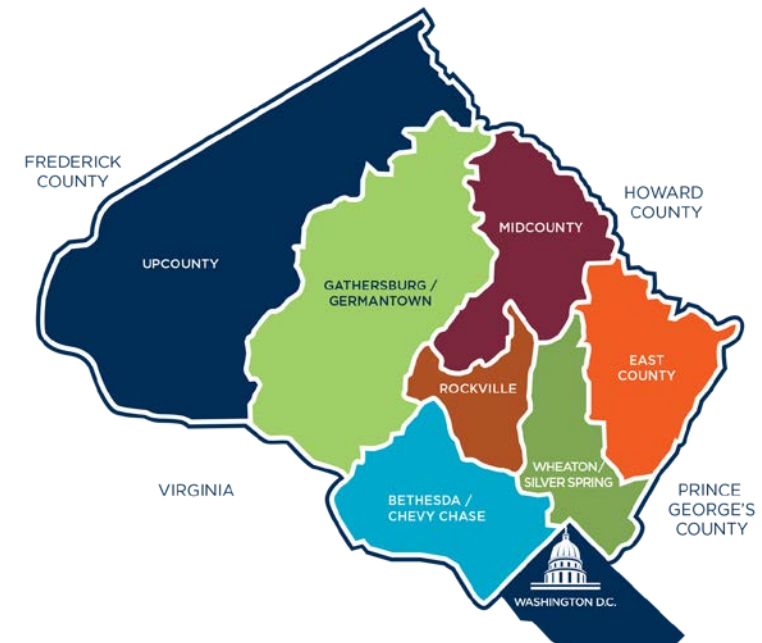




May 2021

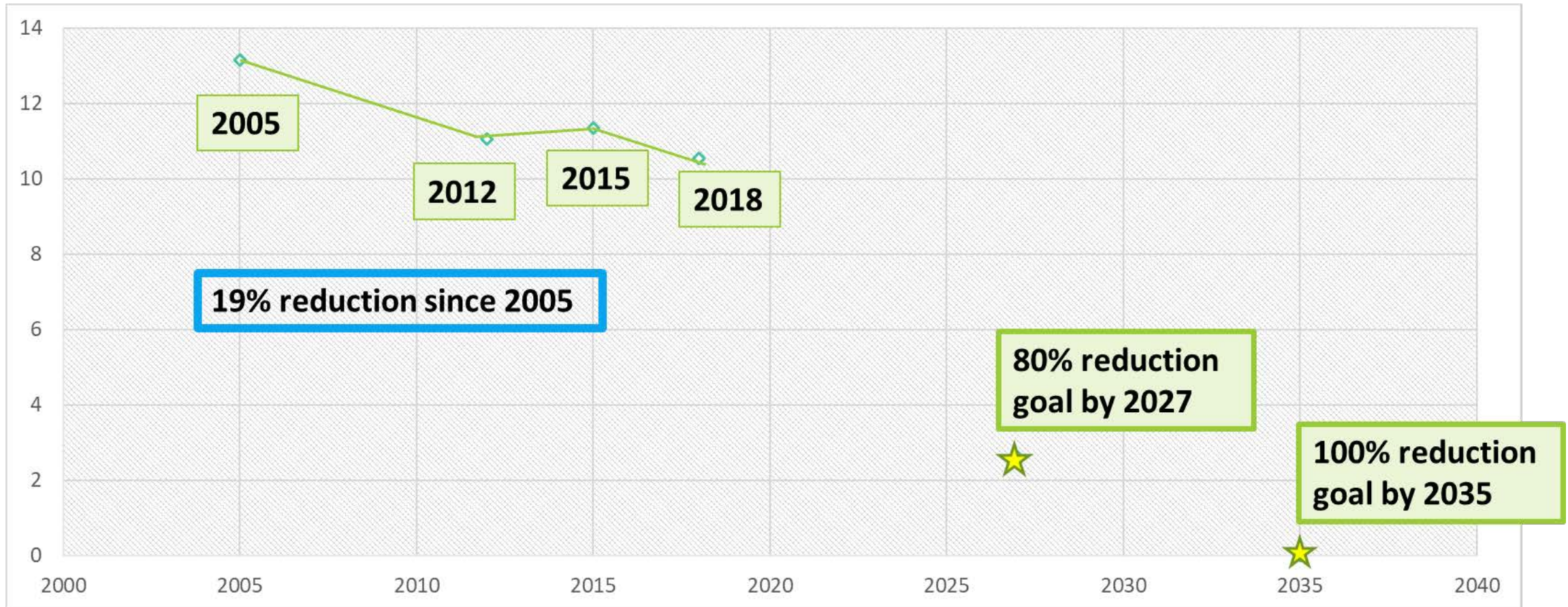
Summary of Building Energy Performance Standards (BEPS) Legislation



