DC LEGISLATIVE ACTION COMMITTEE

BEPS WEBINAR

JUNE 24, 2026 · 12:00 PM ET

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50 YEARS WASHINGTON METROPOLITAN CHAPTER community ASSOCIATIONS INSTITUTE

TODAY'S AGENDA

1. **WELCOME & DC LAC UPDATES**
   Molly Peacock
2. **DC BEPS: THE 2026 EVALUATION YEAR**
   David Longard
3. **YOUR OPTIONS IF NOT COMPLIANT**
   David Longard
4. **YOUR ACTION PLAN**
   David Longard
5. **A CLOSER LOOK: PAMELA'S BUILDING**
   Pamela Hairston
6. **CONDOS & CO-OPS: WHY WE'RE DIFFERENT**
   Nick Casey
7. **Q&A**
   All Presenters

WELCOME — WHAT IS THE DC LAC?

MOLLY PEACOCK

About the DC LAC

The Legislative Action Committee (LAC) of WMCCAI's DC Chapter is the advocacy arm for community associations in Washington, DC.

We monitor legislation, engage with city agencies, and ensure that community associations' voices are heard at the policy level — from BEPS to insurance to capital improvement requirements.

WHAT WE DO

- Monitor DC legislation and regulations affecting community associations
- Advocate directly with DOEE, OTA, and Council members
- Bring timely updates to CAM and board members across DC

Today's Focus

DC BEPS is the single most urgent compliance issue facing condo and co-op communities right now.

Today we have assembled the leading voices on DC BEPS for condos — including members of the BEPS Task Force Condo/Co-op Subcommittee — to walk you through exactly what you need to know and do before year end.

If your building is currently not in compliance, there are still options available that could potentially reduce your penalty significantly, remove it completely, or allow you to reinvest it back into your building rather than paying the penalty to DC.

DC LAC UPDATES – PENDING LEGISLATION

MOLLY PEACOCK

INSURANCE

Condominium Insurance Amendment Act of 2025 · B26-0495

- Associations may pass through up to $25,000 of the association's insurance deductible to the unit owner whose unit was the source of the loss
- Bylaws may authorize a higher pass-through amount beyond $25,000
- Clarifies minimum insurance requirements for unit owners, ensuring policies play their intended role
- Aligns financial responsibility with the source of the loss — not spread across all owners

Board Action: Review your bylaws' deductible passthrough language and confirm unit owner insurance requirements are being enforced.

DC LAC UPDATES – PENDING LEGISLATION

MOLLY PEACOCK

SHORT-TERM RENTALS

Short-Term Rental Regulation Amendment Act of 2026 · B26-0647

- Expands participation: tenants may obtain STR licenses with owner approval; owners may operate rentals in a second DC property
- New special event endorsement for high-demand periods (inaugurations, Cherry Blossom Festival, etc.)
- Applicants must attest their association permits short-term rentals — enforcement still falls on associations
- Likely increases STR activity building-wide; proactive lease restriction enforcement remains critical

Board Action: Audit your governing documents' leasing provisions and confirm you have a process to track and enforce STR compliance.

DC LAC UPDATES – PENDING LEGISLATION

MOLLY PEACOCK

SMOKE-FREE HOUSING

Smoke-Free Residential Environments Amendment Act of 2026 · B26-0590

- Prohibits smoking indoors in buildings with two or more units — applies to all multifamily residential buildings
- Extends the restriction to within 25 feet of entrances or windows when others are present
- Establishes a uniform DC-wide standard — associations with existing smoking policies should confirm alignment
- Reflects a broader trend: public health regulation entering residential communities directly

Board Action: Review existing smoking policies against the new standard and update rules or resident communications as needed.

DC LAC UPDATES

MOLLY PEACOCK

AWARD OF MERITORIOUS SERVICE FOR CM ANITA BONDS

DC LAC Awarded CM Bonds
A Well-Deserved
AWARD OF MERITORIOUS SERVICE TO OUR GREAT CITY

May 12, 2026 · Wilson Building, Washington DC

"Thank you — you don't just tell us about problems, you come to the table with suggested solutions."

— Councilmember Bonds

DC BEPS: THE 2026 EVALUATION YEAR

DAVID LONGARD

What is BEPS?

DC's Building Energy Performance Standards require large buildings to meet minimum energy performance thresholds — or follow an approved compliance pathway.

Why 2026 Matters

2026 is the first year DOEE evaluates whether your building met its Cycle 1 standard. Buildings that fall short must act — the December 31, 2026 deadline for pathway applications is hard.

Who is Covered?

50,000 sf+ buildings (Cycle 1). DC lowered the threshold to 25,000 sf starting Cycle 2 (2028), so smaller buildings should begin preparing now.

