Compliance Catalysts: How DSM Programs Enable BPS Success

Faith DeBolt, Lattice Energy (formerly SBW Consulting)
Emily Sims, American Council for an Energy Efficient Economy
Grace Callahan, Franklin Energy
Juliana Smith, Calico Energy

ABSTRACT

Many U.S. jurisdictions have enacted or are advancing Building Performance Standards (BPS) with first compliance cycles starting between 2021 and 2028. Utilities serving these areas run Demand Side Management (DSM) programs that overlap with BPS requirements: some DSM portfolios now specifically target covered buildings or are modifying existing performance-based incentives and Strategic Energy Management (SEM) offerings. SEM programs, in particular, are evolving to help buildings continuously lower energy use intensity (EUI), aligning operational improvements and staff engagement with BPS mandates.

As large utilities face the need to shift from obligatory DSM toward customer-centric services, integrated data platforms are emerging that associate utility meters to building-level energy use, enabling more precise targeting, savings estimation, and attribution for both new and existing programs. These DSM initiatives fall into three categories: legacy programs incidentally supporting BPS objectives; existing programs such as SEM adapting to directly support BPS compliance; and newly launched programs purpose-built for BPS support. With thousands of buildings not currently meeting EUI targets, timely data access and savings attribution are essential for cost-effective DSM engagement and enrollment. Meeting the substantial needs of compliance support demands innovative DSM models, streamlined program designs, and flexible partnerships with utilities and local governments to maximize the reach and impact of EUI reductions.

This paper explores the motivations and impact of three BPS initiative approaches and examines how DSM program administrators in BPS jurisdictions are evolving their programs to cost-effectively support utility customers with BPS compliance.

Introduction

Background: The BPS Policy Landscape

Building Performance Standards (BPS) have emerged as one of the most consequential policy tools available to state and local governments seeking to reduce greenhouse gas (GHG) emissions from the existing building stock. Unlike prescriptive codes, which regulate construction at the point of permit, BPS policies impose ongoing, outcome-based obligations on building owners: meet a specified energy use intensity (EUI) or GHG intensity (GHGI) target; otherwise, face penalties (Nadel & Hinge 2023)[1]. Washington, D.C. launched the first compliance cycle in 2021; New York City, Denver, Boston, Cambridge, and the states of Washington, Maryland, and Oregon followed, with first compliance windows between 2024 and 2026 (Sims & Malinowski 2026). These policies now collectively cover thousands of

[1] Some BPS policies have additional compliance requirements such as establishing and implementing an Operations & Maintenance program and Energy Management Plan.

commercial buildings above 10,000 to 20,000 square feet, a segment of the building stock that accounts for a disproportionate share of energy consumption and carbon emissions, and successive compliance cycles will tighten targets toward net-zero (Nadel & Hinge 2023; Storm et al 2022).

This paper builds on the growing body of work examining the intersection of BPS policy and utility program delivery. A recent white paper from American Council for an Energy Efficient Economy (ACEEE) laid out the range of program structures and credit models utilities can deploy to support BPS compliance (Sims & Malinowski 2026). The present analysis makes those pathways more concrete through a practical decision framework applicable to utilities at different stages of BPS program development.

The Utility Opportunity and Challenge

The scale of building stock not currently meeting BPS targets creates substantial need for DSM program support. Utilities bring real advantages to this challenge: long-standing customer relationships, technical expertise, established implementer networks, and data infrastructure that links utility meters to building-level energy use (Sims & Malinowski 2026). Strategic Energy Management (SEM) programs, in particular, are evolving to help buildings continuously lower EUI through operational improvements and staff engagement, directly aligning with BPS mandates (CEE 2025).

At the same time, utilities face a fundamental structural challenge. Traditional measure-based DSM programs were designed to demonstrate incremental savings relative to counterfactual baselines – a paradigm built around resource acquisition logic, not regulatory compliance (Storm et al 2022). BPS compliance, however, is assessed at the whole-building level against absolute performance thresholds. The metrics do not translate: a building owner who completes a utility-incentivized chiller retrofit receives measure-level savings documentation, but that documentation does not tell them how close they are to their EUI target (Garfunkel & Waite 2024; Sims & Malinowski 2026). As policy ambition increases and buildings are already required to meet prior compliance targets, counterfactual baselines grow increasingly difficult to define, adding cost and uncertainty while producing a savings number that no compliance officer can use directly (Storm et al 2022).

Research Questions

This paper addresses five interrelated questions utilities, program administrators, and regulators must confront as BPS compliance cycles begin in earnest:

- How can utility DSM programs be categorized by their degree of intentional BPS alignment, and what design characteristics distinguish each category?
- What pathways exist for utilities to evolve from today's DSM portfolios toward BPS-aligned program offerings?
- What investment decisions must utilities make under budget and regulatory constraints?
- How do Measurement & Verification (M&V) approaches need to adapt to support BPS compliance goals?
- What coordination mechanisms with jurisdictions maximize program impact and equity?

