

PENALTIES FOR NON-COMPLIANCE WITH ENERGY EFFICIENCY/RENEWABLE ENERGY POLICIES

Penalties for non-compliance are set at up to \$0.70 per year for each required kBtu savings that a building fails to achieve in that year. Penalties will be administered as follows:

- Actual penalties assessed may be lower than the cap of \$0.70 per year per required kBtu of savings. They will be set to be slightly higher than the cost of compliance. \$0.70 per kBtu saved is estimated based on the study CASR completed of the cost of compliance for City buildings.
- In the initial compliance notices, CASR will set a clear penalty amount and schedule for each building based on how many kBtus that building is required to save.
- Penalties will be higher for buildings with an alternate compliance timeline.

CASR will utilize penalties to drive compliance as follows. The goal of penalty administration will remain focused on driving compliance, not collecting penalties.

- For the first interim compliance deadline in 2024, CASR will start in early 2022 to strongly encourage building owners and managers to plan for improvements in 2022 and 2023.
- The City will encourage building owners and managers to make measurable improvements in 2022 and 2023 because the carbon savings from energy efficiency in these early years will be the very greatest.
- Some building owners and managers may struggle to make changes quickly, so for those that are out of compliance when the 2024 benchmarking data is due by June 1, 2025, the City will focus its efforts on supporting those out of compliance in quickly putting a plan in place and implementing upgrades as soon as possible rather than simply fining those who missed their first compliance target.
- Fines will be first be assessed in 2025 for buildings that don't have an approved alternate compliance plan by September 1, 2025.
- CASR will ensure equity is taken into consideration in assessing penalties.
- Under-resourced buildings will get extra technical and financial assistance with compliance in the form of a dedicated energy consultant and incentives that aim to achieve cost parity when electrifying the building.
 - CASR is committed to do extra work with these building to help them put alternate compliance plans in place and to adhere to those plans so that penalties are never imposed on under-resourced buildings.