Building Performance Standards: Know your number before it costs you

Overview

If you own or operate property in an environmentally conscious city or state, it's likely you have received a Building Performance Standards (BPS) program notice. What is BPS and why do you have to respond to these notices? And what do you do if you have a portfolio of buildings in multiple jurisdictions with different requirements for compliance?

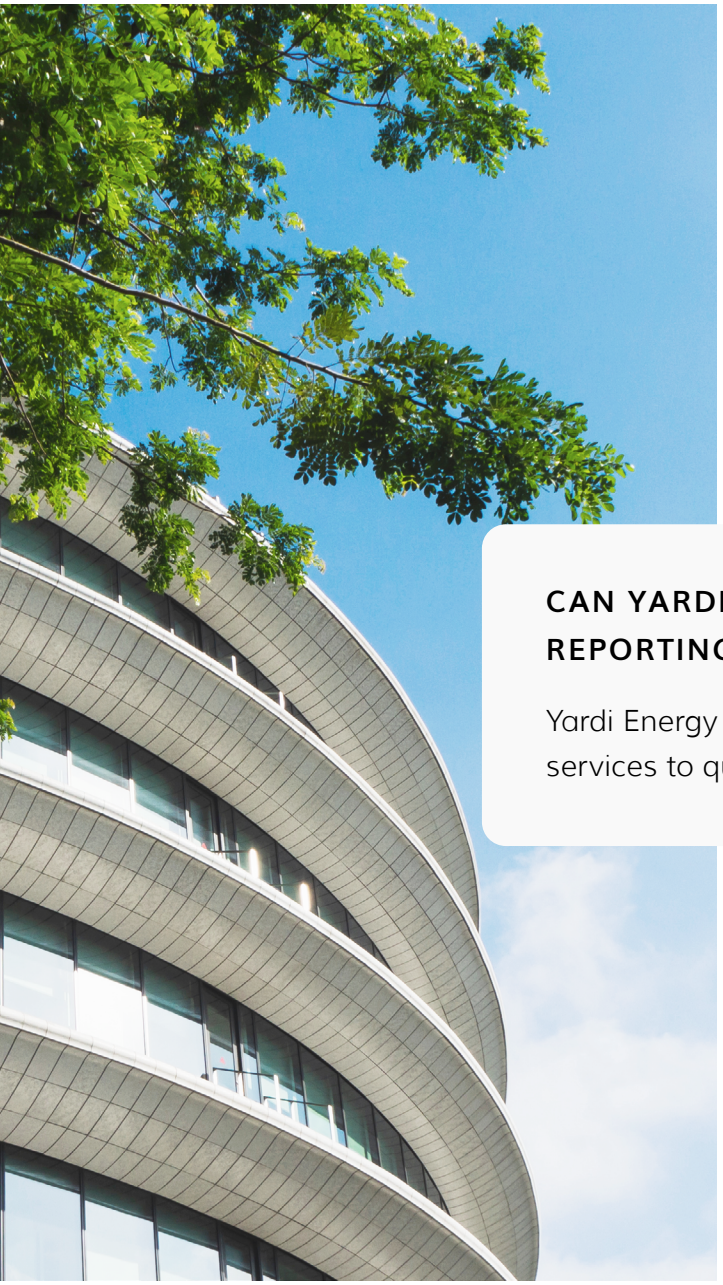
BPS has changed the regulatory compliance rules for multifamily and commercial real estate. What started as benchmarking and transparency for energy and water consumption has evolved into something far more consequential: mandatory performance maximum targets of allowed energy and water consumption and associated greenhouse gas (GHG) emissions.

What drives the implementation and enforcement of BPS?

Experts estimate that buildings in the U.S. are responsible for up to 40% of GHG emissions[1] due to construction and operational energy consumption. Many cities and states have become concerned about the increase in GHG emissions and the effect that resulting climate change will have on inhabitants. As a result, these jurisdictions see BPS as an approach to reduce GHG and minimize climate change and its effects.

1. U.S. Department of Energy / ENERGY STAR® Portfolio Manager®

Are my buildings required to comply with a BPS program?