WHAT IS BENCHMARKING?

DAVID LONGARD

How DC measures your building's energy performance

01

DATA COLLECTION

Utility data (electricity, gas, water) is entered into EPA's ENERGY STAR Portfolio Manager. In DC, utilities auto-upload for most buildings.

02

SCORES GENERATED

Portfolio Manager generates your Energy Star Score (ESS, 1–100) and Site EUI. These are the two key metrics DOEE looks at.

03

ANNUAL REPORTING

DC buildings must submit benchmarking to DOEE by April 1 each year. Missing this deadline carries separate penalties from BEPS.

04

EVALUATION YEAR

For Cycle 1, DOEE evaluates whether your 2026 benchmarking data meets the required threshold — the evaluation year.

DC BEPS COMPLIANCE STANDARDS

DAVID LONGARD

Two ways to meet the standard — your building must satisfy at least one

PATHWAY A

Energy Star Score ≥ 66

Your building must score 66 or higher on EPA's 1–100 scale — meaning it outperforms 66% of similar buildings nationally.

Available for most multifamily buildings with a valid Energy Star rating.

OR

PATHWAY B

Site EUI 20% Below Baseline

Your building's energy use intensity must be at least 20% below your 2018–2019 average Site EUI.

Used when an Energy Star score is unavailable, or as an alternative compliance demonstration.

THE BOTTOM LINE

DAVID LONGARD

What happens if your building does not comply?

PUBLIC DISCLOSURE

DOEE publishes non-compliant building lists — visible to prospective buyers, renters, and lenders. Compliance details are public at buildingperformancedc.org.

MAX PENALTIES

Up to $10 per sq ft in fines for non-compliant buildings with no approved pathway. A 100,000 sf building faces up to $1,000,000 in alternative compliance payments.

PARTIAL PENALTIES

DC BEPS penalties scale with your compliance gap. Every improvement before year end directly reduces your exposure — even if you can't reach full compliance.

IF YOUR BUILDING ISN'T COMPLIANT — FIVE OPTIONS

DAVID LONGARD

December 31, 2026 is the hard deadline for compliance pathway applications and penalty reduction requests. Non-compliant buildings must act now.

01	**Achieve Compliance** Meet Energy Star Score 66 or reduce Site EUI 20% below baseline. Clean compliance — no pathway applications, no ongoing DOEE reporting.	General
02	**Reinvestment Clause** Instead of paying your ACP to DC, enter a pre-approved agreement with DOEE to invest that same amount into energy improvements in your building.	Not Approved Yet
03	**Extended Deep Energy Retrofit (EDER)** Commit to a long-term phased decarbonization plan for an extended timeline. Newly open to condos/co-ops. DOEE review takes 6+ months — start immediately.	Approved
04	**Financial Distress** For buildings genuinely unable to fund compliance. Condo-specific criteria submitted to DOEE January 2026. High bar — scrutinized carefully.	Not Approved Yet
05*	**Good Faith Effort (GFE)** Demonstrate documented efforts toward compliance to reduce or eliminate your alternative compliance payment. Five qualifying pathways. Details in development.	Not Approved Yet

OPTION 1 — ACHIEVE COMPLIANCE

DAVID LONGARD

What This Means

Your building makes enough energy efficiency improvements to actually meet ESS 66 (or Site EUI 20% below baseline) before December 31, 2026. The cleanest outcome — no pathway applications, no ongoing DOEE reporting, full compliance.

Common upgrades that move the needle

- LED lighting retrofit (common areas + garages)
- HVAC controls optimization / BMS upgrades
- Hot water system improvements
- HVAC equipment upgrades

OPTION 2 — REINVESTMENT CLAUSE

DAVID LONGARD

STATUS: Details publishing with DOEE Guidebook (June/July 2026) — not yet finalized. Do not advise your board to count on this until official rules are published.

How It Works

DOEE assesses an alternative compliance payment (ACP) for failing to meet BEPS. Instead of paying that amount to DC, your building enters a pre-approved Optional Agreement with DOEE to invest up to 100% of that same amount directly into energy efficiency measures in your own building.

Most — if not all — of the money stays in your building, funding real improvements. Investments must be completed and verified by 2031.

Strategic Combo: Use GFE first to reduce your ACP — then apply the Reinvestment Clause to reinvest the remaining balance into your building.

What We Recommended

Allow up to 100% of penalty to be reinvested

Standard agreement template for boards

Governance timelines factored into deadlines

Clear milestones and DOEE verification standards

OPTION 3 — EDER

DAVID LONGARD

Condos and co-ops are NOW eligible — a major policy win for our community

What is Extended Deep Energy Retrofit?