Methodology

The authors drew on four primary data sources to examine how utility DSM programs are evolving in response to Building Performance Standards. First, they reviewed utility program documentation and regulatory filings from BPS-affected utilities across the Northwest, Mid-Atlantic, and other regions, providing a baseline picture of current program structures and investment levels. Second, they drew on structured interviews conducted on behalf of Energy Trust of Oregon with program administrators and local government partners in Washington, Maryland, and Oregon – jurisdictions that represent the leading edge of BPS implementation in the United States (DeBolt 2025). Third, they reviewed jurisdiction-level BPS policy documents to characterize compliance metrics, coverage thresholds, and timeline requirements across active and forthcoming programs. Fourth, they incorporated Consortium for Energy Efficiency (CEE) SEM Program Summary data, which documents 19 SEM programs across 13 administrators, to ground the landscape scan in standardized, cross-utility data (CEE 2025).

Analytically, the paper proceeds in three steps. First, a high-level landscape scan identifies BPS-affected jurisdictions and characterizes the DSM program activity responding to those policies. Second, programs are classified into three categories of BPS alignment – legacy, adapting, and purpose-built – based on design philosophy, measurement approach, and degree of intentional BPS integration. Third, case study analysis of leading programs, primarily in the Northwest, is used to develop a maturity model and decision framework applicable to utilities at different stages of BPS program development (Duer-Balkind et al 2024). Equity considerations, particularly strategies for supporting under-resourced buildings, are addressed in a dedicated section that draws on coordination practices and program examples from across the case studies.

The Three Program Categories: A Landscape View

As utilities respond to Building Performance Standards, their programmatic approaches fall along a continuum of BPS alignment. Drawing on CEE SEM Program Summary data covering 19 programs from 13 administrators, interviews with leading utilities in Washington, Maryland, and Oregon, and program documentation from multiple BPS jurisdictions, the authors identified three distinct categories of DSM program engagement (CEE 2025), shown in Figure 1. These categories are not mutually exclusive since many utilities operate programs spanning multiple categories, but they represent meaningfully different design philosophies and levels of intentional BPS integration.

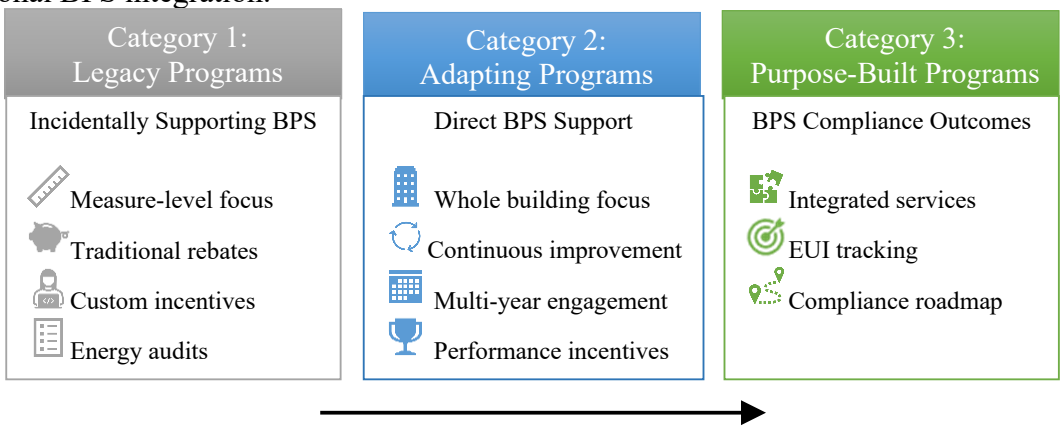

Figure 1. Three program categories in increasing BPS alignment

Category 1: Legacy Programs Incidentally Supporting BPS

The first category encompasses traditional measure-based incentives and technical assistance offerings designed years before BPS policies emerged. These include prescriptive rebates for Heating, Ventilation, and Air Conditioning (HVAC) equipment, envelope, and lighting, custom incentive programs, and energy audit programs that identify savings opportunities through engineering studies.

Legacy programs represent substantial infrastructure and investment (Webb & McConnell 2023). They benefit from mature implementer networks, familiar processes, and high customer awareness among facility managers (CEE 2025). However, legacy programs exhibit fundamental misalignments with BPS (Storm et al 2022; Sims & Malinowski 2026). They address individual end-uses rather than whole-building performance. A building owner might receive incentives for upgrading chillers, lighting, and controls, but these measures are evaluated independently, not as contributions toward a building-level EUI or GHGI target. Savings are calculated relative to assumed counterfactual baselines rather than measured progress toward absolute performance standards (Nadel 2020). Program timelines operate on annual cycles disconnected from BPS compliance milestones (Nadel & Hinge 2023). Most critically, programs lack explicit messaging connecting participation to BPS compliance (Sims & Malinowski 2026). Participants receive measure-level savings documentation but not translation into compliance progress. There is limited emphasis on operations, behavior, and sustained performance.

