

Energize Denver Ordinance



In November of 2022, Denver's Climate Action, Sustainability, and Resiliency (CASR) agency enacted Energize Denver, a citywide effort to help increase performance standards for commercial, municipal, and multifamily buildings, which currently account for 49% of Denver's greenhouse gas (GHG) emissions. The policy is expected to help increase building energy efficiency, decarbonization, and the use of electrified heat across the city and help achieve Denver's aim of net-zero energy for all new buildings by 2030 and all existing buildings by 2040.¹

What are the new local building code standards?

Updates to the local building code standards apply to newly constructed commercial buildings only. They include partial electrification requirements (most natural gas furnaces and water heaters will not be allowed) as well as solar and electric vehicle readiness. The new standards also incentivize all-electric construction.

What are the new benchmarking requirements?

Buildings of 25,000 square feet or larger will be required to submit energy benchmarking data. Benchmarking will be required for new construction after 12 months of operation. All retrofits must also adhere to emissions reporting rules. Benchmarking must be verified by a third party referencing the ENERGY STAR® Portfolio Manager Data Verification Checklist before submission.

Benchmarking reports are due each year on June 1, with the first reports due this year for calendar year 2023, though one-year extensions are permitted in some cases. Building owners can check their benchmarking status at energizedenver.org. Trane is an authorized Energize Denver benchmarking services provider.

What are the new building performance standards?

The new performance standards require overall building energy efficiency improvements as measured by energy use intensity (EUI). To meet these targets, most facilities will need to do more than upgrade their air conditioning units or install heat pumps. A variety of energy conservation measures (ECMs) will need to be implemented such as upgraded lighting, building controls, and/or upgraded windows and roofing. Improvements and reporting requirements go into effect for some buildings starting this year (2024).

In general, all commercial, municipal, and manufacturing buildings larger than 25,000 square feet will be required to reduce site energy use intensity (EUI) according to their sector-defined target

by at least 30% by 2030. They must achieve certain scaling targets between 2024 and 2030 and adhere to the current green building ordinance (GBO) sustainable cool roof rules that were updated in the 2022 building code. All commercial, municipal, and manufacturing buildings between 5,000 and 24,999 square feet in size must upgrade 90% of their building's total lighting load to LED lights. Further, on- or off-site renewable power generation must meet a minimum of 20% of the building's annual site energy usage.

For new construction, BPS targets will be set within (6) months of receiving the first benchmarking report. Retrofits will require new targets to be set every 3 years.

Timelines & Requirements



When will the new regulations go into effect?



New Buildings



Old Buildings

2023	<p>May 1 Mandatory use of 2022 Denver Energy Code</p>	<p>March 1 Permit process parity: unitary AC/condensing units, gas hot water heaters, and heat pump</p>
2024	<p>January 1 Partial electrification of space and water heating</p>	
2025		<p>Heat pumps required when replacing unitary AC/condensing units serving a heated space, gas furnaces, gas hot water heaters when cost-effective</p>
2027	<p>Goal New buildings and homes are designed Net Zero Energy</p>	<p>Heat pumps required when replacing PTAC's, boilers, central hot water systems, when cost-effective</p>
2030	<p>Goal New buildings and homes perform as Net Zero Energy</p>	<p>Progress reporting</p>

More detailed information on deadlines, requirements and exemptions can be found at energizedenver.org

How can I make sure my building(s) meet the requirements of the Energize Denver legislation?

Understanding and navigating the new limits introduced as part of Energize Denver can be overwhelming and stressful for building owners. Each journey toward compliance may look different but rest assured, effective collaboration can support you at any stage. The path to meeting the requirements can be summed up in one word – decarbonization.

Requirement timeline varies by building sector type. Building compliance will be assessed by the City of Denver broadly in 2024, 2027 & 2030. Fines will be levied in each of these years if buildings are not in compliance. Note also that the State of Colorado will be introducing a new statewide building performance program for all buildings over 50,000 square feet starting in 2026 (details pending).

Taking Action

Where do I begin?

It's important to first understand what is meant by decarbonization. Decarbonization is the process of decreasing or eliminating GHG emissions that come from a building. Like vehicles that are helping to reduce emissions by becoming more fuel-efficient or powered by electric batteries, buildings are decarbonizing, too. Buildings can help meet decarbonization goals through a thoughtful combination of improved equipment, controls, and services, thereby adhering to more rigorous environmental laws.

How will I fund these improvements?

Energize Denver will require thoughtful planning and likely funding support. While the Xcel Energy rebate program is designed to provide performance-based incentives, the recently enacted Inflation Reduction Act (IRA) is available for specific project types. The IRA, signed on August 16, 2022, is the nation's most significant investment in clean energy solutions to date^{2,3}. The IRA offers a variety of clean energy tax credits to building owners to help ease the financial load. Many include a base tax credit with opportunities for bonus tax credits for projects meeting specific requirements.

Additionally, utilities nationwide are awarding billions of dollars in incentives for electrification, energy efficiency, demand response, and decarbonization program solutions. In Colorado specifically, leading local utilities allocate an average of \$103 million annually. For Denver, Trane is among Xcel Energy's top participating contractors, obtaining significant rebates and incentives for our customers. Trane is also a certified Energy Denver benchmarking services provider.

How can Trane help?

For over a century, Trane has seen more than the building. Trane is a world leader in air conditioning systems, services, and solutions. Our robust and diverse portfolio, coupled with our highly skilled and knowledgeable representatives, will help facilitate a smooth and successful journey toward decarbonization. With a comprehensive range of services, including energy modeling, system sizing, and equipment selection, we can help building owners and developers meet the requirements set by the Energize Denver initiative.

With a depth and breadth of expertise, backgrounds, and perspectives, Trane can provide tailored solutions and end-to-end support to help you meet performance requirements now and in the future. Whether you're interested in heat electrification, benchmarking, or performance data collection and analytics, our comprehensive solutions help facilitate adherence to regulations while helping to drive long-term energy savings and reduce environmental impact.

You don't have to become an expert in decarbonization to meet the new Energize Denver requirements. Trane can do the heavy lifting by helping you navigate complex regulations, implement energy-efficient systems, and improve your building's overall performance.

Below are some helpful resources with more information:

- [The White House: Inflation Reduction Act Guidebook](#)
- [Trane Commercial: Legislation and Incentives Resource Center](#)

Trane will work with you to navigate, plan, and develop a solution that's right for your building. We honor the legacy we've created and build on it by helping make buildings more comfortable and more cost-effective. Now, and for generations to come. [Start planning today!](#)

**The journey to decarbonize your building is uniquely yours.
Let Trane® be your trusted guide.**

1. <https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Climate-Action-Sustainability-Resiliency>
2. https://www.epa.gov/system/files/documents/2022-12/12%2009%202022_OAR%20IRA%20Overview_vPublic.pdf
3. <https://www.dol.gov/agencies/whd/IRA>

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