Across the U.S. and Canada, jurisdictions have implemented BPS policies that require buildings to maintain resource consumption below specific energy and water efficiency or GHG intensity targets. Their first step is mandatory whole-building benchmarking and reporting of resource consumption. All programs rely on data benchmarked and reported through U.S. Department of Energy's ENERGY STAR® Portfolio Manager® (ESPM) platform, using whole-building energy data to evaluate compliance.

CAN YARDI ENERGY ASSIST WITH BENCHMARKING AND REPORTING MY BUILDINGS TO BPS PROGRAMS?

Yardi Energy offers ENERGY STAR benchmarking and reporting services to qualified clients. Details can be **found here**.

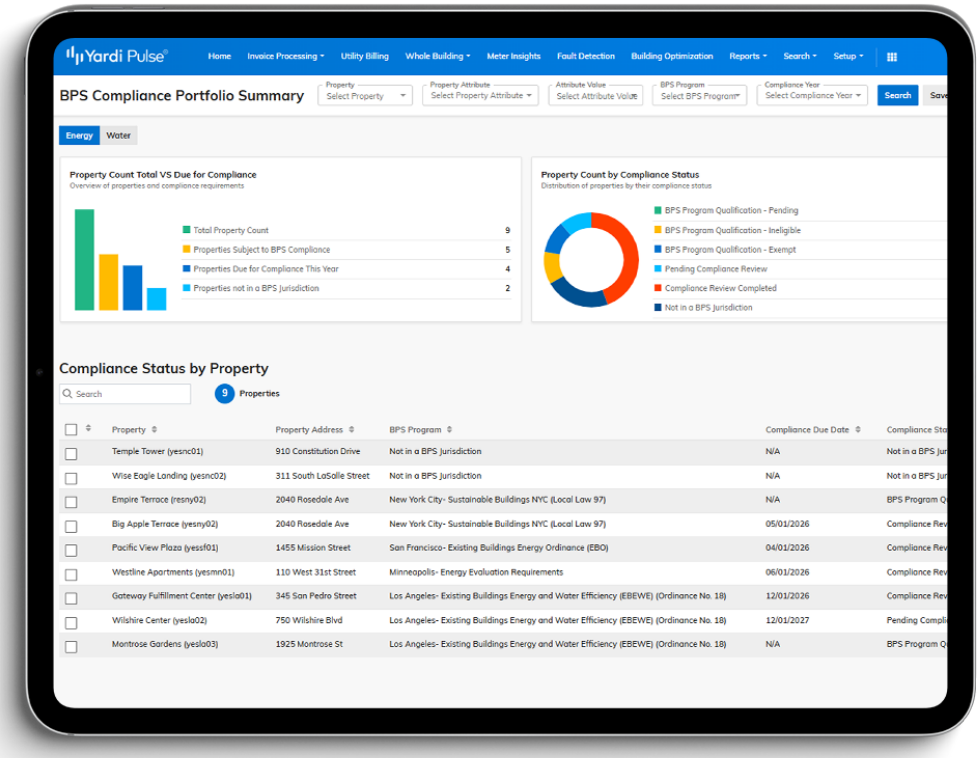
But here's the shift: **This is no longer just about reporting performance. It's about meeting a standard**. The next step beyond benchmarking is for resource consumption to fall below the maximum targets set for energy and water consumption and associated GHG emissions. If a property consumes resources above prescribed targets, the property's owner or operator could incur serious consequences.

The new reality: Know your number or pay

Under BPS, every covered property is measured against a defined performance target based on its use type (apartment, office, etc.), size (gross floor area) and location. If a building exceeds that resource consumption target, owners could face:

- Financial penalties
- Required energy and water audits or retro-commissioning
- Increased scrutiny from lenders and regulators

For many portfolios, the biggest challenge isn't submitting data — it's understanding what that data means.



How do I know if my property is meeting the standard and what are the next steps beyond benchmarking?

Yardi Energy offers a BPS dashboard that provides portfolio and property level reports from ENERGY STAR benchmarking. This data shows clients how properties are performing relative to the BPS targets.

Know where you stand

Starting from that foundation, the Yardi Energy Building Performance Standards dashboard connects directly to ESPM and does the heavy lifting: matching each property to its applicable BPS law, pulling in the required performance targets and comparing them to actual reported performance.