Category 2: Existing Programs Adapting for Direct BPS Support

Category 2 includes performance-based DSM programs that were originally built for resource acquisition but are now being adapted to help buildings meet BPS targets. Offerings such as SEM, Pay for Performance (P4P), monitoring-based commissioning (MBCx), and retro-commissioning (RCx) already work at the whole-building or system level and often use billing or interval data to estimate savings, which makes them natural candidates for BPS alignment (CEE 2025).

In their traditional form, these programs focus on persistent savings and customer practice change: cohorts or one-on-one engagements, energy management assessments, opportunity registers, and annual or multi-year performance periods, with incentives tied to verified kWh or therm reductions against a modeled baseline (CEE 2025). When adapted for BPS, administrators add explicit EUI or GHGI reduction goals and align enrollment and performance periods with compliance cycles (Sims & Malinowski 2026). Deliverables expand to include benchmarked baselines, energy management plans, and capital roadmaps that connect directly to BPS requirements (DeBolt 2025). Many offerings, like SEM, fundamentally include significant overlap with BPS requirements so only require minor modifications to connect program outcomes with BPS compliance outcomes (Storm et al 2022; CEE 2025). Some SEM and P4P offerings now report both conventional incremental savings and “gap closure” toward jurisdiction targets (Sims & Malinowski 2026). MBCx and RCx programs increasingly prioritize operational changes that show up quickly in whole-building metrics while also delivering savings that can persist for years (IMT 2021a; Gunasingh et al 2019).

While the structural alignment of performance-based programs with BPS make them good candidates for direct BPS support, these programs often require an elevated and ongoing level of engagement from participants that can create a barrier to enrollment (DeBolt 2025).

Category 3: Newly Launched Programs Purpose-Built for BPS Support

Category 3 programs start from a different question: "How do we support covered buildings with BPS compliance?" Offerings from Puget Sound Energy (PSE), City of Seattle, and Energy Trust of Oregon are designed first as compliance assistance services, with energy and emissions savings as co-benefits (Sims & Malinowski 2026; DeBolt 2025). PSE's Clean Buildings Accelerator is a no-cost, cohort-based training and coaching program that helps owners of large commercial buildings understand Washington's Clean Buildings Performance Standard (CBPS), benchmark their energy use, and develop energy management plans to achieve compliance (PSE 2024). Seattle's Building Emissions Navigator is a free technical support and training program run by the City's Office of Sustainability and Environment to help owners of buildings over 20,000 square feet prepare for Seattle's Building Emissions Performance Standard (BEPS) and the Washington CBPS (City of Seattle 2020). Energy Trust of Oregon's BPS Pathway is a no-cost, step-by-step offering that helps Oregon building owners benchmark energy use, understand state Building Performance Standard requirements, plan improvements, and implement projects with expert coaching and cash incentives (Energy Trust of Oregon 2026).

These programs define eligibility around BPS-covered or soon-to-be-covered buildings and organize all elements around jurisdictional requirements, including recruitment, curriculum, tools, and timing. They typically use short, intensive cohort models (4–5 months) combined with one-on-one coaching, virtual or in-person scans, and standardized Energy Management Plan and Operations & Maintenance templates that are explicitly calibrated to state or city rules. Many do not pay direct incentives; instead, they offer no-cost technical assistance, benchmarking support, and compliance navigation, then deliberately hand participants off into SEM, RCx, or capital programs for funded project implementation (DeBolt 2025).

Compared to Category 2, Category 3 offerings are compliance-first: they are framed around avoiding penalties, managing organizational change, and meeting specific EUI and/or GHGI thresholds, with utility savings attribution and incentive structures built around that core purpose rather than the other way around (Sims & Malinowski 2026; Storm et al 2022). By building purpose-driven programs with BPS at the forefront, utilities can attract building owners prioritizing compliance, and use these programs to facilitate ongoing engagement through other offerings (DeBolt 2025; Nadel 2020).

Utility Decision Framework: Pathways From Nascent To Leading Practice

Level 1: Nascent Stage

As jurisdictions begin to develop and adopt BPS policies, many utilities serving these jurisdictions are likely in the nascent stage of aligning their programs with BPS policies. In this stage, existing DSM programs are focused on resource acquisition goals, or in the case of some programs, market transformation goals. Utilities in this stage are likely to have had limited engagement with local governments on the topic of BPS policies.

How to Start

Utilities should proactively consider how they can support BPS implementation early. At the onset of possible BPS legislation, all stakeholders will benefit from applicable utilities evaluating their role in supporting the jurisdiction and the owners and managers of buildings in their service area. If a utility waits until the BPS is active, they will be more prone to creating

cumbersome or costly manual processes and be more likely to introduce unforeseen problems. A proactive and advised approach would be for utilities with potential new BPS in their service territory to step through a diagnostic exercise.