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

Montgomery County's Climate Goals

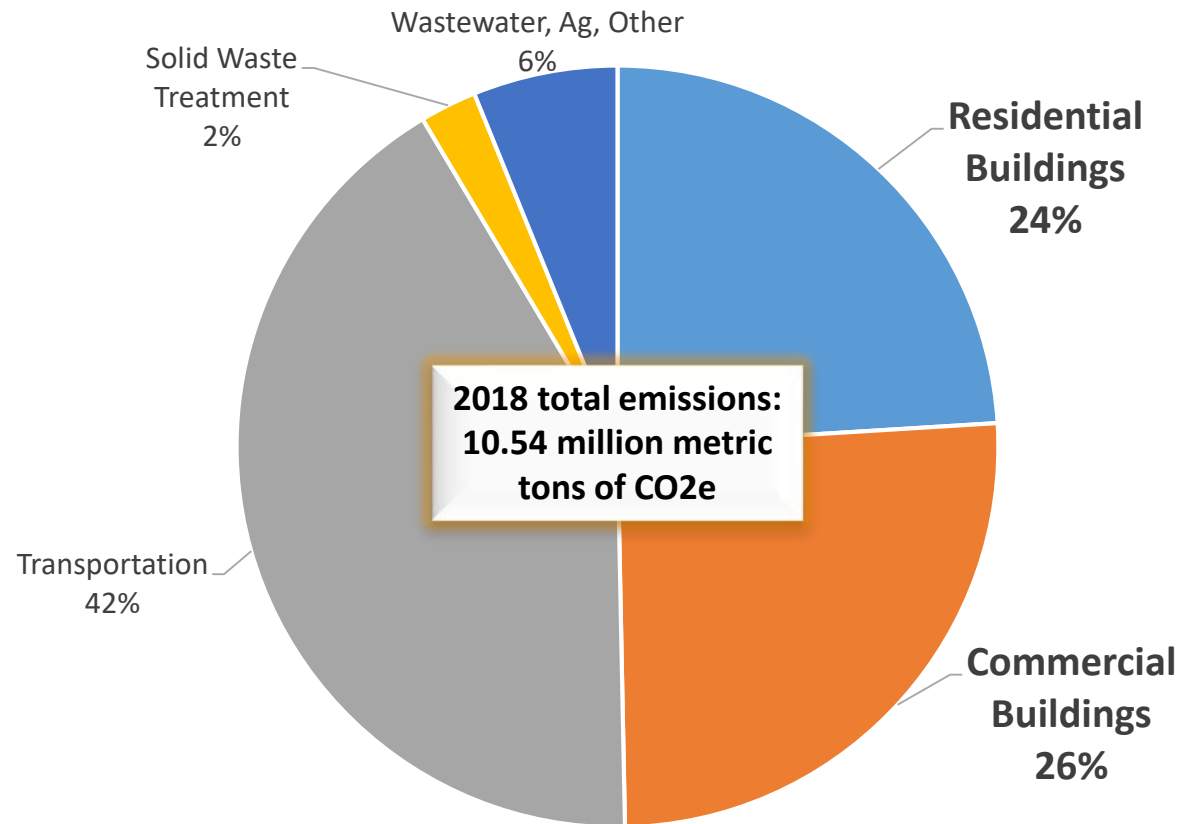
- County Council unanimously passed a resolution declaring climate emergency
- Emissions reduction goals of 80% by 2027 and 100% by 2035



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
- BEPS address emissions from existing commercial buildings by improving performance from energy efficiency