A long-term, phased compliance pathway for buildings undertaking deep energy retrofits. Buildings commit to a multi-year improvement plan with DOEE approval — compliance over time rather than by 2026.

All-Electric EEMs Only

Energy Efficiency Measures under an EDER plan must be all-electric replacements. No fossil fuel equipment can be installed under an approved EDER plan.

DOEE Review Takes 6+ Months

Applications require significant documentation and back-and-forth with DOEE reviewers. Buildings must start NOW — there is no earlier deadline, but Dec 31, 2026 leaves almost no time.

Condo/Co-op Eligibility

Previously limited — condos and co-ops gained full eligibility as part of recent BEPS guidebook updates, which the Condo/Co-op Subcommittee actively advocated for.

OPTION 4 — FINANCIAL DISTRESS

NICK CASEY

Condo-specific criteria submitted to DOEE January 2026 — not yet finalized.

What This Pathway Is For

Buildings that genuinely cannot fund BEPS compliance — not buildings that choose not to spend, but buildings in actual financial distress. This is a high bar, and DOEE will scrutinize applications carefully.

Reserve Fund Analysis

Building must demonstrate inadequate reserves for energy capital improvements relative to need.

Assessment History

Evidence that the building has not been able to levy adequate assessments for capital work.

Condo-Specific Criteria

The Condo/Coop Subcommittee submitted condo-specific financial distress criteria to DOEE January 2026, recognizing condos operate differently from commercial buildings.

Not a Get-Out-of-Jail Card

Buildings using this pathway still face ongoing compliance obligations. Distress must be documented and re-evaluated.

OPTION 5* — GOOD FAITH EFFORT (GFE)

DAVID LONGARD

In development — supplemental guidance NOT in the Guidebook. GFE subcommittee presenting final recommendations Summer 2026.

Five potential qualifying pathways — buildings qualify under one:

1

Prior Compliance

Building met its BEPS target for at least one year during Cycle 1 but backslid due to factors outside its control.

2

Modeled Compliance

Completed all EEMs recommended by an approved energy audit but savings still fell short. Full documentation required.

3

Feasible Compliance

Completed all EEMs with a simple payback under 5 years. EEMs with longer paybacks or equipment not at end of useful life are excluded.

4

Attempted Compliance

Made bona fide, documented efforts to comply but was blocked by complications outside its control — delays, unavailability, or unit-owner access barriers.

5

Point System

Accumulates a certain amount of points from a tiered menu of completed energy measures. Measures completed prior to January 1, 2018 do not count.

Strategic tip: Use GFE to reduce your ACP — then apply the Reinvestment Clause to reinvest the remaining balance into your building.

YOUR ACTION PLAN: WHAT TO DO BEFORE YEAR END

DAVID LONGARD

NOW

01

Get Your Benchmarking Score

Log into ENERGY STAR Portfolio Manager and pull your ESS and Site EUI. Check buildingperformancedc.org to confirm your BEPS status. Everything else depends on knowing your numbers.

JUNE–JULY

02

Commission a Level 2 Energy Audit

A Level 2 audit identifies every viable improvement, its cost, projected ESS impact, and payback period. Required documentation for several compliance options. Don't wait until fall.

BY DEC 31

03

Develop and Execute Your Plan

Determine your compliance pathway (ESS 66+, 20% Site EUI reduction, or EDER) and which options apply (Reinvestment Plan, GFE, Financial Distress). Work with an energy compliance advisor. The deadline is hard.

WE WERE OUT OF COMPLIANCE — OR SO WE THOUGHT

PAMELA HAIRSTON

Observatory of Georgetown · 162 units · 2111 Wisconsin Ave NW · Built 1988

AS ORIGINALLY REPORTED

~153,000 SF

GROSS FLOOR AREA

45–51

ENERGY STAR SCORE

Below the 66 compliance threshold

G4 parking garage was never added to Portfolio Manager — understating the building's true footprint and making energy intensity appear far worse than reality.

AFTER GFA VERIFICATION

177,689 SF

VERIFIED GROSS FLOOR AREA

76–82

ENERGY STAR SCORE

Compliant — every year 2018 through 2024

A single data correction — no capital investment, no retrofits — revealed years of compliance hidden by an incomplete record.

Key Lesson: Before assuming non-compliance, verify your Gross Floor Area. Accurate data is step one.

A BUILDING IMPROVEMENT BECAME OUR BIGGEST CHALLENGE

PAMELA HAIRSTON

66 new rooftop exhaust fans installed Nov 2024 — a responsible decision with an unintended consequence

Building Depressurization

Fans exhaust air without balanced mechanical intake — cold outside air is pulled in through elevator shafts and envelope gaps, dramatically increasing heat pump load on every unit.