During the diagnostic phase, the utility needs to establish internal leads and ownership, engage subject matter experts, and start collaboration with the jurisdiction implementing the BPS. The utility diagnostic questions could cover:

- Which BPS policies and timelines affect customers?
- What share of current commercial savings comes from buildings above the proposed or enacted BPS floor area thresholds?
- Is the utility maintaining a building-level view of usage and participation?
- Where is the utility already touching BPS-covered buildings (audits, rebates, SEM pilots)?
- How can BPS targets be integrated with current programs?
- Is there an opportunity to pilot a new DSM program for owners and tenants of BPS-covered buildings?
- How do current programs need to adjust to meet the needs of BPS-covered buildings?
- What regulatory constraints will the utility face for multi-year offerings or performance-based incentives?

Near-Term Pathway (0–18 months)

To begin aligning their portfolios with BPS policies, utilities can map existing offerings and program participants to BPS-covered buildings, which are typically large multifamily and commercial buildings. As discussed, many existing utility programs, such as measure-based programs, SEM programs, and RCx programs, can help building owners make progress towards BPS targets. Mapping existing programs to BPS-covered buildings is a useful first step.

With this information, utilities can begin adjusting program marketing to emphasize the use of programs for BPS compliance. Early program outreach is a key strategy that utilities can use to influence building owners' decisions to comply with BPS targets (Sims & Malinowski 2026). Further, in existing programs that offer audits, energy assessments, and other technical assistance to customers, utilities can begin to incorporate tailored recommendations towards BPS compliance.

As utilities integrate BPS into their program strategy, foundational investments should be framed at a minimum as market enablement, with the longer-term goal of anchoring a full market transformation framework. Connecting utility staff leading program strategy and design with local BPS staff on a recurring, ongoing basis is one key to building and deepening the connection between utility program offerings with BPS compliance pathways. Utilities also must understand that ongoing support for creation and building owner access to building level data is another critical component of utility BPS-enablement.

Utilities enabling building owner and/or operator access to accurate whole building usage data is a minimum requirement for a BPS to succeed. In some cases, this is compelled at the state level by legislative or regulatory action, and that directive may or may not come from the BPS ordinance/law itself. In all cases, utilities make unique and varied decisions about how they create and deliver this data to authorized requestors. Some solutions are manual; some are automated. Some are purchased or licensed; some are built internally. Whatever the execution approach, utilities must understand that these requests are recurring, they will likely include some data that is not currently used for any other utility programs, and attention to accuracy is

critical. Utilities should make reasonable investments in tooling and data mapping to minimize recurring efforts and ensure the year over year comparability of the data they deliver.

Level 2: Developing Stage

As utilities move towards the developing stage, there are a number of dedicated efforts utilities can take to incorporate BPS targets into program design and adapt evaluation methods to a BPS context. For example, utilities may develop SEM pilots or cohorts with explicit EUI reduction goals in line with BPS targets for the customers' building type. Beginning with a pilot program may allow the utility to provide proof of concept for greater investment in BPS-specific offerings.

In addition to supporting building owners with BPS compliance, utilities can support jurisdictions with BPS adoption through providing building energy data and offering technical assistance (Sims & Malinowski 2026). Utilities can establish memorandums of understanding (MOUs) with local governments for data sharing and other avenues for delivering education and assistance with policy design questions to jurisdictions. Building energy data is especially useful for jurisdictions that are setting BPS targets without prior benchmarking ordinances, as policymakers can use utility data to set more accurate and effective targets (Sims & Malinowski 2026).

Utilities can also tailor workforce development programs to increase the number of skilled contractors who can execute energy upgrades to bring buildings into compliance with BPS requirements (Sims & Malinowski 2026). BPS policies will drive increased demand for workers across the energy efficiency industry, and past research has cited stakeholder concerns about workforce availability inhibiting the pace of retrofits needed (Jarrah et al 2024). In the developing stage, utilities can consider local needs for workforce development and opportunities to tailor their programs accordingly.

As utilities develop BPS-specific offerings, utilities and regulators can begin to identify strategies for adapting program evaluation and savings attribution methods to credit utilities for their BPS-related efforts. There are important considerations for developing attribution approaches for BPS savings, including avoiding double counting savings from existing programs, establishing an appropriate baseline that excludes at least some BPS impacts in order to capture utility contributions to BPS compliance (Sims & Malinowski 2026). A number of reports on this topic offer greater detail on these considerations (LeZaks and Port 2025; Sims & Malinowski 2026).

Pathway (18 months–5 years)

From the developing stage of BPS programs, utilities can take learnings from SEM pilots to inform design of full programs with BPS-oriented curricula. In designing BPS programs, it will likely be helpful if program timelines align with BPS compliance cycles, which are often bound by increasingly stringent targets. Structuring programs with longer timelines and flexibility can help utilities accommodate greater enrollment and achieve greater savings over time (Sims & Malinowski 2026).