BEPS Background

- **Building Performance Standard (BEPS):** a policy that sets a minimum energy performance threshold for existing buildings
- Jurisdictions across the country are beginning to adopt BEPS legislation and using a variety of strategies and metrics
- DEP engaged stakeholder group in 2019-2020 to gather [policy recommendations](#)
- General Approach to Legislation:
 - Key guiding principle in County's BEPS policy: **Balancing flexibility and immediate action**
 - Modify the current Benchmarking Law to include performance requirements, additional covered buildings, and minor clarifications
 - Allows BEPS to apply in Cities of Rockville and Gaithersburg without legislative opt-in
 - Creates framework to establish BEPS, achieves "First County" status
 - Technical details will be defined in later regulation

Energy Benchmarking Law

- Covers certain County and privately owned non-residential buildings 50,000 square feet and greater
 - Some use types exempt (e.g., multifamily, self-storage, manufacturing/industrial)
- Uses ENERGY STAR Portfolio Manager to collect data
 - Building characteristics and energy data only; no water or waste data
- Mandates data verification every 3 years
- Requires data to be submitted to the County by June 1st each year for public disclosure
- Results in building owners/managers better understanding energy trends and facilitates improvement
- Foundational component of BEPS policy implementation

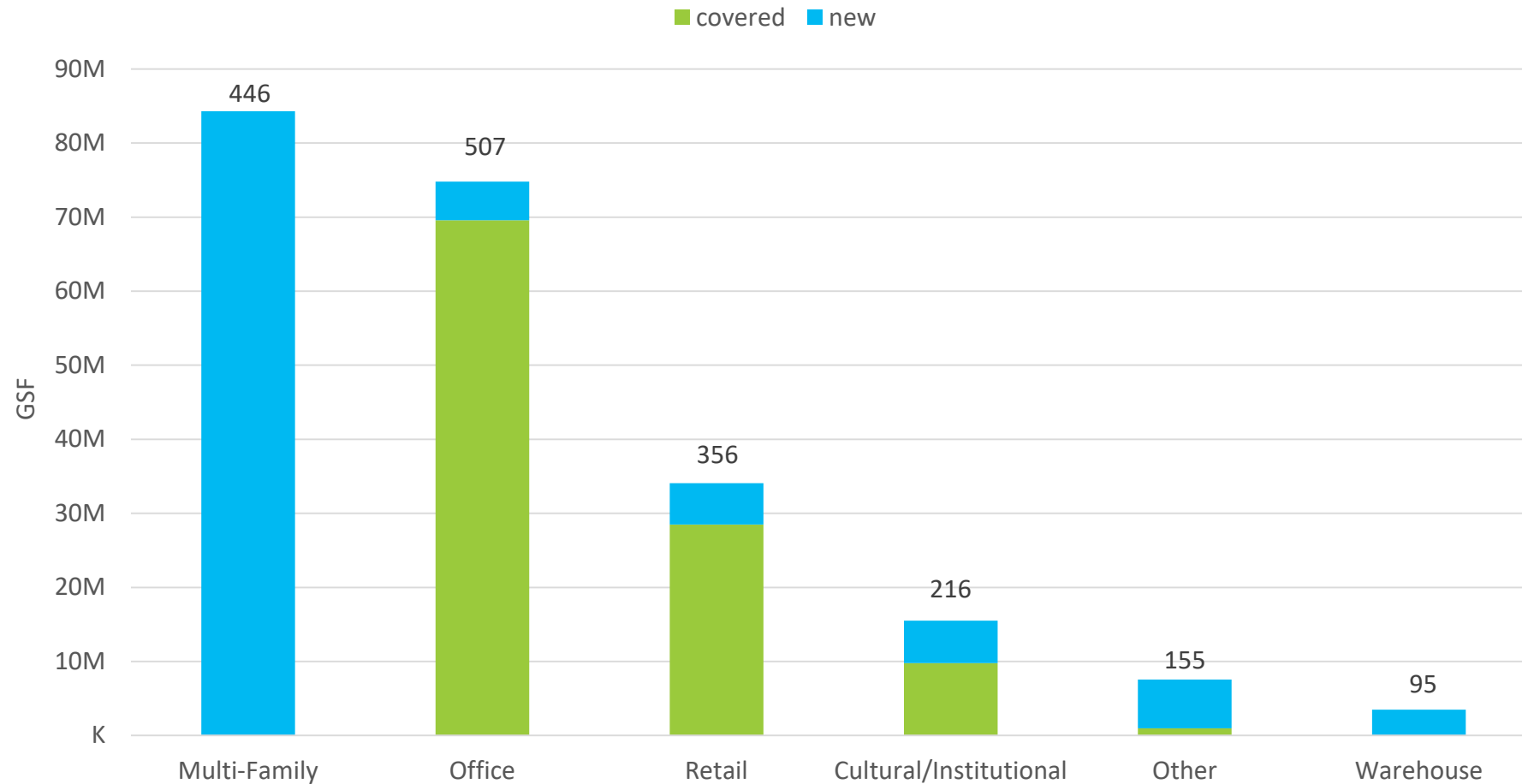
Expanding Covered Buildings by Benchmarking Law

