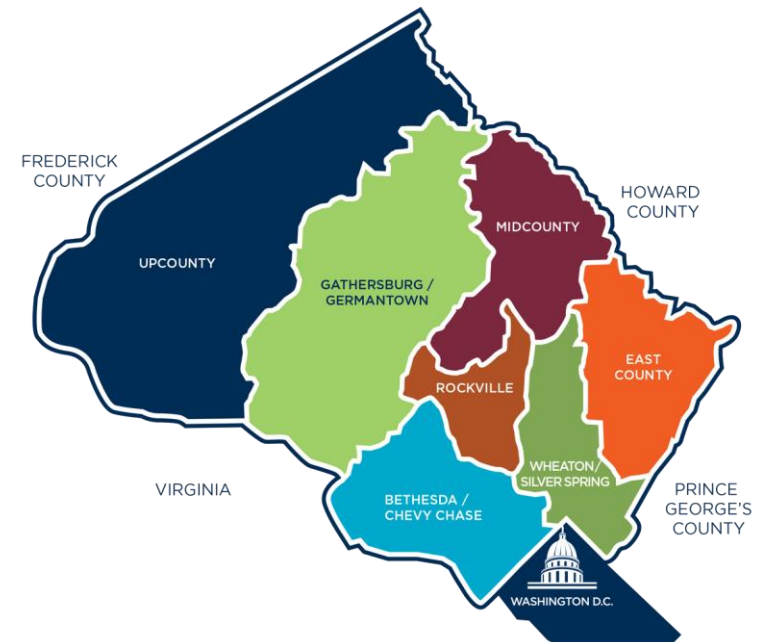


DOCKETED

Docket Number:	21-IEPR-06
Project Title:	Building Decarbonization and Energy Efficiency
TN #:	239434
Document Title:	Presentation - Building Energy Performance Standards in Montgomery County, Maryland
Description:	S2.5C_Emily Curley_Montgomery County BEPS
Filer:	Raquel Kravitz
Organization:	Montgomery County, Maryland
Submitter Role:	Public Agency
Submission Date:	8/23/2021 3:57:53 PM
Docketed Date:	8/23/2021



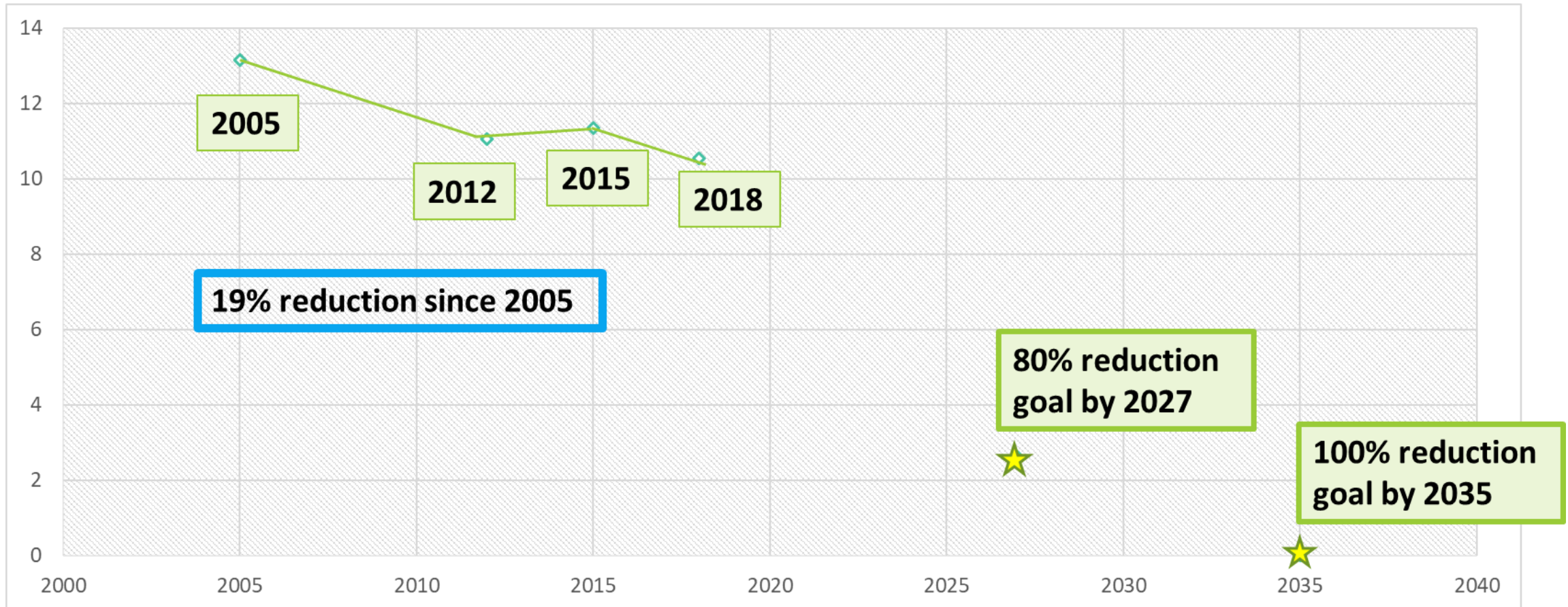
Building Energy Performance Standards in Montgomery County