Utilities can also begin to work more closely with local governments to broaden support offerings for enforcement in addition to adoption, such as through compliance tool development, further data sharing, and coordinated outreach to covered buildings. As discussed further later in this paper, utilities can also partner with jurisdictions to ensure that utility support for under-

resourced buildings is complementary to financial and technical resources that jurisdictions provide.

Once utilities in BPS regions have established data sharing processes, and effective coordination with stakeholders, they have the unique opportunity to enable M&V experimentation with a diverse cohort of buildings and accounts. Building owners of BPS covered buildings are highly motivated to improve their energy usage and covered buildings often include multitenant and multi-use buildings which may have never been considered or targeted by established utility programs. Additionally, these building owners may be entities who do not qualify as key account holders and may not even have any utility account or a utility contact designation thus they may be a new participant profile for the utility program ecosystem.

Performing tactical and strategic M&V experimentation during the BPS compliance cycle will benefit the utility, building owners, and the BPS jurisdiction. Utilities can use BPS-specific measurement values such as EUI and GHG to pilot an M&V process that includes measurement prioritized by the regulators (increasing a positive relationship between the utility and the local government), a highly motivated cohort of enrolled building owners (who want to be in compliance), and data the utility either has or can capture via data sharing processes and/or collaboration with the jurisdiction.

Further, there is an opportunity to compare M&V using target-based performance indicators (such as ones based on the measurements noted above) and traditional savings-based reporting. With the advent of new utility programs, jurisdictional requirements, and a diverse stakeholder group, evolution of M&V to match the market is vital.

By this point, utilities should understand both the demographics of the covered buildings affected by BPS and the regulatory BPS targets. Similar to the potential for testing new M&V formats, utilities can view BPS as an opportunity to use the building data and BPS targets to identify new DSM participants and pilot new DSM programs (IMT 2021b). Once utilities decide to pursue integration of their DSM programs with BPS goals they have a few decision points.

Utilities need to decide whether internal capabilities and established processes are sufficient to balance supporting covered buildings' BPS targets while also continuing to provide excellent participant experience and support. There are third-party implementers and energy service providers with BPS experience who can provide experienced support or supplement utility programs with market-tested processes that will streamline BPS-covered building integration with utility DSM programs. Note, participants from BPS-covered buildings may be entities who have not previously interacted with the utility. They may have one or many covered buildings and their expectations and needs can vary from the traditional DSM participant.

Utilities must also decide whether BPS-enabled DSM program modifications or pilots should only focus on BPS-covered buildings or if they should be scaled to support the entire building stock in their service area. Regardless of the application, adding changes to the utility's DSM portfolio will benefit from a pilot-size implementation that gives space for testing assumptions and risks.

Level 3: Leading Practice

To evolve from developing BPS offerings to being a leader in the space, utilities can execute leading practices with a portfolio explicitly designed around performance outcomes consistent with BPS and broader decarbonization targets. With this approach, a utility's SEM, performance-based, and compliance accelerator offerings would be central to their commercial strategy.

A leading example is the Accelerator program model used by Puget Sound Energy (PSE), Seattle City Light, Snohomish Public Utility District, and Pacific Power in Washington State. The Accelerator programs are a lighter touch version of a typical SEM program, offering a four-month long engagement rather than a multi-year program (PSE 2025). With a program design dedicated to advancing buildings towards early compliance with BPS targets, this approach has allowed the utilities to engage a greater number of customers and effectively use the Accelerator program as an on-ramp to other program offerings (Gilless et al 2022).

Leading practices for BPS programs also include customizing offerings for market segments, such as large commercial and multifamily buildings often covered in initial BPS requirements, as well as mid-size buildings that are likely to be covered in future compliance cycles. Further, utilities should take an equity-forward approach to program design, with specialized offerings for affordable housing, nonprofits and other under-resourced buildings, with tailored incentives and technical assistance for these customers. Utilities can employ advanced strategies for multi-year programs that include planning and implementation in advance of interim targets to adequately support covered buildings, and under-resourced buildings in particular.

To ensure utilities receive credit for their efforts, leading practices by utilities and regulators also include established regulatory and attribution frameworks for BPS-related savings. Utilities and states that lead in this area can provide a model for other utilities and regulators to adopt as they move from nascent stage to developing stage to leading practices.

Utility leaders in DSM and BPS integration can highlight and improve their program targets, support communication, and share valuable insights by implementing integrated analytics. These analytics can track participant engagement, program uptake for BPS-covered buildings, and building owner portfolio comparisons. Beyond this, the utility can compare, and contrast forecasted versus actual impacts of program enrollment on BPS compliance (e.g. EUI improvements). This data is valuable to all stakeholders in the DSM and BPS ecosystem.

