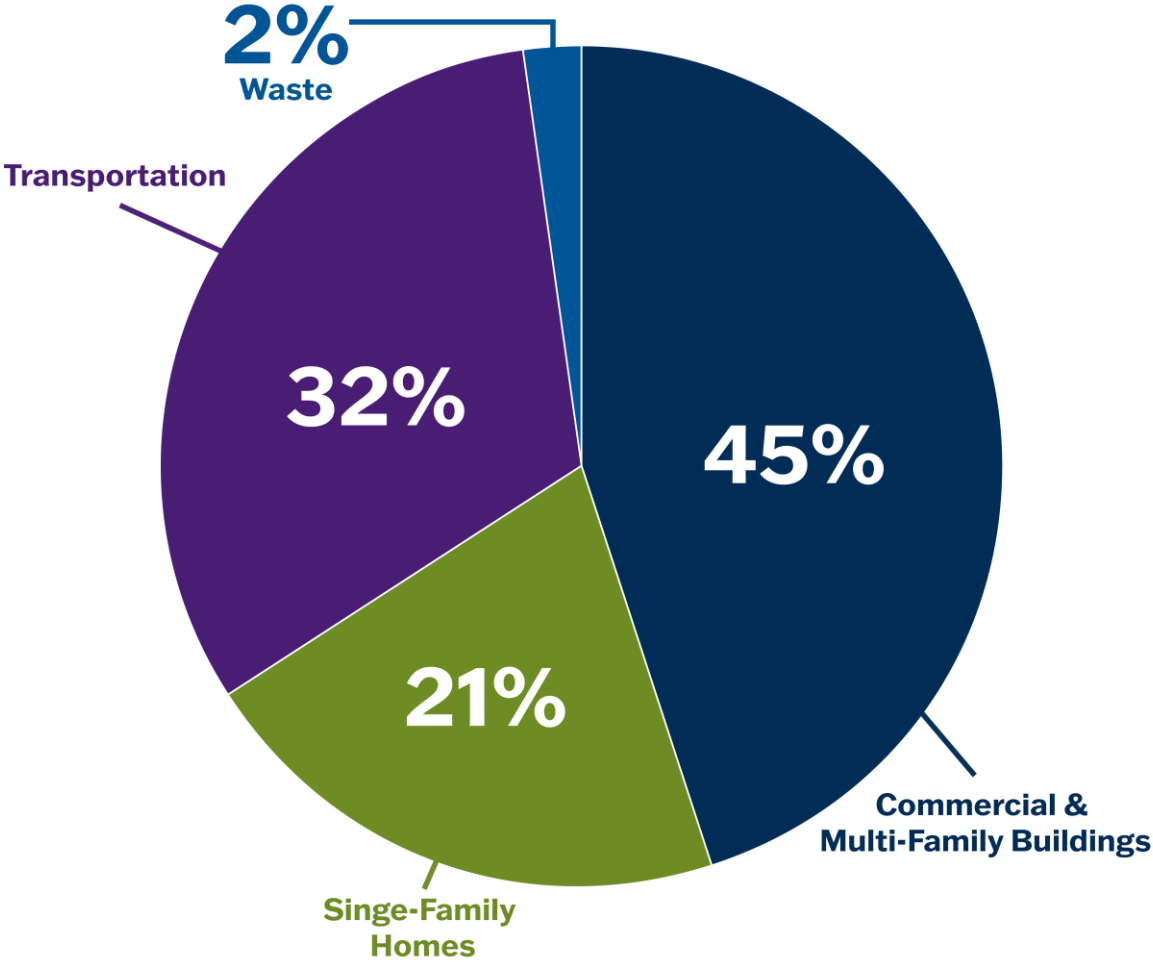
9.04%

Decreased overall energy use 9% despite increase of 450 reported buildings



"Total # of buildings" is how many large buildings reported energy use that year.


Denver's current pollution sources (2024)



Energize Denver is already making an impact.

