

Building Emissions Performance Standards Community of Practice Webinar #1

The Important Role of Building Emissions Performance Standards in Net-Zero

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Presenters

- Ekaterina Tzekova, Director of Research and Innovation, The Atmospheric Fund
- Natalie Enriquez Goyes, Net-Zero Buildings Research Lead, The Atmospheric Fund
- Laura McCloskey, Climate Policy Coordinator, The Atmospheric Fund

Presentation Overview

BEPS 101

- Building Emission Performance Standards (BEPS) are mandatory policies that target the environmental performance of *existing* buildings, typically through emissions or energy-based targets that become stricter over time.
- BEPS policies include four key elements:
 1. Defining which buildings must comply (often based on minimum gross floor area and use);
 2. Establishing performance targets (carbon, energy, or both);
 3. Setting compliance and phasing timelines with interim and long-term goals to give building owners and industry flexibility when they undertake retrofits. This flexibility allows building owners to plan work that fits within a particular building's retrofit or capital planning cycle, and provides municipal staff with time to get comfortable with compliance management of a smaller subset of buildings before it grows.
 4. Managing compliance, with emphasis on simplicity and feasibility.
- To meet these by-laws, building owners can undertake retrofits, pay non-compliance fees, or use alternative compliance mechanisms, including purchasing Renewable Energy Credits (RECs), Alternative Compliance Payments (ACPs), purchase carbon offsets, or renewable natural gas (RNG).
- BEPS offer broad co-benefits:
 1. For municipalities, they support climate goals, economic development, and equity;
 2. For building-owners, they provide resiliency and asset value;
 3. For tenants, they improve comfort, reduce energy costs, and promote health.
- The Atmospheric Fund (TAF) looked at the performance of over 1,600 large buildings from Ontario's Energy and Water Benchmarking (EWRB) data and observed that energy use intensity decreased by just under 4% between 2019 and 2022 (approximately 1% per year). While a good start, this rate is not sufficient for reducing building emissions as rapidly as needed, making BEPS a critical policy for meeting net-zero targets.

North American BEPS Trends and Design

- Since 2018, BEPS policies have rapidly emerged across North America, with around 50 U.S. jurisdictions committed to or having adopted such regulations.
- BEPS often focuses on reducing emissions from large building types with high emissions-reductions potential, such as multifamily, commercial, municipal, and light industrial buildings, while typically excluding single-family homes, federal/provincial buildings, and large-industrial facilities.
- Large-industrial buildings are often assessed on a case-by-case basis due to having high process loads, variability, and it being hard to establish a target without having possible unintended impacts on industry. Additionally, these buildings are often covered under other regulations and may be candidates for alternative compliance pathways.
- Additional building types that are often excluded include heritage, indigenous, hospitals, and schools due to their equity considerations and efforts to not increase financial or administrative strain on social services and equity-deserving groups.
- Building thresholds for compliance are typically between 20,000-25,000 square feet.
- The most common metric used is GHG intensity (GHGi) with a fixed electricity factor. However, this is not prescriptive, meaning building owners can achieve targets through mechanical retrofits or envelope upgrades, and a fixed electricity factor provides continuity and predictability for building owners to comply with long term targets.
- The second most common metric is weather normalized Energy Use Intensity (EUI), which emphasizes efficiency rather than fuel-switching. This is often implemented in conjunction with GHGi.
- Jurisdictions offer flexibility through alternative compliance pathways. For example, exemptions or adjusted timelines for newly constructed buildings, those under financial hardship, or those managed as portfolios or campuses. Good faith compliance allows building owners who experience project delays that are outside of their control, be it technical, operational, or administrative delays, to request changes in their target or in their timeline.
- Renewable energy credits (RECs) may also be used within limits to meet compliance targets without immediate retrofits.
- Overall, BEPS are emerging as a critical tool to operationalize municipal climate goals, improve building performance, and promote equity and economic development.

Value of Alignment

- Municipal alignment with the City of Toronto's Building Emission Performance Standards (BEPS) which is expected to go to council Fall 2025 offers a strategic opportunity for GTHA municipalities to streamline policy development, reduce administrative burden, and support regional consistency.
- Many large property owners operate across multiple municipalities, so shared standards, particularly for metrics, building types and sizes, scope inclusions/exclusions, and electricity emissions factors, make compliance simpler and more predictable.
- While local tailoring is necessary, municipalities can build on Toronto's consultation and implementation work rather than starting from scratch.

Breakout Room Discussion Key Insights

There is a need for clarity, guidance, and tools on how to get started

- There is uncertainty about how to initiate BEPS implementation and a need for clear first steps.
- Barriers to implementation include a lack of internal capacity and technical guidance.

- To address uncertainties and barriers, discussion revealed a need for supporting materials (including guidance on timelines, templates, and starter guides) and case studies from comparable municipalities.

Key municipal barriers include resource and capacity constraints

- Lack of staff capacity, funding, and internal expertise can impede implementation.
- Participants expressed concern regarding pushing BEPS without sufficient administrative support or financial resources, and potential challenges with interdepartmental coordination.
- Discussion highlighted the importance of capacity building support with both staff and Council.

Increasing political and public buy-in is essential

- Risk-averse Councils/political hesitancy are key barriers to implementation.
- Participants expressed concern surrounding the perception that advancing BEPS could slow housing efforts or increase costs associated with housing.
- To garner support, participants emphasized the need for effective communication strategies, including highlighting health co-benefits, framing BEPS as cost avoidance, and including trusted, third-party voices to legitimize efforts.

Regional collaboration opportunities should be explored

- There is value in a collaborative approach – forming regional alliances or clusters to develop shared approaches, pool resources, and create cross-jurisdictional consistency was emphasized.

BEPS should be linked to broader benefits and policy agendas

- Several participants noted that tying BEPS to co-benefits like workforce development, healthcare cost savings, and community well-being could increase buy-in.
- There is some interest in quantifying avoided healthcare and emissions costs and using metrics beyond GHGs (e.g., happiness index).
- Linking BEPS to home retrofit programs and existing climate plans was also identified to build synergy and momentum.

Additional Resources

- [TAF Resource Hub for Toronto BEPS](#)
- [TAF Metric Recommendation for Toronto's BEPS](#)
- [TAF's Resource on Building Sizes for Toronto's BEPS](#)
- [BEPS Community of Practice Resource Hub](#)
- [BEPS Community of Practice Page](#)
- [City of Toronto BEPS Webpage](#)
- [City of Toronto Building Emissions Performance Standards \(BEPS\): Design Principles and Development Plan Staff Report](#)

Contact Information

Please reach out to us at any time with questions, input, or for additional information.

Dhiyandra Faizal, Building Decarbonization Coordinator: dfaizal@cleanairpartnership.org

You can view our upcoming events [here](#).