Measurement & Verification: Aligning With BPS Targets

Why Traditional M&V is Not Enough

For decades, utility DSM program evaluation has rested on a single foundational question: how much energy was saved compared to what *would have happened* without the program? This counterfactual logic of comparing post-intervention consumption to a modeled or engineering-based baseline was designed to protect ratepayers and demonstrate that utility investments generate real, incremental savings (EVO World 2012). Measure-level and program-level savings are aggregated, tested for cost-effectiveness, and reported to regulators as evidence of value. The approach has served its purpose well in a resource-acquisition paradigm, where utilities were expected to acquire the cheapest kilowatt-hours available before building new generation (Storm et al 2022).

Building Performance Standards operate on an entirely different logic. A jurisdiction enforcing an EUI target for a 50,000-square-foot commercial building does not ask whether a chiller upgrade saved more kilowatt-hours than a decades-old engineering assumption predicted. It asks a simpler question: *Is the building hitting its target?* That shift in framing, from incremental savings to absolute performance, renders the counterfactual baseline largely irrelevant to the outcome a building owner is being regulated against (Sims & Malinowski 2026). From the building owner's perspective, a utility incentive that generates a verified savings claim

on paper but does not move the needle on their benchmarked EUI offers limited help when a compliance deadline is approaching (Duer-Balkind et al 2024).

The problem grows more acute as policy ambition increases. As energy codes tighten and BPS targets decline in successive compliance cycles, identifying a credible "would-have-happened" baseline becomes increasingly speculative (Storm et al 2022). What is the baseline for a building that was already required to meet a prior BPS target? The counterfactual either shrinks toward zero or requires increasingly elaborate adjustments that add cost and uncertainty to the evaluation – while still producing a savings number that no compliance officer can use directly (Garfunkel & Waite 2024).

None of this means the transition from counterfactual-based to outcome-based M&V can happen overnight, or that it should. Utility regulators are rightly responsible for ensuring that ratepayer dollars are spent efficiently, and those accountability structures do not disappear because BPS policy has arrived (Nadel 2020). In the near term, utilities and their regulators will need to satisfy two sets of obligations simultaneously: demonstrating incremental savings to justify program expenditures and demonstrating progress toward absolute EUI or GHGI targets to support building owner compliance. Layering a parallel performance narrative onto existing reporting, rather than replacing it wholesale, is a practical path forward that avoids overburdening building owners with duplicative data requests while giving regulators the continuity they need (Sims & Malinowski 2026; LeZaks and Port 2025).

Fortunately, a class of programs already operating at the whole-building level offers a natural bridge between these two paradigms, namely those described in the Category 2 programs above. With modest adjustments such as aligning enrollment periods with BPS compliance cycles, adding explicit EUI reduction goals, and expanding deliverables to include compliance progress documentation, they become well-suited vehicles for testing target-based M&V in practice (Gilless et al 2022). Rather than waiting for a fully redesigned evaluation framework, utilities can use these existing programs as a pilot environment to build evidence, earn regulatory trust, and develop the attribution methods that a durable outcome-based approach will ultimately require (Storm et al 2022; Sims & Malinowski 2026).

Target- and Outcome-Based Approaches

Reorienting M&V around BPS compliance does not require a single, uniform methodology. Three complementary approaches can be deployed depending on a utility's data infrastructure, regulatory context, and program maturity. In practice, utilities may use all three simultaneously across different program offerings or different segments of their covered-building portfolio.

The first is gap-to-target closure. Rather than comparing post-intervention energy use to a modeled counterfactual, this approach measures how much of the distance between a building's baseline EUI and its jurisdictional BPS target has been closed as a result of program participation. The inputs are straightforward: a benchmarked baseline EUI from the year prior to engagement, the applicable target by building type and vintage, and the measured post-program EUI. Program attribution can draw on frameworks already developed for energy code support programs, which allocate a share of gap closure to the utility based on documented involvement, timing, and funding (Garfunkel & Waite 2024). This framing is directly legible to building owners navigating compliance and to jurisdictions tracking portfolio-level progress, making it a strong candidate for primary reporting in mature BPS markets (Sims & Malinowski 2026).

The second is longitudinal whole-building tracking. Using billing analysis and regression normalized for weather and occupancy, utilities can track actual EUI trajectories for program participants over time and evaluate whether those trajectories are consistent with meeting interim and final BPS targets. This approach mirrors methods already embedded in SEM and P4P programs, which evaluate savings against a regression-derived baseline rather than an engineering model (CEE 2025). Instead of replacing measure-level accounting wholesale, longitudinal tracking serves as a complementary lens that connects individual program engagements to a multi-year performance arc aligned with BPS compliance milestones (Sims & Malinowski 2026).

