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Dear Members of the Montgomery County Council,

My name is Cliff Majersik. I am a Senior Adviser at the Institute for Market Transformation (IMT). IMT is a national nonprofit that seeks to catalyze widespread and sustained demand for high-performance buildings. To do this, we are working with jurisdictions across the country on how to create and deploy building performance policies that can help decarbonize buildings by establishing performance targets that reduce energy use and greenhouse gases over time. IMT strongly supports Bill 16-21 and urges the Montgomery County Council to act promptly to move it toward enactment.

IMT works with more than 100 local governments around the country whose jurisdictions represent roughly half of all large buildings in the U.S. In many of these jurisdictions, those large buildings account for a significant portion of greenhouse gas emissions. In Montgomery County specifically, buildings account for 50 percent of the county's greenhouse gas emissions. That means in order to meet the County's ambitious goal of eliminating GHG emissions by 2035, the County must dramatically improve the energy efficiency of its commercial and residential buildings.

Bill 16-21 provides the framework for a thoughtful and rigorous plan for achieving these dramatic reductions in public and private building energy use in the County. It builds upon the groundwork laid by Montgomery County's early adoption of a building energy benchmarking and transparency law in May 2014. When fully implemented, Bill 16-21's building energy performance standards (BEPS) will result in deep improvements in buildings' energy performance, moving the County significantly closer to its aggressive climate goals. Furthermore, BEPS will drive private investment in buildings' efficiency and distributed energy generation – cutting energy costs, accelerating economic investment in the county, reducing pollution, and creating jobs at all skill levels from laborers and roofers to electricians and engineers – jobs which are tied to Montgomery County buildings and cannot be offshored.

IMT provided technical assistance and helped facilitate the stakeholder group that advised the Department of Environmental Protection as it developed Bill 16-21. We believe that in Bill 16-21, Montgomery County and its stakeholders have developed an innovative policy

that will serve as a model for other governments considering building performance standards. The ordinance's central innovation is its "trajectory approach," which uses a combination of long- and short-term performance standards to provide building owners with regulatory certainty and appropriate flexibility to accommodate typical capital planning cycles, while still pushing owners to improve their properties at the earliest opportunity. This long-range approach will help the county overcome short-term economic shocks like the COVID-19 pandemic.

This approach also allows better-performing buildings to improve more gradually than poorer-performing buildings, which despite being expected to improve more quickly, are permitted to use more energy at every interim standard. This distributes the level of effort and cost equitably among all building owners. It recognizes and rewards the best performers while giving poor-performing buildings a realistic and achievable path to compliance. The bill also provides additional flexibility for buildings that, for technical or financial reasons, cannot meet the standards by allowing them to propose achievable alternatives.

The standards themselves would be set by regulation following the adoption of Bill 16-21 in consultation with stakeholders, including building owners and the environmental advocacy community. DEP would work with these stakeholders to ensure that buildings are grouped together fairly in setting performance standards for each property type, and in developing complementary programs to support building owners as they work to improve their properties. In recognition of the financial difficulty that some building owners may face in meeting the performance standard, the County has signaled a commitment to providing technical assistance, favorable financing tools and, where appropriate, financial incentives, to help building owners comply with BEPS. Additionally, if the legislation is adopted by the County Council, Montgomery County and neighboring Washington, DC would have an opportunity to continue collaborating on a regional level to support building owners and the contractors that serve them through financing programs, technical assistance, and facilitating the exchange of best practices among owners, contractors, utilities, and other stakeholders. DEP is exploring mechanisms to participate in DC's Building Innovation Hub, expanding it into a regional service available to Montgomery County building owners.

Bill 16-21 is a thoughtful, ambitious, and realistic approach to reducing emissions from buildings in Montgomery County and will be a big step toward reaching the County's climate commitment. By adopting Bill 16-21, the County would become the first county and the fifth



jurisdiction in the country to adopt a law requiring minimum performance standards for large public and private buildings—further establishing the County's leadership not just in Maryland, but nationwide.

We urge the County Council to take prompt action to move this bill forward and are available to assist the County with the implementation of BEPS.

Sincerely,

Cliff Majersik  
Senior Adviser  
Institute for Market Transformation