

Alternative Compliance Paths

Creating Flexibility in Building Performance Standards Policies



Building performance standards are the most powerful tool for improving our existing building stock at scale. However, buildings face unique challenges depending on age, size, and circumstances, which may make retrofits on a specified timeline challenging. Alternative compliance paths (ACP) offer flexibility for buildings that cannot meet the standard performance target, while still driving energy or carbon reductions and improvements. In general, ACPs should serve as the backup option in a BPS policy, with most buildings planning to meet standard targets over time. To ensure BPS policies actually work in the real world and that as many people as possible benefit from better buildings, government agencies must consider how to design a policy that provides short-term flexibility, aligns compliance with capital upgrade cycles, and sets buildings up for success with strategic, long-term planning.

Recommended alternative compliance pathways for all BPS policies

ACPs currently vary substantially by jurisdiction, which increases confusion and costs. To standardize how ACPs are implemented into BPS, IMT worked with a group of stakeholders to discuss and develop a set of recommended ACPs for all BPS. Each pathway is already offered in some form by multiple jurisdictions; all pathway design recommendations are informed by lessons learned and industry best practices. The five ACPs are:



1. Short-term extensions

This gives additional time to comply with the original performance goal due to temporary barriers, such as financial distress, vacancy, or property sale.



2. Percentage reduction

Allows building to show meaningful short-term progress through a reduction relative to building baseline performance if the next standard interim target is not achievable.



3. Trajectory approach

In jurisdictions that don't use the trajectory approach as part of their building performance standard, it is possible to add this option for buildings to make improvements on a straight line trajectory from their own baseline to the final target over 20 years.



4. Building Performance Action Plan (BPAP)

This offers a custom, planning-based option which may adjust targets and/or timelines within a standardized approach for long-term strategic capital planning.



5. Payment in lieu of performance

Annual payment to buy temporary compliance, with the funds reinvested into other energy efficiency projects (also known as an alternative compliance payment).

Pathway use cases

Pathway	Flexibility	Complexity	Duration	Scenario Use Case	Building Use Case
Short-term extension	Low	Low	Depends on eligibility reason	Barriers are short-lived, related to a transition, or due to regulatory or financial restrictions	Financial distress; transitions; Affordable housing
Percent reduction	Moderate	Low	1-2 compliance cycles only (5-10 years)	Achieving the standard target is infeasible, but some improvement is achievable	High energy use buildings needing quick wins
Trajectory approach	Moderate	Moderate	Long-term through final target	Building can meet final target and keep pace with linear reductions over time	Upgrades are staged over time for regular improvements
Building Performance Action Plan (BPAP)	High	High	Long-term through final target	Needs tailored compliance path or adjustments to final target or timeline	Deep retrofit planning; Unusual buildings; Campuses
Payment in lieu of performance	High	Low	One year or compliance cycle at a time	No other option is feasible	Significant cost to comply in short-term

Considerations and additional options

There are numerous considerations for each type of alternative compliance path and a few additional flexibility measure options. For details, see imt.org/bps contact Marshall Duer-Balkind at marshall@imt.org.