- Currently covered by the Benchmarking Law:
 - **County-owned buildings** 50,000 gross square feet and greater
 - **Non-residential properties** 50,000 gross square feet and greater (*Group 1 & 2*)
- Amendments would phase in new covered buildings to include:
 - **Additional County-owned buildings** 25,000 – 50,000 gross square feet (*Group 3*)
 - **Additional non-residential properties** 25,000 – 50,000 gross square feet; previously exempted building types (*e.g., warehousing, self-storage*) (*Group 3*)
 - **Larger Multifamily properties** 250,000 gross square feet and greater (*Group 4*)
 - **Smaller Multifamily properties** 25,000 to 250,000 gross square feet (*Group 5*)

Learn more about the Benchmarking Law at: <https://www.montgomerycountymd.gov/green/energy/benchmarking.html>

County-Wide Covered Building Impacts

- **Currently covered:** 114M sq ft, 795 buildings, 40% of commercial floor area
- Proposed amendment would increase covered buildings to ~220M sq ft, 85% of commercial floor area

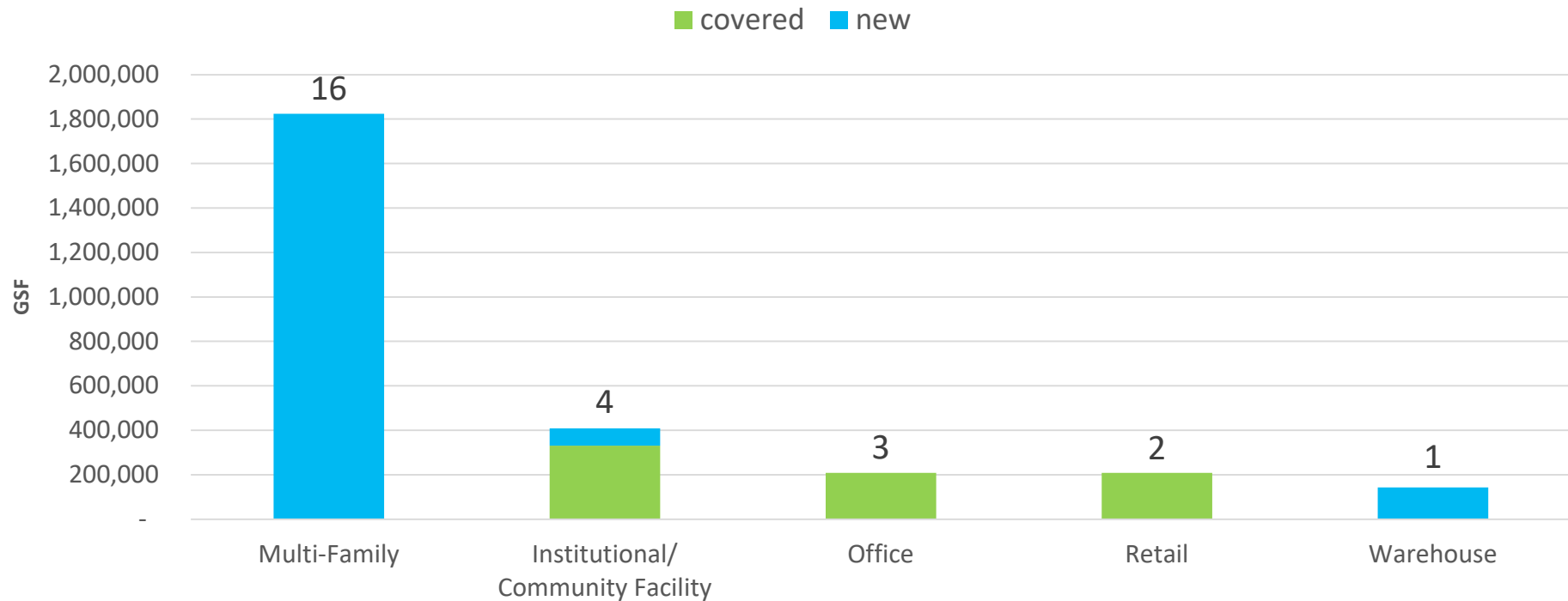


Takoma Park Impacts

- County-wide, benchmarking coverage will roughly double to 250M sq ft and 1850 buildings

Takoma Park:

- Currently covered: **750k sq ft, 7 properties**
 - 2019 benchmarking compliance rate = 86% (6 out of 7 properties submitted)
- Proposed covered buildings estimate: **roughly 2.8M sq ft, 26 properties**
 - New buildings phase into benchmarking and then BEPS

