

TESTIMONY BY ADAM ORTIZ, ON BEHALF OF COUNTY EXECUTIVE MARC ELRICH

on Bill 16-21, Building Energy Use Benchmarking and Performance Standards

July 20, 2021

My name is Adam Ortiz, Director of the Department of Environmental Protection. Thank you for the opportunity to testify on behalf of the County Executive on Bill 16-21, which amends the current Benchmarking Law to expand the number of covered buildings and establish an energy performance requirement.

The County Executive strongly supports passing Bill 16-21.

We are in a climate emergency. Commercial building energy use accounts for 26 percent of the County's community-wide greenhouse gas (GHG) emissions. Building Energy Performance Standards, or BEPS, are a foundational policy highlighted in the Climate Action Plan that will directly reduce emissions from the existing built environment and get us one step closer to eliminating GHG emissions by 2035. In my written testimony, I have outlined many other climate actions being undertaken by the Elrich administration.

We have enacted ambitious green building codes for new construction, and similar mandates for existing buildings are needed to achieve our climate targets. BEPS requirements and accompanying tools will help property owners succeed in reducing the climate impacts of their buildings through deep energy retrofits, operational improvements, and tenant engagement. This Bill will allow us to eventually cover 85% of commercial and multifamily floor area in the County.

This legislation establishes a thoughtful and stakeholder-supported framework for BEPS. Our approach includes a phased, long-term performance standard that balances building owners' need for flexibility in how they manage their buildings with our climate emergency need for immediate action.

DEP is undertaking comprehensive data analyses on the magnitude of potential energy savings and GHG reductions achievable, as well as a cost-benefit analysis of BEPS implementation. The findings will inform the regulations to establish building types, final performance standards, and other details as specified in the Bill.

Additional resources will be needed to support building owners and managers in understanding the BEPS requirements and identifying energy improvements in their buildings. As BEPS will cover regulated and non-regulated affordable housing buildings, houses of worship, and non-profits, technical assistance and financial support for these under-resourced building sectors will be critical.

BEPS is expected to produce many benefits beyond direct GHG reductions including reduced utility and operating costs for building owners and tenants; improved, more resilient, and higher-value building stock in the County; improved health from better indoor air quality; and increased local economic activity and green jobs related to the building upgrade market.

The COVID-19 pandemic presented an unprecedented challenge to residents and businesses in Montgomery County. Our County's climate emergency is another unprecedented challenge that we must tackle—one where BEPS can be a key strategy for reducing emissions and helping building owners become more resilient to economic shocks.

Additional climate actions being undertaken by the Elrich administration include:

- The proposed 2018 International Green Construction Code (IgCC), which has been transmitted to Council, sets more stringent requirements for new commercial construction projects and major building additions, including energy efficiency improvements, onsite energy generation and improved indoor air quality. The 2018 IgCC will apply in the County to all commercial construction and additions of 5,000 square feet and greater. The code requirements provide improved scope and stringency over the 2012 IgCC, which is currently in effect in the County. Adoption of the 2018 IgCC will help the County toward net-zero buildings.
- With the support of the County Executive and County Council, the Maryland General Assembly passed House Bill 768—Montgomery County – Community Choice Energy – Pilot Program—during the 2021 General Assembly Session that will give Montgomery County the authority to implement an opt-out Community Choice Energy (CCE) program. The bill will provide an opportunity for the County to purchase energy on behalf of residential and small commercial electricity customers. Maryland is only the ninth state in the nation to pass CCE legislation. CCE will enable the County to offer more renewable energy supply to customers than is currently provided by the three electric utilities serving the County. At the same time, it has the potential to deliver price stability and cost savings to residents and small businesses. Opt-out CCE is one of the actions identified in the County’s Climate Action Plan as a tool to significantly reduce the County’s electricity-related emissions.
- In order to provide community solar power for low- and moderate-income residents lowering their utility bills, the Department of General Services is installing 6 megawatts of solar at the closed Oaks landfill site.
- The County is moving its entire government fleet to electric and zero emission vehicles. Four electric Ride On buses are already in circulation and ten more are on the way. The County is also pilot testing an EV police vehicle, the Mach-E.
- To help people get out of their cars and use more public transit, in 2020 the County opened the first Flash bus route on US 29, the region’s most ambitious bus rapid transit effort. Two more routes are in the works on Veirs Mill and Rockville Pike/355.
- Montgomery County Public Schools recently signed an agreement to lease over 300 electric school buses.
- The County has added more EV charging stations and launched a pilot program in residential neighborhoods that allows residents to site charging stations in the right-of-way if they do not have off-street alternatives for siting chargers.
- To make it easier for people to walk, bike and scooter, the County is building an extensive network of bikeway facilities, including protected bike lanes, and continue to install sidewalks. There is an e-bike and e-scooter “micromobility” pilot program underway as well.
- Continuation and expansion of government employee teleworking policies to reduce commuting and traffic congestion of Montgomery County employees.
- County government staff are receiving training to work across departments for climate solutions. The County is also engaging with the community on these efforts, including the upcoming launch of the climate stories project to hear personal stories about climate action.
- A full list of planned climate actions for Fiscal Year 2022 (FY22) is available in the FY22 Climate Work Plan: <https://www.montgomerycountymd.gov/green/Resources/Files/climate/climate-work-plan-fiscal-year-2022.pdf>