Learn more at <https://www.montgomerycountymd.gov/green/energy/beps.html>

Montgomery County's Climate Goals

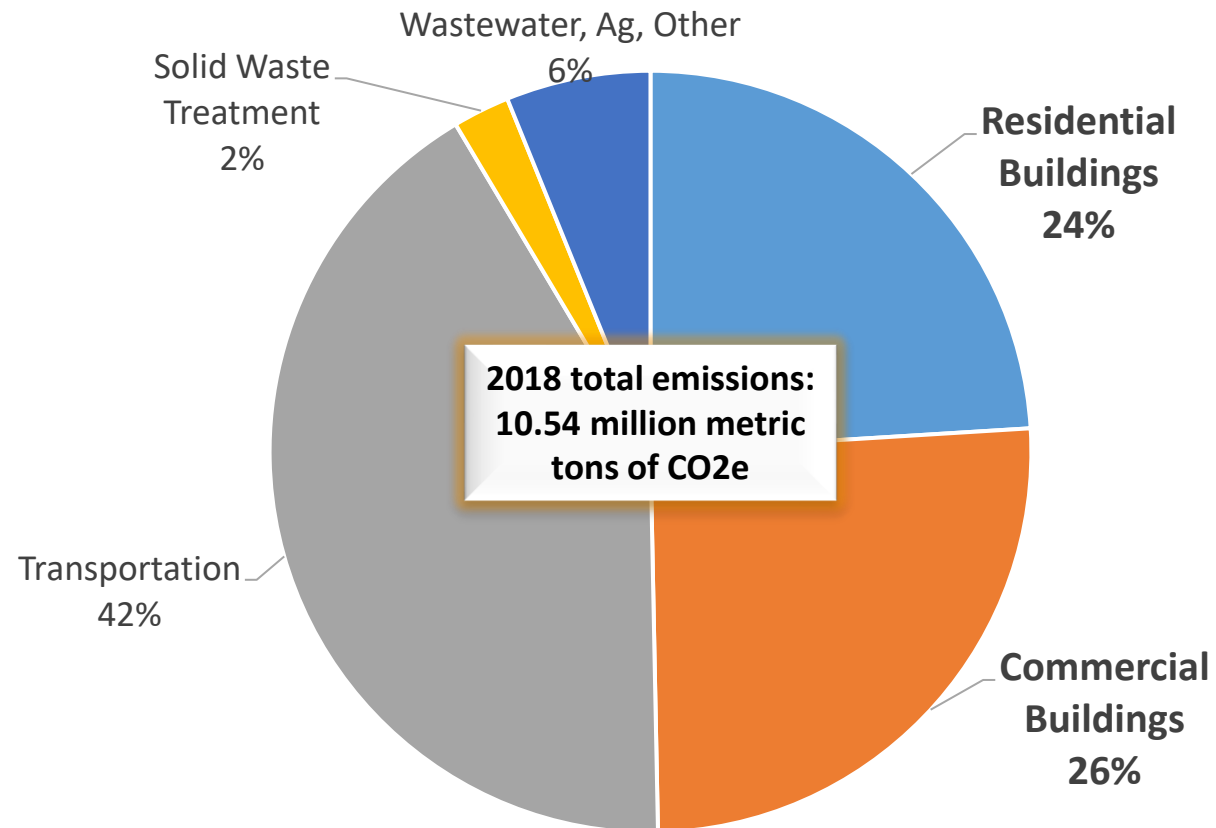
- County Council unanimously passed a 2017 resolution declaring climate emergency
- Emissions reduction goals of 80% by 2027 and 100% by 2035