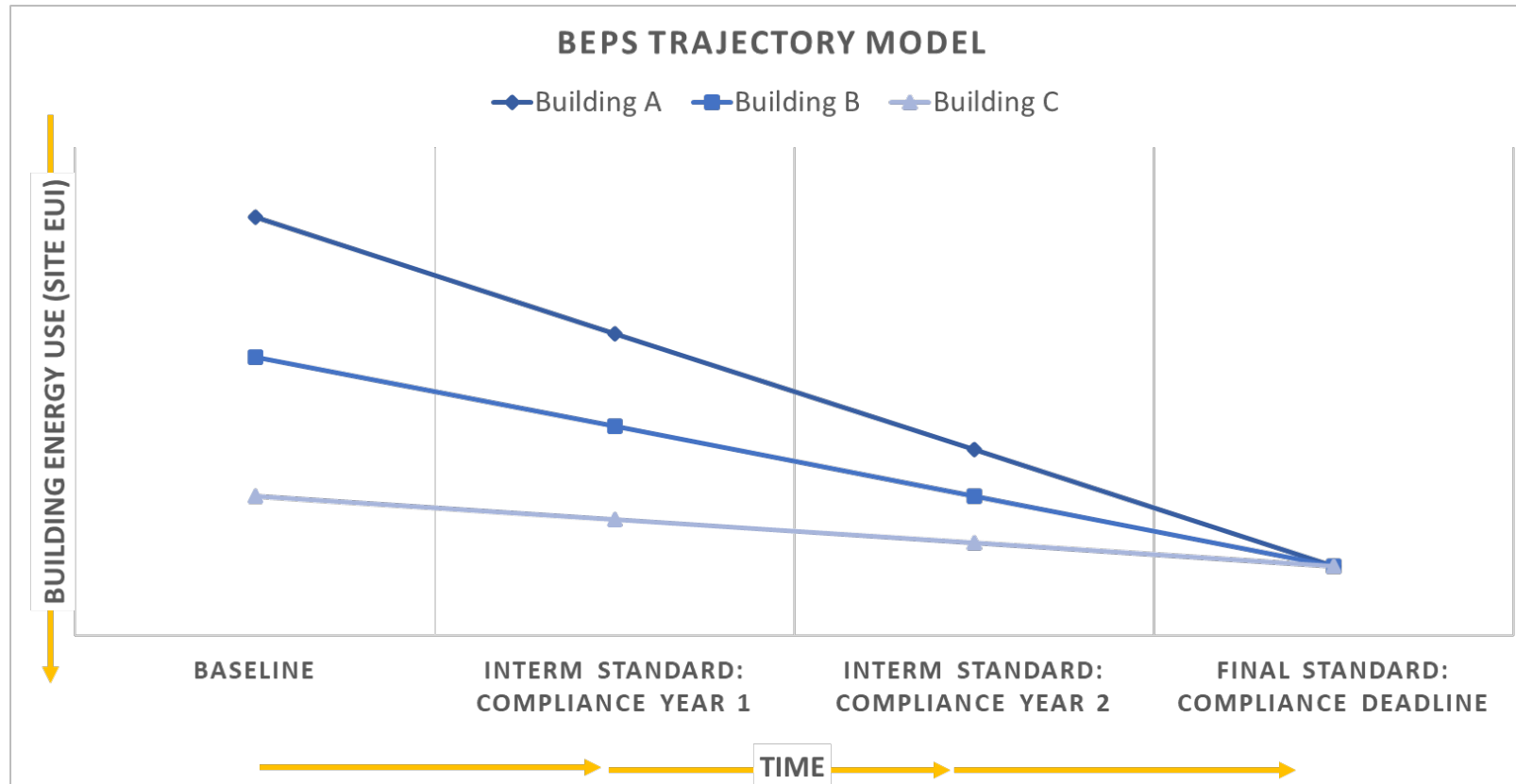


Quick Comparison of BEPS Policies

	Washington, DC	New York City	WA State	St. Louis, MO	Montgomery County
Minimum Threshold Performance	Standards set no lower than median ENERGY STAR score (or equivalent) by building type	CO ₂ e emissions limits on a sq. ft. basis by building type	TBD, based on site EUI	Standards set no lower than 35 th percentile site EUI by building type (so 65% of buildings must improve)	In development to be set in regulation, based on site EUI
Covered Buildings	Commercial and multifamily > 10K sq. ft.	Commercial and multifamily > 25K sq. ft.	Commercial > 50K sq. ft.	Commercial and multifamily > 50K sq. ft.	Commercial and multifamily > 25K sq. ft.
Compliance Cycle	5 years	Buildings must comply annually; limits get stricter every ~5 years	5 years	4 years	Long-term target with 4 year interim check ins
Advisory Board	Defined in ordinance, specific requirements for representation	Defined in ordinance, specific requirements for representation	No	Defined in ordinance, specific requirements for representation	Defined in ordinance, specific requirements for representation