Commercial and multifamily buildings were 49% of the emissions in 2019.

Making our commercial and multifamily buildings as energy efficient as possible reduces the load on the electrical grid as the state works towards electrification.



In conclusion of the multi-year refinement of the Energize Denver Building Performance Policy, some final 2026 administrative and codifying amendments to the ordinance are needed.

While administrative in nature, these updates and improvements will strengthen clarity, align ordinance language with retrofit realities, and ensure the policy continues to put compliance within reach for Denver's buildings.

What Amendments Will Achieve

We are proposing targeted ordinance and select rule amendments to:

- codify updates already implemented through rules and technical guidance (a request from stakeholders last year);
- clarify language for consistency and ease of implementation;
- ensure the ordinance reflects the flexibility mechanisms now available to buildings; and
- align Denver's policy with updated national Building Performance Standard best practices.

What Amendments Do Not Do

- Do not alter the core policy structure adopted in 2021
- Do not expand covered buildings
- Do not create new performance requirements
- Do not impose electrification mandates or require HVAC replacement before end of system life
- Do not require each building to reduce energy use by 30%
- Do not change Denver's commitment to, or progress towards, meeting our climate goals

Amendment Categories



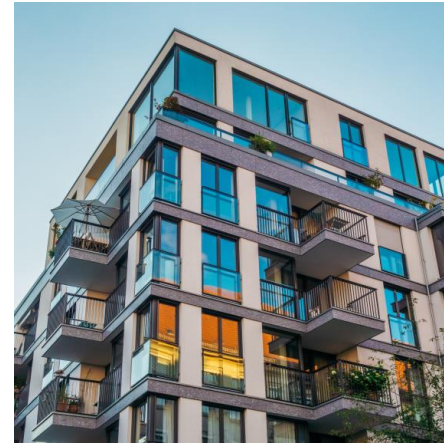
Timing Changes

Providing additional clarity and flexibility around deadlines and compliance pacing



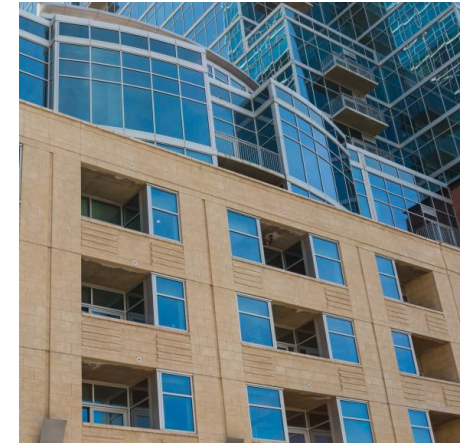
Planning Changes

Increasing clarity, flexibility, and long-term certainty in compliance pathways



Budgeting & Enforcement Clarity

Providing predictability, transparency, and stakeholder-requested certainty



Accompanying Rules Updates

Finalize practical compliance options requested by stakeholders while preserving elements that are already working well

Timing

Large Buildings:

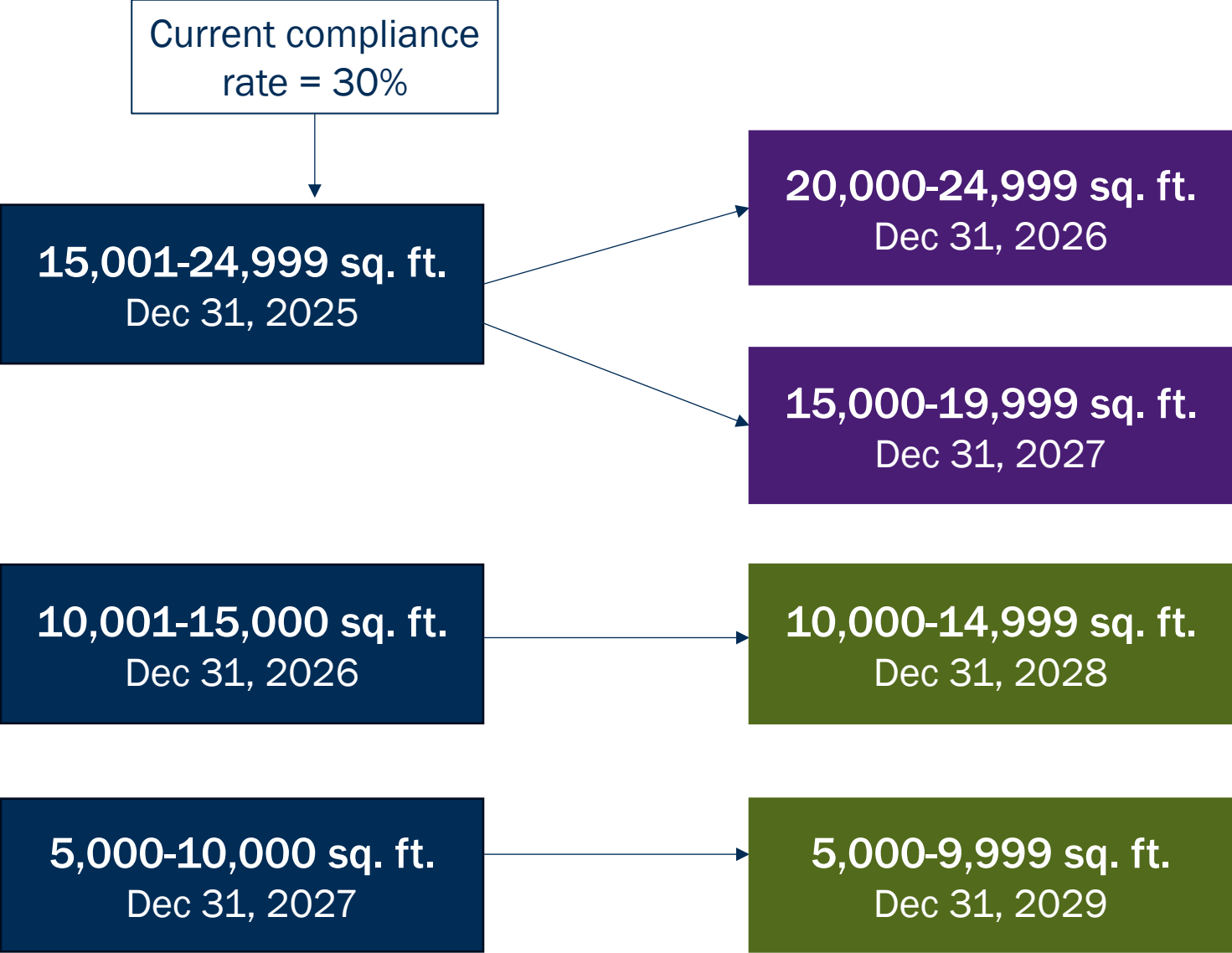
- Codify the timeline extension already earned by 98.5%
- changes first target year from 2024 to 2025
- Codify an extension process for annual benchmarking submissions
- Codify current Baseline Year Adjustments: allows the use of 2018 or 2020 as baseline if 2019 is not a normal year

Small Buildings:

- Extend each compliance deadline by at least one year and split the first group into two groups



Extend Small Building deadlines





Planning (part 1)



Large Buildings:

- Create exclusion process for transportation energy uses when they plug into building utilities
- Codify exclusion of heated swimming pools
- Codify the authority to require third-party data verification:
 - owner hires contractor to verify benchmarking data
 - ensures the correct energy efficiency target
- Remove Manufacturing, Agricultural, and Industrial benchmarking exemption (administrative correction from 2021 – these buildings started benchmarking in 2023)
- **Codify authority to have a simplified option for residential condominium buildings through rules**



Planning (part 2)



Small Buildings:

- Add ability to create simplified options for owners to comply

Both Large and Small Buildings:

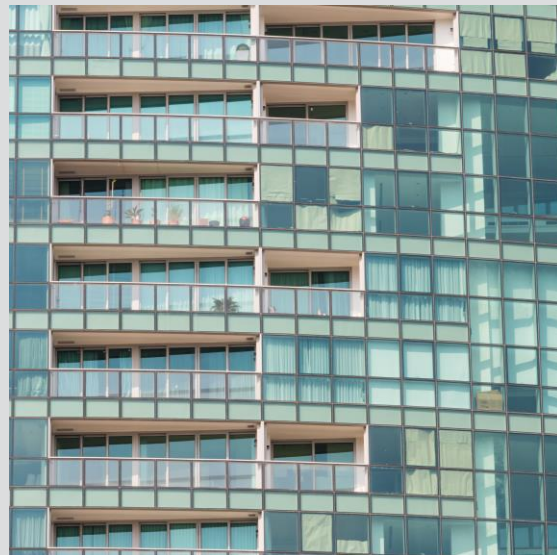
- Clarify the “covered building” definition of “commercial and multifamily buildings” (clarifies but does not change covered buildings)
- Codify clarifying definitions we’ve developed in rules, including “financial solvency concerns”
- Require disclosure upon sale on all buildings 5,000+ sq. ft. (currently at 25K+)
- Upon sale of building, add required transfer of historical energy data (only for 25K+)



Budgeting & Enforcement

Both Large and Small Buildings:

- Codify the 2025 reduced penalty structure into ordinance (stakeholder request for long-term certainty)
- Clarify what occurs after penalty assessment:
 - Add the ability for the owner to request penalty reinvest into their building with approval from executive director
 - Codify the existing opportunity to submit a compliance plan after penalties are assessed
 - Codify appeals process



Accompanying Rule Updates

- Add a simplified process to request a maximum 30% energy reduction
- Refine the Manufacturing and Agricultural option (for edge cases)
- Simplify timeline extension documentation requirements
- Adjust renewable energy credit to allow short-term subscriptions past 2032

Create a specialized prescriptive option for restaurants

Create simplified requirements for certain sizes of residential condos

Create Simplified Restaurant Option

Reasoning:

- Restaurant energy use has a wide range.
- This variation is greater than in other building types and stems from differences in operating hours, kitchen-to-dining ratios, menus, and equipment loads.
- Most restaurants are part of a mixed-use building. Because they are usually a small part of a mixed-use building, not enough benchmarking data to refine energy efficiency target.

Changes we're proposing:

- Work with Owners and Colorado Restaurant Association over next 2-3 months to develop specialized option
- Possible idea: design a prescriptive list of measures that would save them money and reduce energy such as:
 - LED lighting
 - Smart thermostats
 - Exhaust fan timers
 - Lower hot water temperatures for dishwashing
 - Tighter refrigeration door seals
 - Walk-in refrigerator evaporator motor upgrades

Adjust Large Bldg. Residential Condominium Option

25,000–49,999 sq. ft.

