

# 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.<sup>1</sup>

## 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 in 2023, though one-year extensions were permitted in some cases. Building owners can check their benchmarking status at [energizedenver.org](https://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 went into effect for some buildings in 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



## Existing Buildings

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

More detailed information on deadlines, requirements and exemptions can be found at [energizedenver.org](https://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. Reviewing the rules and regulation and setting clear, achievable goals is an essential first step. Denver requires annual energy benchmarking data for commercial and multifamily buildings 25,000 sq. ft. and larger. It is important to ensure your data is accurate, as it will determine your compliance with the performance requirements. This benchmarking data is made publicly available on the Energize Denver Map<sup>2</sup>. Each journey toward compliance may look different, but effective collaboration can support you at any stage. Trane® is ready to partner with you to help in your journey towards compliance.

*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?

Building owners looking to comply with Energize Denver should conduct a thorough energy audit of their properties. This audit will help identify current energy usage patterns, inefficiencies, and potential areas for improvement. Engaging with experienced energy consultants or service providers can provide valuable insights and recommendations tailored to your building's needs. By taking these initial steps, building owners can create a strategic plan to enhance energy efficiency, reduce emissions, and ensure compliance with state regulations.

## How can Trane help?

Trane is dedicated to helping building owners comply with the Energize Denver initiative. We offer a range of energy services, including energy assessments/audits, formulating action plans, and implementing those plans.

- **Energy Assessments/Audits:** We conduct thorough energy audits to identify cost-saving opportunities and areas for improvement.
- **Formulate Action Plans:** Based on the audit results, we create tailored action plans to enhance your building's energy efficiency.
- **Implement Plans:** We help you implement these plans using our innovative technologies and extensive experience.

Trane provides end-to-end support to help you meet performance requirements, whether it's heat electrification, benchmarking, or performance data collection and analytics. Our comprehensive solutions ensure you adhere to regulations while achieving long-term energy savings and reducing environmental impact.

You don't need to become an expert in decarbonization. Trane will handle the complexities, helping you navigate regulations, implement energy-efficient systems, and improve your building's performance. We are committed to making buildings more comfortable and cost-effective now and for future generations.

## 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. Signed into law on August 16, 2022, the IRA represents a significant investment in clean energy<sup>3,4</sup>. It offers a variety of clean energy tax credits designed to help alleviate the financial burden on building owners. These credits include base tax credits, with the possibility of additional bonus credits for qualifying projects.

While there may be some shifts in funding availability due to policy changes, the IRA continues to be a key resource for those seeking financial support for retrofitting projects. For the most up-to-date information on available funding and incentives, please reach out to your Trane Commercial Contact or explore the following resources:

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

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.

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!**

## CONTACT US FOR MORE INFORMATION

**Local Contact:** [Sam Greenwood](#) | **Phone:** (720) 663-0944 | **Email:** [trane-pr@trane.com](mailto:trane-pr@trane.com)

**Disclaimer:** Trane does not provide tax, legal, or accounting advice. This material is for informational purposes only and it should not be relied on for tax, legal, or accounting advice. Tax law is subject to continual change. All decisions are your responsibility, and you should consult your own tax, legal, and accounting advisors. Trane disclaims any responsibility for actions taken on the material presented.

1. <https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Climate-Action-Sustainability-Resiliency>
2. [https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Climate-Action-Sustainability-and-Resiliency/Cutting-Denvers-Carbon-Pollution/Efficient-Commercial-Buildings/Resources-for-Building-Owners/Guides-and-One-Pagers?lang\\_update=638738460964939580](https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Climate-Action-Sustainability-and-Resiliency/Cutting-Denvers-Carbon-Pollution/Efficient-Commercial-Buildings/Resources-for-Building-Owners/Guides-and-One-Pagers?lang_update=638738460964939580)
3. [https://www.epa.gov/system/files/documents/2022-12/12%2009%202022\\_OAR%20IRA%20Overview\\_vPublic.pdf](https://www.epa.gov/system/files/documents/2022-12/12%2009%202022_OAR%20IRA%20Overview_vPublic.pdf)
4. <https://www.dol.gov/agencies/whd/IRA>



Trane – by Trane Technologies (NYSE: TT), a global climate innovator – creates comfortable, energy efficient indoor environments through a broad portfolio of heating, ventilating and air conditioning systems and controls, services, parts and supply. For more information, please visit [trane.com](https://trane.com) or [tranetechnologies.com](https://tranetechnologies.com).

All trademarks referenced in this document are the trademarks of their respective owners.

© 2024 Trane. All Rights Reserved.

EDU-SLM006A-EN  
1/30/2025