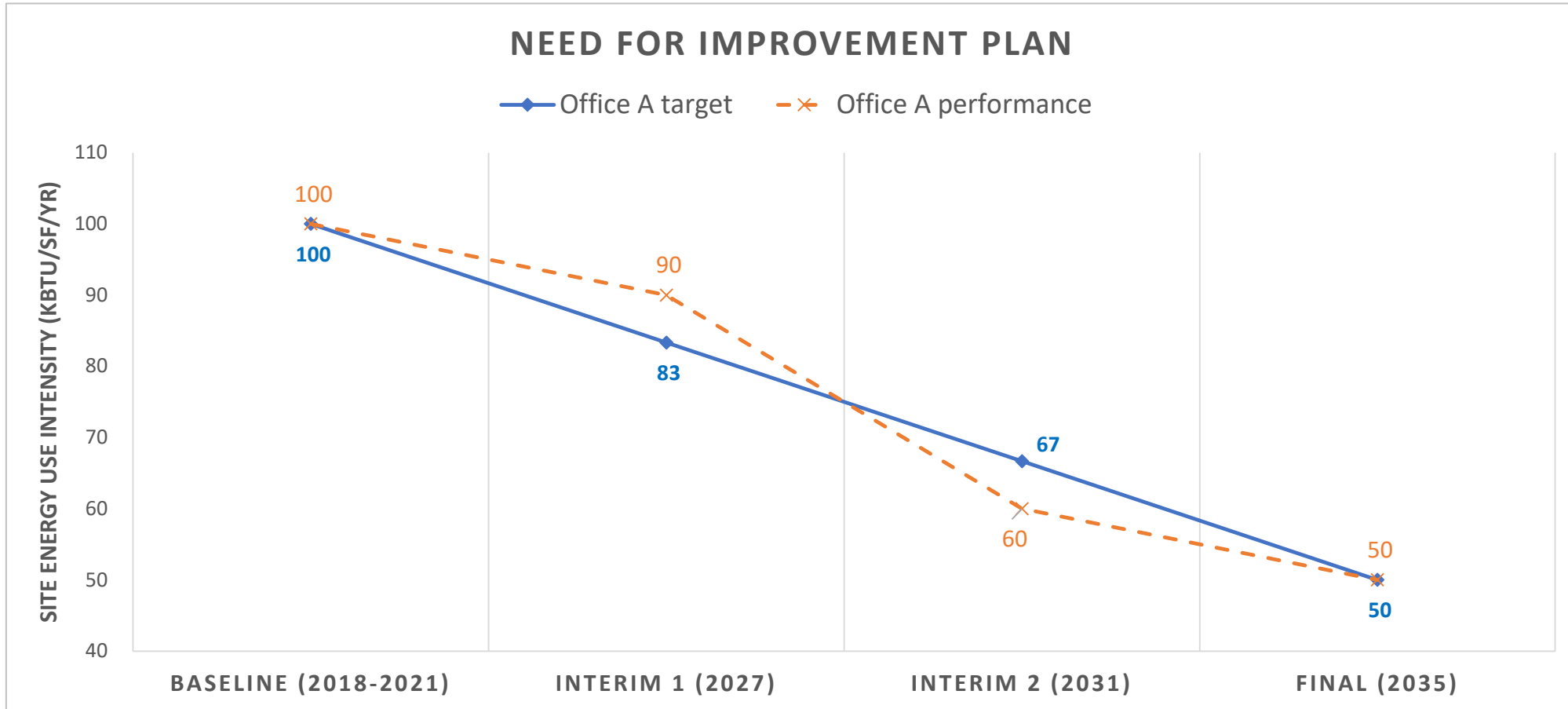
BEPS Policy Overview

- Long-term site energy use intensity performance standards are created for each covered property type
- Onsite solar is fully credited against site energy use as “net normalized site EUI” to incentivize solar installations
- Each covered building’s baseline based on average historical energy use
- Data is reported annually via ENERGY STAR Portfolio Manager as required by the Benchmarking Law
- Every 4 years, properties are evaluated as to whether they are meeting interim targets (to be defined in regulation)



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”