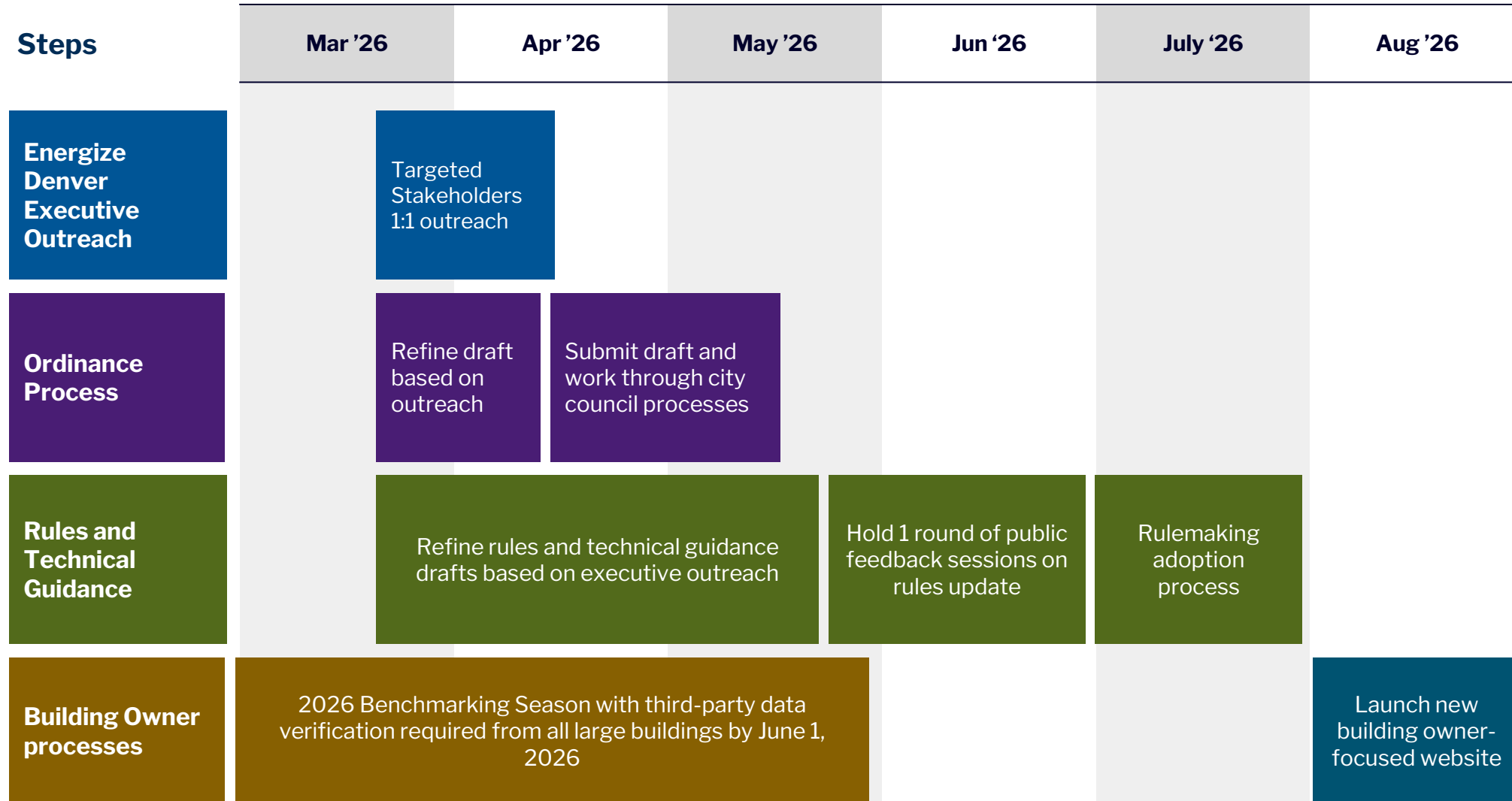
- Benchmark annually
- Change requirement so HOA chooses either:
 - **Prescriptive:** energy audit informs list of projects to complete that equal an estimated 15% reduction.
 - **Performance:** change their target to a 15% energy reduction from baseline year or keep current target, whichever is less stringent.

50,000+ sq. ft.

- Benchmark annually
- **If Hot Water and HVAC is a Shared Systems:** Building keeps current energy efficiency target. Still eligible for all custom adjustments and extensions.
- **If Hot Water and HVAC is in each Individual Unit:** requirement would be the same as 25,000-49,999 sq. ft.

- ❖ Simple application process – not applied across all condo buildings
- ❖ Buildings that already meet their target do not need to do anything.
- ❖ Maintains “deemed compliance” status with State policy for buildings 50K+.

Timeline





Questions?