Source: Metropolitan Washington Council of Governments (MWCOG) Montgomery County GHG Inventory

Buildings & Climate

- Energy use in the buildings sector accounts for about half of County community-wide GHG emissions
- Per the [CAP](#), BEPS addresses emissions from **existing** buildings by improving performance through energy efficiency



Learn more at [Montgomerycountymd.gov/climate](https://montgomerycountymd.gov/climate)

Background on Bill 16-21

- **Bill 16-21:** Modifies the existing Benchmarking Law to expand the number of buildings covered, adds a building energy performance standard (BEPS), and establishes an Advisory Board for BEPS implementation.
- **Why Building Energy Performance Standards?** BEPS is one of the most powerful policy tools available to drive energy improvements and GHG emission reductions in existing buildings.
- General Approach to Legislation:
 - Create framework to establish BEPS, define technical details in later regulation
 - Allows BEPS to apply in incorporated cities within the county without legislative opt-in
 - Incorporate stakeholder voices on [policy recommendations](#)
 - **Balance flexibility and certainty for building owners and immediate climate action**

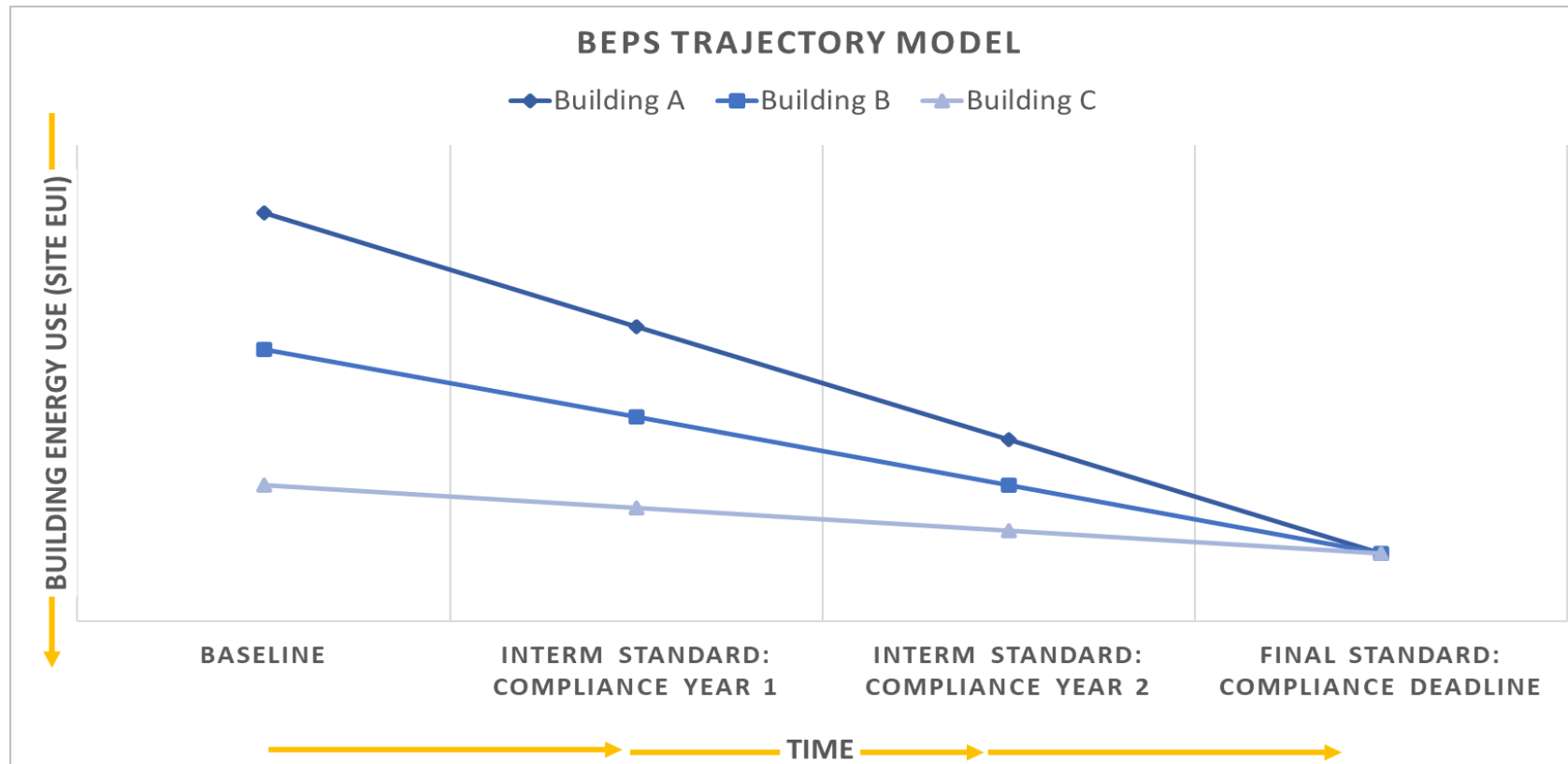
Stakeholder Workgroup

- DEP convened stakeholders on BEPS policy development in late 2019-early 2020
- Commercial and multifamily building communities and those that serve them including advocacy groups, utilities, energy contractors, and County government representatives
- Stakeholder feedback informed proposed BEPS policy:
 - Long-term performance standard with interim performance targets
 - Site energy use intensity (EUI) metric
 - Directly controlled by the building owner, independent of electric grid performance
 - Easily understood by building owners and managers, calculated directly from utility bills and floor area
 - Encourages electrification
 - Reporting should be accomplished using ENERGY STAR Portfolio Manager to reduce admin burden
 - Need for technical and financial assistance, especially for under-resourced sectors
 - Support for directing compliance funds back to building owners:
 - Those who need assistance with complying with BEPS, like affordable housing
 - Tiered fine structure that wouldn't penalize those who were close to their target as severely

[Link to Stakeholder Report](#)

