

# Building Performance Standards

A powerful new tool in the fight against climate change



Fighting climate change at the local level means taking serious steps to reduce carbon emissions generated by buildings.

The building sector is the largest contributor to greenhouse gas emissions, representing almost 40% of total U.S. emissions. This is split evenly between commercial and residential buildings.

The math is clear: Climate goals can only be achieved at scale with significant advancements in building performance. Historically, jurisdictions and utilities have relied on voluntary programs, but national experience over the past 40 years makes it clear that more will be needed to achieve the aggressive energy savings and emission reductions targeted in recent climate commitments. Understanding this, leading edge cities are shifting to mandatory policies.

The most powerful of these is a building performance standard (BPS), which requires direct action by building owners to meet city-mandated performance improvement targets for their property. These targets become stricter over time, driving continuous, long-term improvement in the building stock.

## What Is a Building Performance Standard?

A BPS policy establishes a definition for high-performance buildings and drives all buildings to achieve it, making clear the city's priorities. From a building owner perspective, a BPS provides flexibility: owners can use whatever technologies and operational strategies they decide are most effective and economical to meet the target.

Buildings can't all be made high-performance buildings immediately. A BPS is a forward-thinking policy commitment in which a city establishes the long-term, high-performance standard, with interim targets that ratchet up over time. The combination of short- and long-term goals assures that building performance improves consistently over time, and also sends appropriate market signals to discourage investments in long-lived, inefficiency, and environmentally damaging technology. Throughout these performance improvement cycles, cities are collecting data and working with the private sector, utilities, and others to create incentives, programs, and technical assistance.



## What's New and Different about a Building Performance Standard?

Cities have explored a variety of policies requiring owners to improve building performance over the years, including building tune-ups, energy audits, and lighting upgrades. A BPS is a major step up from these policies, taking a broader and deeper approach to building performance. Previous policies required specific improvements at specific times; BPS requires greater changes but allows building owners broad flexibility to make improvements that make the most sense for their specific circumstances. By setting long-term targets, a BPS provides the commercial real estate market with the certainty it needs to make confident investments in properties over time.

A BPS can allow cities to go deeper into their commitments by encompassing multiple city priorities at once, including carbon reductions, building electrification, energy efficiency, peak demand reductions, and more. A BPS policy can act as a cornerstone of a city's climate action plan, sending clear market signals, declaring political commitments, and requiring direct action with measurable results.

## How Does a City Benefit from Building Performance Standards?



**Carbon Reductions.** No other policy can drive energy and carbon reductions in such a large and wide array of buildings. Improving performance of existing buildings is key to achieving cities' climate goals.



**Job creation.** Working in buildings is labor intensive. A BPS policy creates large opportunities for the expansion of private firms offering architectural, engineering, construction, equipment sales, and installation services.



**Economic and Social Benefits.** The money saved from lower utility bills goes directly to the bottom line of local companies. High-performance buildings provide healthier air quality for occupants and lowering carbon emissions from the grid brings public health and environmental benefits.

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Building performance standards are the most powerful policy tool available to drive improved building performance. They can be applied broadly and send a long-term signal that, when it comes to tackling climate change, buildings matter.

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