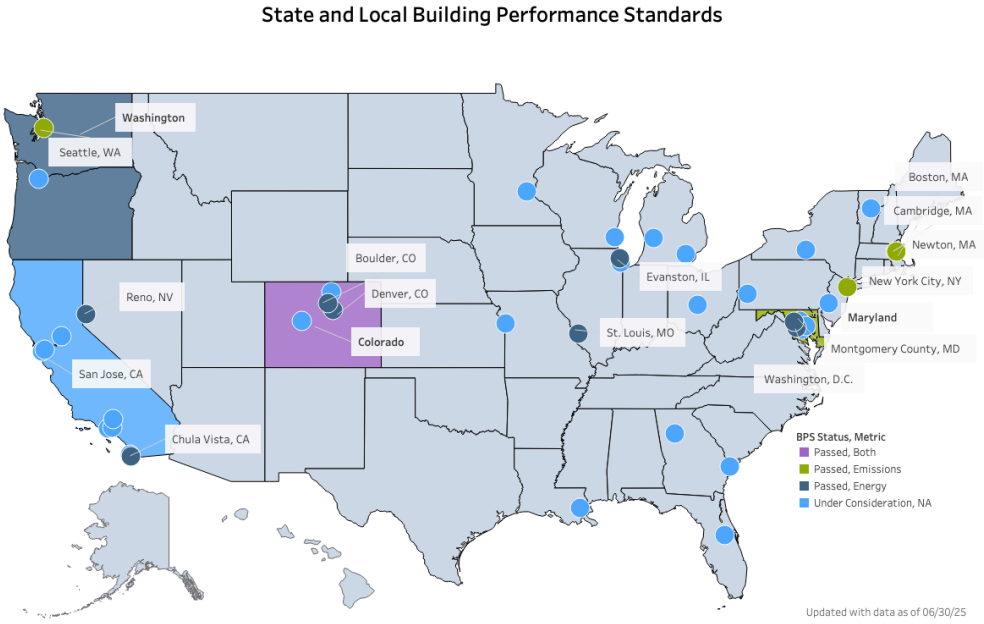
The result is simple but powerful: **a clear, property-level view of compliance**. You can see immediately whether a building meets the standard or exactly how far off it is.

NO DIGGING THROUGH LEGISLATION.
NO MANUAL CALCULATIONS.
JUST ANSWERS.

From data to decisions

What if my property does not meet the compliance target required by the BPS program? Most property owners already have data flowing into ESPM. What they often lack is a clear, actionable understanding of how that data translates into BPS compliance. That's because BPS compliance isn't about collecting data — it's about knowing what it means.

Without that clarity, teams are left interpreting complex regulations, calculating thresholds manually and reacting late, often after a compliance issue has already surfaced.



WHERE YARDI ENERGY MAKES THE DIFFERENCE

Yardi **Energy Efficiency** tools are designed to close that gap by focusing on what drives compliance: building performance. Instead of just benchmarking and reporting, these solutions help identify and correct the operational issues that cause buildings to miss BPS targets in the first place.

Meter Insights delivers interval data visibility, showing exactly when energy is being used and where inefficiencies occur. **Fault Detection** identifies equipment and control issues that drive unnecessary consumption. **Building Optimization** continuously tunes system performance to reduce energy use while maintaining occupant comfort.

Together, these tools turn energy data into action and help owners reduce consumption, control peak demand and improve overall efficiency in ways that directly impact BPS outcomes.

FROM COMPLIANCE RISK TO PERFORMANCE STRATEGY

BPS isn't going away, and the thresholds will only get stricter over time. Owners who treat compliance as a reporting exercise will always be reactive instead of proactive. Those who focus on performance can get ahead of it.

With the right visibility and tools in place, compliance becomes less about avoiding penalties and more about running better buildings. A nice additional perk is that utility bills decrease, and with improvement, asset value increases as well.

Contact your Yardi Energy solutions consultant to discuss products and services that help get your property into BPS compliance.

yardi.com/sustainabilityreporting | sales@yardi.com or (800) 866-1144

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