The third is the hybrid M&V approach most suited to the near-term regulatory reality described in the previous section. Utilities maintain traditional counterfactual-based savings reporting to satisfy existing regulatory requirements and cost-effectiveness tests, while adding a parallel performance narrative, i.e., whole-building EUI progress toward BPS targets, to the same program documentation. This dual reporting structure lets utilities build an evidence base for outcome-oriented M&V with commissions and regulators without requiring an immediate overhaul of evaluation rules (Sims & Malinowski 2026; Storm et al 2022). Over time, as the parallel narrative matures and earns regulatory trust, the balance can shift, and the counterfactual layer can be simplified or phased out as performance-based metrics become the primary accountability mechanism (Garfunkel & Waite 2024).

Across all three approaches, as described in the previous section, high-quality whole-building energy data is foundational. Utilities must ensure that building-level consumption data is accurate, consistently structured, and year-over-year comparable — a baseline investment that benefits program targeting, savings estimation, and attribution alike.

Attribution and Double-Counting

Without attribution models in place as a mechanism for claiming savings, utilities may not have an incentive to expand offerings for BPS support (Sims & Malinowski 2026). Existing attribution approaches for savings from utility energy code support programs can serve as a framework that can be adapted to the BPS context (Garfunkel & Waite 2024; LeZaks and Port 2025).

However, there are key elements that utilities and regulators will need to consider when developing BPS-specific attribution approaches, namely, the issue of double-counting. As discussed, some traditional utility programs can help building owners comply with BPS targets, meaning that BPS offerings will likely overlap with existing offerings, from which utilities already claim savings. When utilities are in the developing stage of a BPS program, they may consider strategies to avoid double counting such as attributing BPS savings from offerings unrelated to existing DSM programs, like technical assistance for jurisdictions in BPS adoption (Sims & Malinowski 2026). Once utilities are in the leading practice stage with customized BPS offerings, differentiating BPS-related savings is likely to become clearer, as utilities will be able to consider attribution methods while designing offerings.

Another attribution consideration arises from the fact that utility programs are likely to be among various resources available to building owners for BPS compliance, including tax incentives, green bank offerings, and federal funding. To isolate the utility's contribution to BPS-related savings, an attribution factor can be applied to the total net program savings, similar to the approach taken for energy code savings where multiple actors are active in the space (Garfunkel & Waite 2024). Where utilities partner with jurisdictions to deliver BPS compliance

support to building owners, utilities and jurisdictions may consider developing credit-sharing frameworks, especially where BPS performance is integrated into statewide efficiency or emissions goals. In doing so, it will be important to define respective roles, to allow jurisdictions to receive credit for baseline transformation and minimum required upgrades, and utilities to receive credit for technical assistance and acceleration efforts, particularly where under-resourced buildings may not have been able to comply without utility support.

In addition, regulators may need to adapt evaluation methods to enable utilities to receive credit for their BPS support. This may involve explicitly recognizing the value of BPS-aligned performance outcomes in utility goals, to enable leading practices by utilities. Where BPS policies are based on greenhouse gas emission intensity, regulators should develop methods to evaluate utility contribution in these metrics (Sims & Malinowski 2026). Regulators may also need to update cost-effectiveness tests to reflect policy objectives beyond simple resource acquisition goals.

Supporting Under-Resourced Buildings: Equity In BPS Implementation

Under-resourced buildings are likely to face pronounced financial and technical barriers to BPS compliance, including limited access to capital and staff capacity (Jarrah et al 2024). This paper uses 'under-resourced buildings' broadly to include affordable multifamily housing, nonprofit-owned facilities, community-serving institutions, and other buildings facing structural barriers to capital access and staff capacity. Lack of upfront capital may prevent under-resourced buildings from being able to undertake larger investments for BPS compliance, such as deep retrofits and electrification. Additionally, understanding compliance requirements and leading energy management actions may require capacity that under-resourced building owners do not have staff or time for. Residents of affordable housing also may face risks of displacement if energy upgrades make buildings unaffordable (Jarrah & Tanabe 2022; Hays et al 2021).

Utility Program Strategies

In light of the challenges that under-resourced buildings face in complying with BPS policies, utilities should prioritize programs and assistance offerings that target under-resourced buildings. Utilities can conduct dedicated outreach to affordable housing, nonprofit, and community facility customers, and use channels such as public housing authorities, community organizations, and trade allies to expand outreach and program enrollment of under-resourced buildings (Sims & Malinowski 2026; Tanabe 2021; Ross et al 2016). Utilities can provide enhanced technical assistance to under-resourced buildings for BPS compliance, including support with benchmarking, data access, and road-mapping compliance pathways. For example, Seattle City Light provides an Accelerator program that supports buildings to meet greenhouse gas reduction targets required under the Seattle Building Emissions Performance Standards (BEPS) policy, targeting buildings that serve or are owned by frontline communities and nonprofits (Ballinger et al 2024).

Utilities can also consider methods for tailoring financial support to under-resourced buildings, such as providing higher incentive levels and covering the costs of audits. Utilities can also provide financing programs such as on-bill financing and on-bill repayment programs to support buildings with limited up-front capital for BPS compliance (Sims & Malinowski 2026). With any financing programs, it is crucial that utilities include strong consumer protections.