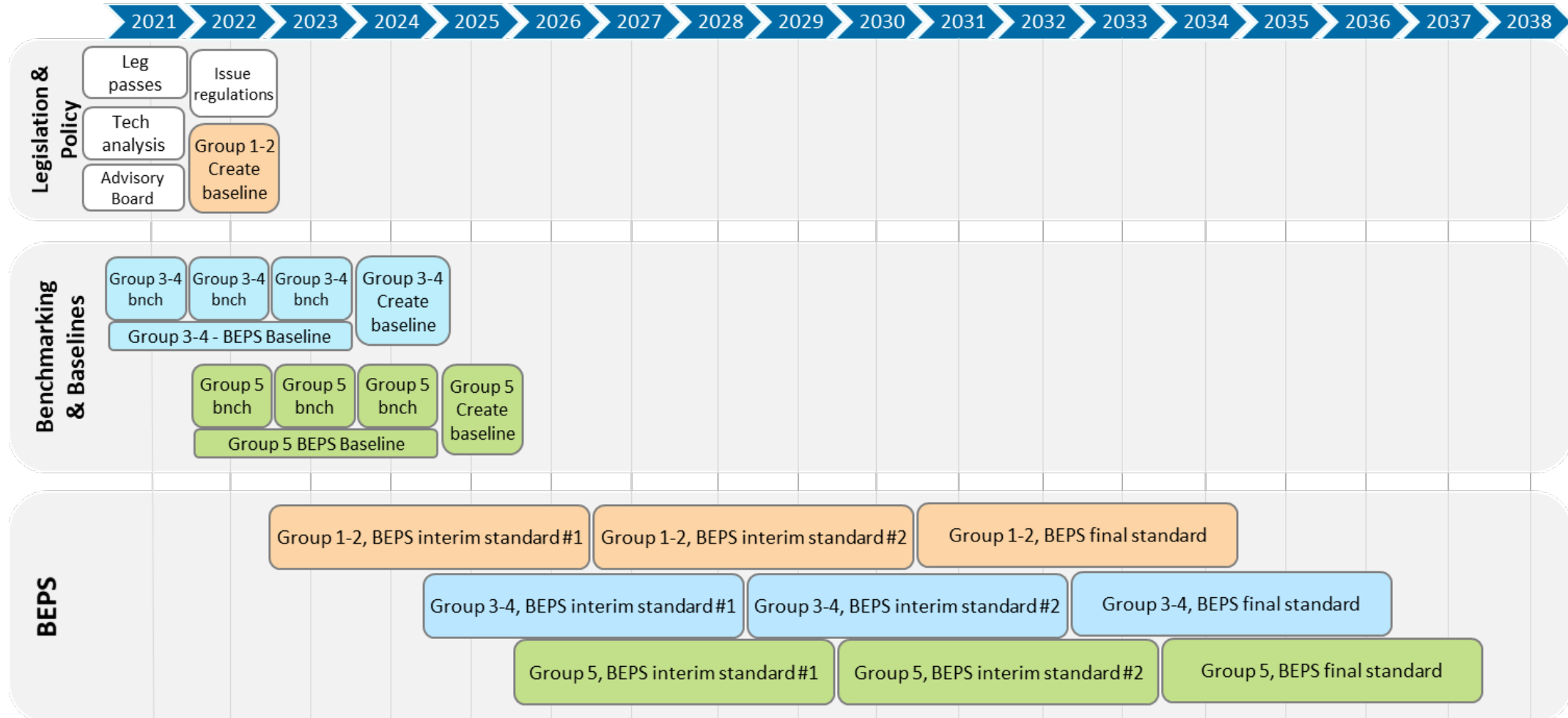


Building Advisory Board

- Advisory Board would provide recommendations on BEPS implementation; the County is the decision-making authority
- 15 voting members serving two 3-year terms:
 - County leadership, building owners, utilities, energy/engineering services, finance, NGO and industry representatives
- Tasked with advising on items such as:
 - Reviewing building performance improvement plans
 - Handling situations of change in building ownership or property use type
 - Developing guidance for unique building situations (e.g., campuses)
- Board creation pending passage of legislation

BEPS Timeline

- Newly covered groups need at least 2 years of benchmarking data to generate a baseline, lagging by 2+ years for BEPS
- A balance must be struck between aggressive final standards and time provided to comply



Summary of BEPS Legislation

	Policy elements
Covered Buildings	County, commercial, and multifamily 25K+ sq. ft.
Performance Standard	Long-term & interim standards by building type based on normalized site EUI with onsite solar given credit
Compliance Cycle	Interim targets every 4 years with long-term standard culminating in 2035 for properties benchmarking now; new benchmarking groups phased in after 3 years of benchmarking
Equity	Law would cover nearly all regulated and naturally occurring affordable housing, many small businesses, houses of worship, non-profits—but adjustments/extensions are available. Provide technical assistance for challenged/under-resourced sector groups.
BPIPs	Building performance improvement plans (BPIPs) required if targets are missed, as approved the Department