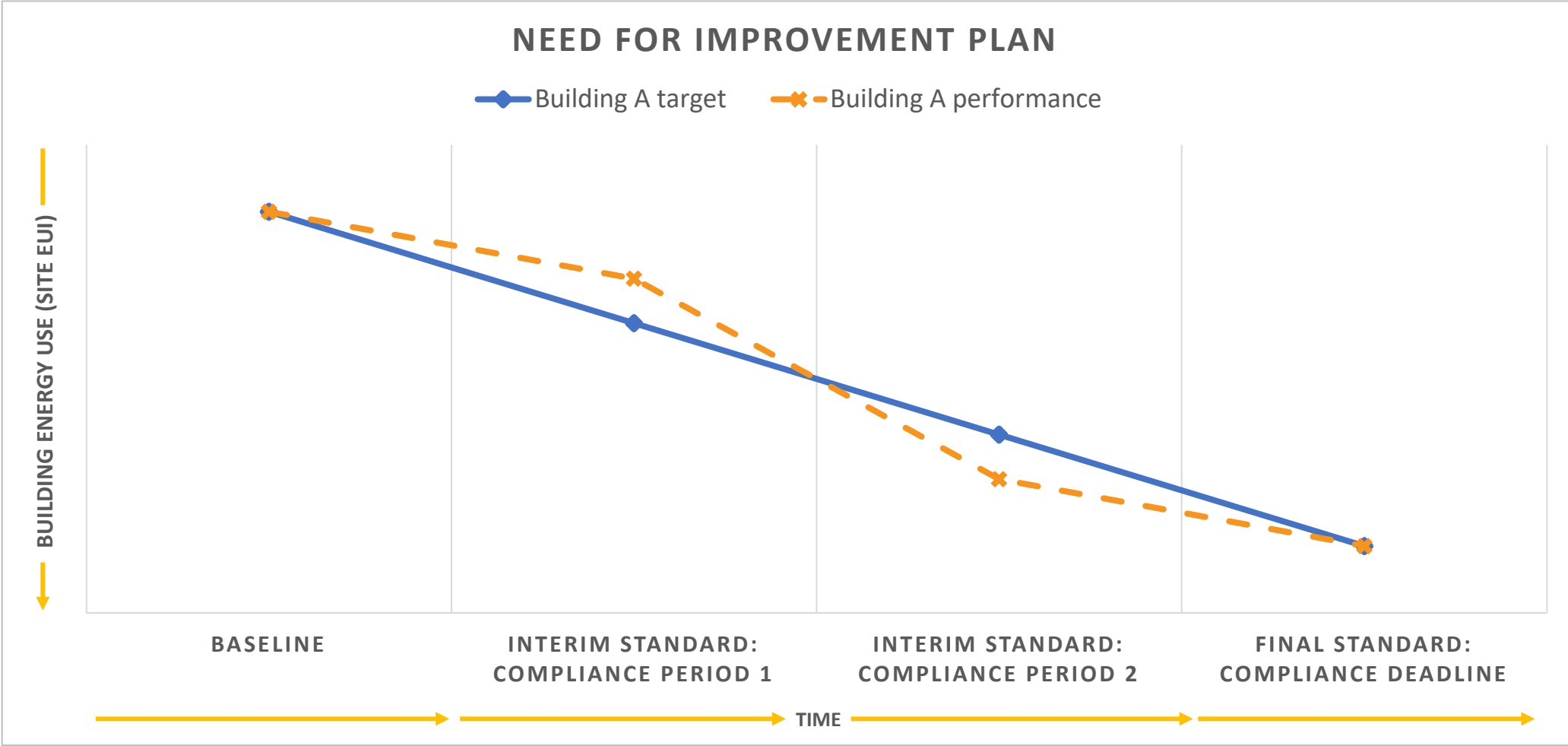
BEPS Policy Overview

- Long-term performance standards balance the climate emergency need for immediate action with building owners' need for certainty and flexibility in how they manage their buildings.
- Each covered building's baseline based on average historical energy use
- Data is reported annually via ENERGY STAR Portfolio Manager, already required by the Benchmarking Law
- Every 4 years, properties are evaluated as to whether they are meeting interim targets (to be defined in regulation)
- Exploring a credit for onsite solar to incentivize solar installations