Energy Impact

Total 2025 electricity: ~2,001,620 kWh vs. 1,619,491 kWh in 2023 — an increase of ~382,000 kWh (+24%). 2026 is tracking even higher than 2025.

Good-Faith Decision by the Board

Residents had documented air quality and pressure complaints. The board hired contractors and made the investment. The energy consequence was unintended.

ENERGY STAR SCORE DECLINE

BEPS COMPLIANCE THRESHOLD: 66

DEC 2023
Last stable score
82

DEC 2024
12 months after fans
78

DEC 2025
9 points below threshold
62

FEB 2026
Current — still declining
57

WHAT WE'RE DOING — AND WHAT OUR OPTIONS ARE

PAMELA HAIRSTON

ASHRAE Level II Energy Audit completed Feb 2026 · LED contractor proposal in hand · VFD engineering in progress

PLAN A — TARGET

Full Compliance

LED Upgrade: +4 pts · ~$99K · 4.4yr payback

Pump VFDs: +3 pts · ~$136K total

Projected Score: 64 ESS

Install Deadline: June 2026

LED + VFD by June 2026 → projected 64 ESS — does not meet the 66 threshold.

PLAN B — BACKUP

Good Faith Effort

Documented audit: Level II completed

Contracted upgrades: LED + VFD + BAS + TAB Testing

Compliance advisor: Engaged

2019 Score: Above 66

Significant documented investments that fell short due to circumstances outside the building's control may qualify for penalty relief.

PLAN C — SAFETY NET

Reinvestment Clause

Penalty redirected: Back into the building

Use: Qualifying energy improvements

Outcome: Dollar stays in building

Result: DOEE: collaborative

If a penalty is assessed, DC allows buildings to redirect those funds into qualifying energy improvements rather than paying the District.

WHY CONDOS & CO-OPS ARE DIFFERENT

NICK CASEY

BEPS was designed for buildings with one owner and one decision-maker. That's not

BEPS WAS BUILT FOR...	COMMUNITY ASSOCIATIONS HAVE...
Centralized ownership — one entity controls everything	Split authority — board, unit owners, and bylaws all govern decisions
Single decision-maker — no votes, no supermajorities	Loans and special assessments require a supermajority vote — a 12–24 month process
Unified building control — common areas AND individual units	Requiring replacement of in-unit equipment may be legally difficult and expensive to enforce
Landlord model — owner pays for and controls all systems	Fixed-income and senior residents with limited capacity for special assessments
	Reserve funds can legally cover BEPS upgrades — but rarely align with energy audit timelines

HOW WE GOT A SEAT AT THE TABLE

NICK CASEY

WHITE PAPER

Risks & Solutions Documented

The BEPS Subcommittee under CAI's DC LAC identified condo and co-op-specific risks and proposed solutions — the first time these issues were formally documented for DOEE.

OFFICIAL SUBCOMMITTEE

Formal Voice Created

A new Condo/Co-op Subcommittee was established under the DC BEPS Task Force — giving community associations a formal, recurring seat in the room where rules are made.

DIRECT CHANNEL

Proposals Go to DOEE

Mutually agreed solutions from the subcommittee go directly to the full BEPS Task Force and DOEE. Our feedback shapes the actual rules being written right now.

WHAT WE'VE SUBMITTED & ADVOCATED FOR

- Condo-specific financial distress criteria — submitted to DOEE January 2026
- Governance solutions for in-unit equipment replacements — legal frameworks to protect boards
- Advocacy to allow master-metered buildings to sub-meter and bill back unit owners — currently prohibited under DC law
- Penalty reduction pathways for buildings demonstrating significant, documented effort that still fell short

NICK CASEY

Key updates secured through Condo/Co-op Subcommittee advocacy

ADOPTED

EDER Eligibility Expanded

Condos and co-ops are now explicitly eligible for the Extended Deep Energy Retrofit pathway. Previously, language was ambiguous and effectively excluded most condo associations.

PENDING

Accelerated Savings Recognition (ASR)

Buildings achieving a 20–36% Site EUI reduction in Cycle 1 can bank that overperformance as credit toward Cycle 2 targets. Rewards early movers.

PENDING

Financial Distress Criteria for Condos

Condo-specific financial distress definitions submitted to DOEE January 2026. Recognizes that a condo in financial distress looks very different from a commercial building.

PENDING

Reinvestment Clause Details

The Subcommittee has been in active discussion with DOEE on how the Reinvestment Clause should account for the democratic capital planning process unique to condo associations.

QUESTIONS?

We're here. Ask anything.

Molly Peacock

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