To ensure an equity-forward approach to BPS program offerings, utilities should track BPS support program outreach and participation by ownership type, building use, and income-related indicators. Further, utilities should gather feedback from community-based organizations and other community stakeholders to inform program design and outreach and improve accessibility and reach of program offerings. There are a number of best practices for equitable engagement and program design outlined in the Residential Retrofits for Energy Equity Playbook (R2E2 2024).

Beyond offering incentives and financing programs, utilities can support under-resourced buildings in identifying complementary funding from sources like public agencies, green banks, federal incentives and tax credits, and state or local grants. Utilities should collaborate with public agencies and private investors to help under-resourced buildings braid funding streams and maximize sources of financial support.

Conclusions And Recommendations

Building Performance Standards are accelerating a structural shift in utility DSM from measuring incremental, measure-level savings against counterfactual baselines to supporting whole-building performance against absolute EUI and GHGI targets. Utilities in BPS jurisdictions now face a strategic choice: remain in a narrow resource-acquisition role, or embrace a broader role as performance and compliance partners to their customers (Sims & Malinowski 2026; Storm et al 2022).

The three-category maturity continuum documented in this paper shows that utilities do not need to abandon existing DSM infrastructure to make this transition. Legacy programs provide critical building blocks in the form of capital upgrade pathways, mature implementer networks, and high customer awareness, but they operate on end-use savings and annual cycles that are largely invisible to BPS compliance officers (CEE 2025). Category 2 performance-based programs such as SEM, P4P, MBCx, and RCx already work at the whole-building or system level using billing or interval data, making them natural bridges between traditional DSM and BPS-oriented portfolio design (CEE 2025). Purpose-built Category 3 offerings, such as BPS Accelerators, demonstrate how shorter, targeted engagements can move large cohorts quickly toward early compliance while acting as on-ramps to deeper programs (PSE 2025; Gilless et al 2022).

The evaluation and regulatory frameworks that sit behind these programs must evolve in parallel. For decades, DSM evaluation has been organized around the question “How much did the program save relative to what would have happened anyway?”, with counterfactual baselines designed to protect ratepayers and prove cost-effectiveness (Garfunkel & Waite 2024). BPS policies, by contrast, ask a different question: “Is the building hitting its target?” As codes tighten and BPS targets ratchet down, counterfactuals become increasingly speculative, especially for buildings already subject to previous compliance cycles (Storm et al 2022). In the near term, utilities and regulators will need to satisfy both obligations—incremental savings and absolute performance—by layering a parallel performance narrative (gap-to-target closure, longitudinal EUI trajectories, or hybrid approaches) onto existing savings reporting, rather than replacing it overnight (Sims & Malinowski 2026; LeZaks and Port 2025). Over time, as these outcome-based metrics prove their robustness, they can take on a more central role in goal-setting and cost-effectiveness tests aligned with climate policy objectives (Nadel 2020; Garfunkel & Waite 2024).

Three cross-cutting needs emerge from the analysis. First, technical workforce capacity will be a binding constraint for audits, deep retrofits, electrification, and commissioning, particularly as compliance deadlines concentrate project demand. Second, utilities are well-positioned to help integrate BPS-driven projects with capital planning and financing, by aligning incentives with on-bill financing, green banks, and federal funding streams—especially for under-resourced buildings facing pronounced financial and capacity barriers to compliance (Jarrah et al 2024; Sims & Malinowski 2026). Third, regulatory modernization is essential: without attribution frameworks that credit BPS-aligned outcomes, utilities face a structural disincentive to scale dedicated offerings (Garfunkel & Waite 2024; LeZaks and Port 2025).

These findings translate into several practical recommendations, organized by stage of BPS program maturity. Utilities in nascent jurisdictions should begin with a diagnostic exercise that maps BPS-covered buildings, identifies where existing programs already touch those buildings, and pilots BPS-aligned enhancements such as explicit EUI or GHGI reduction goals in SEM cohorts (Sims & Malinowski 2026). Utilities in developing jurisdictions should deepen coordination with local governments through MOUs for data sharing, co-branded outreach, and joint design of compliance tools, while using Category 2 programs as test beds for target-based M&V methods. Leading utilities should move toward portfolios in which SEM, performance-based, and Accelerator-style offerings sit at the center of their commercial strategy, with equity-forward program designs and tailored incentives for affordable housing, nonprofits, and other under-resourced buildings (Gilless et al 2022; Jarrah & Tanabe 2022). Across all stages, investing in high-quality whole-building data systems and outcome-oriented evaluation will be foundational to demonstrating that DSM portfolios are not only cost-effective resources, but also indispensable catalysts for BPS success and long-term decarbonization.

AI Disclosure

The authors of this paper used AI tools, including Perplexity, for assembling original research to assist with drafting text and as a technical editor and reviewer. The authors reviewed and verified all content and citations.

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