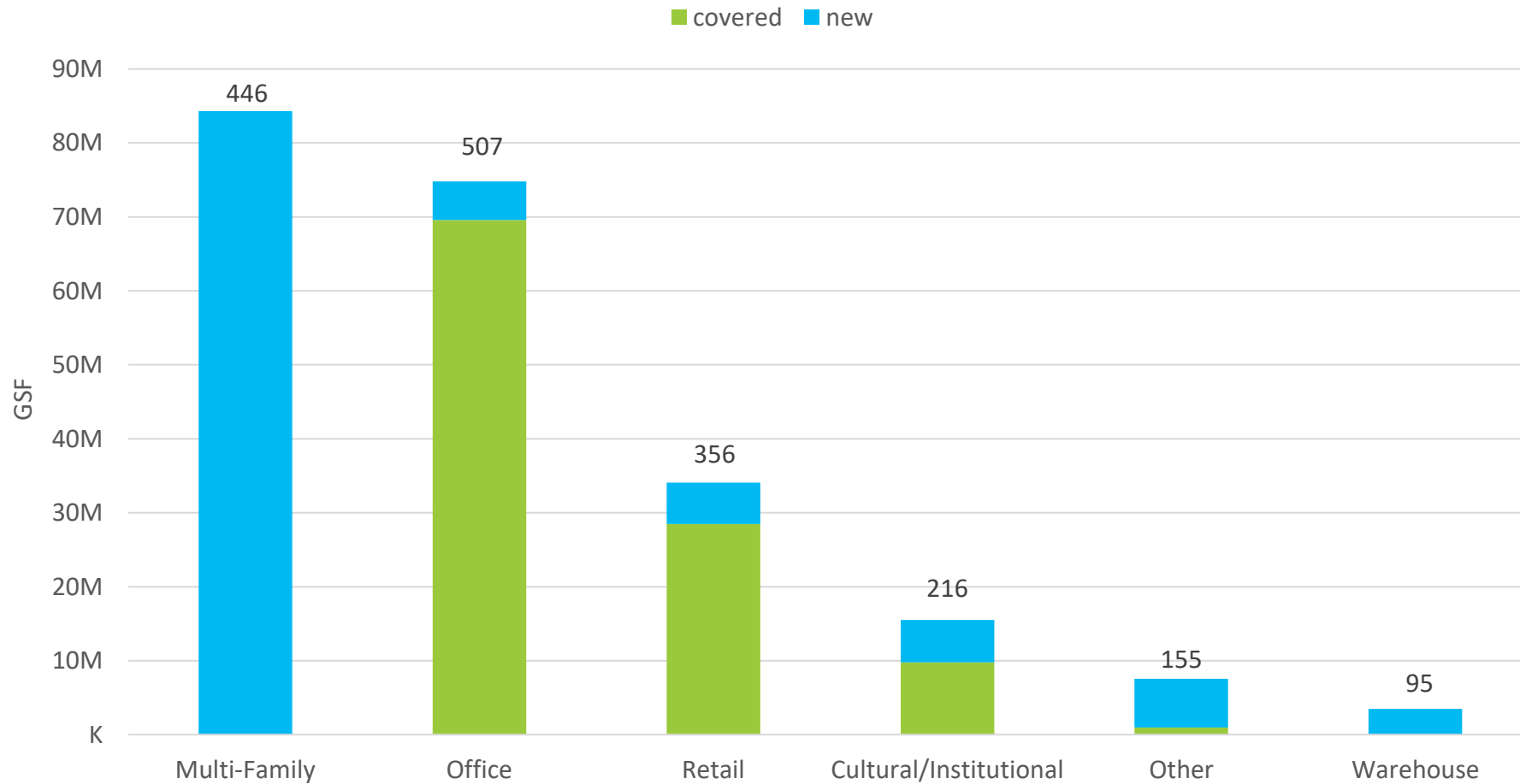
Building Performance Improvement Plans (BPIPs)

- If a property cannot reasonably meet the Interim or Final Performance Standards, the County can accept a BPIP
- Owners carrying out the actions and timeline in an approved BPIP will be considered “in compliance”