Advisory Board	Specific requirements for representation, like other County Advisory Boards (terms, compensation, etc.)

Next Steps

- Status of BEPS legislation ([Bill 16-21](#)):
 - Transmitted to Council on April 1
 - Formally introduced on May 4
 - Public hearing planned for summer 2021
 - Coming soon: committee work sessions, final votes
- Continue data analyses for standard setting to inform regulations
- Continued outreach to stakeholders, develop training materials
- Begin creation of the Advisory Board
- Establish technical assistance hub for building owners
- Begin drafting regulations to provide necessary detail on implementation to be issued no later than June 1, 2022

How can you help?

- Write testimony and letters of support to the County Council
- Talk talking about BEPS with other organizations
- Stay engaged while regulations are being drafted
- Indicate interest in Advisory Board to DEP
- Start exploring efficiency opportunities to upgrade buildings:
 - EmPOWER MD [incentives](#) (staff O&M training, building tune ups, rebates)
 - [MEA](#) Grants and programs
 - Financing offered through [Montgomery County Green Bank](#)

Questions?

Lindsey Shaw (Manager, Energy & Sustainability Programs)

Lindsey.Shaw@MontgomeryCountyMD.gov

Stan Edwards (Chief, Energy, Climate & Compliance Division)

Stan.Edwards@MontgomeryCountyMD.gov

Emily Curley (Commercial Energy Program Manager)

Emily.Curley@MontgomeryCountyMD.gov

Check BEPS website for real-time updates:

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



DEPARTMENT OF
**ENVIRONMENTAL
PROTECTION**