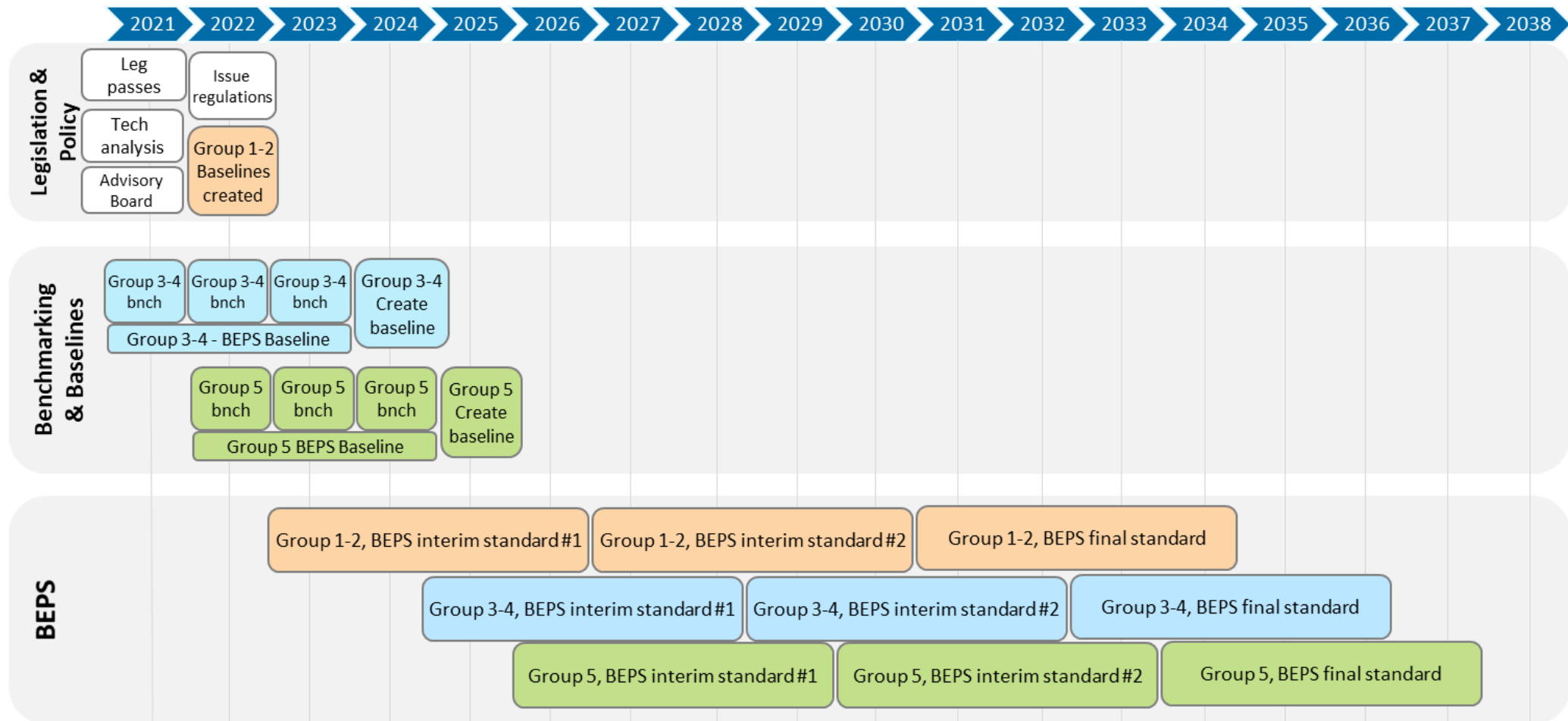
County-Wide Covered Building Impacts

- **Currently covered:** 114M sq ft, 40% of commercial floor area
- Proposed amendment would increase covered buildings to ~220M sq ft, 85% of commercial floor area



BEPS Timeline

- Newly covered buildings benchmark for 3 years before phasing into BEPS program
- Buildings report annually on June 1 with BEPS progress assessed in interim and final standard years
- Final standards 12-15 years in the future; a balance must be struck between aggressive final standards and time provided to comply



Bill 16-21 Takeaways

- First key piece of **major climate legislation** following the release of the Climate Action Plan.
- **Developed with stakeholder input**, BEPS sets long-term performance targets based on energy within the owners' control, providing certainty and flexibility
- BEPS will cover the **largest buildings and biggest carbon emitters** in the County
- BEPS will create more resilient, **higher-value buildings**, increased economic activity and **local green jobs** from building upgrades, and better indoor air quality for tenants—all while lowering our GHG emissions
- Tools and resources are **available now** to give building owners a head start:
 - Montgomery County Green Bank, Commercial PACE financing, new County energy efficient building tax credits, utility incentives, state grants and incentives
 - Additional technical and financial assistance will be needed, especially for affordable housing
- By passing Bill 16-21, **Montgomery County will become the first county to join a leading-edge group of jurisdictions** using BEPS to tackle climate impacts from buildings: New York City, Washington, DC, St. Louis, Chula Vista, CA, and the states of Colorado and Washington