

June 10, 2021

The Honorable Tom Hucker, President
and Members
Montgomery County Council
Stella Werner Council Office Building
100 Maryland Avenue
Rockville, MD 20850

Dear President Hucker and Council Members:

RE: Bill 16-21, Environmental Sustainability – Building Energy Use Benchmarking and Performance Standards

The American Council for an Energy Efficiency Economy (“ACEEE”) welcomes this opportunity to provide testimony for Bill 16-21, which expands the number of buildings covered by the County’s benchmarking requirements, establishes energy performance standards for large buildings, and creates a building performance improvement board. We submit this testimony today to help the Council on its deliberations of the legislation.

ACEEE is a nonprofit, 501(c)(3) research organization that develops policies to reduce energy waste and combat climate change. Our independent analysis advances investments, programs, and behaviors that use energy more effectively and help build an equitable clean energy future.

ACEEE has deep expertise on energy efficiency strategies municipalities have used and can use to create local jobs, strengthen the economy, and scale up their ambitions to fight climate change. Since 2013, ACEEE has regularly published the *City Energy Efficiency Scorecard* and *City Clean Energy Scorecard* to gauge the extent to which large cities in the United States are prioritizing energy efficiency, renewable energy, and energy equity.¹ Each city scorecard edition provides insights on the activities of the leading cities and the innovative policies they are pursuing to reach their climate goals. ACEEE has also looked at building performance standards in detail in a research report published in 2020, *Mandatory Building Performance Standards: A Key Policy for Achieving Climate Goals*.²

We applaud the Montgomery County Council for its consideration of Bill 16-21, and in particular, its inclusion of building energy performance standards. To meet long-term goals to reduce greenhouse gas emissions, increasing energy efficiency in existing buildings is key. However, current programs to encourage building energy retrofits are not leading to upgrades at a scale large enough to reach ambitious climate goals. At current rates, these programs will take approximately 500 years to complete whole-building retrofits to all homes and apartments and 60 years to complete retrofits across all

¹ ACEEE. “The City Clean Energy Scorecard.” Accessed June 7, 2021. <https://www.aceee.org/local-policy/city-scorecard>.

² Nadel and Hinge. 2020. “Mandatory Building Performance Standards: A Key Policy for Achieving Climate Goals.” <https://www.aceee.org/white-paper/2020/06/mandatory-building-performance-standards-key-policy-achieving-climate-goals>.

commercial buildings.³ New aggressive approaches are needed to speed up retrofits; building energy performance standards are one such approach. Beyond the energy savings and greenhouse gas reduction benefits, building performance standards can stimulate the economy and create jobs. For example, the Urban Green Council estimates that the building performance standards in New York City will create a \$20 billion retrofit market and lead to the creation of more than 140,000 jobs by 2030.⁴ By adopting building energy performance standards in Montgomery County, the County is setting itself up to create a more prosperous economy.

The findings of the *2020 City Clean Energy Scorecard* also demonstrate that building energy performance standards are an emerging policy tool for cities. The *2020 City Scorecard* found that cities are beginning to pursue groundbreaking policies to increase energy efficiency and reduce greenhouse gas emissions from existing buildings in their cities. At the time of publication, only three cities—New York City; St. Louis; and Washington, DC—had adopted legislation to set performance standards for large buildings.⁵ Developing building performance standards puts cities at the vanguard of climate action for buildings. Should the County adopt this legislation, it will be in elite company with some of the most ambitious municipalities in the United States when it comes to climate action.

ACEEE's past assessment of Montgomery County's clean energy efforts indicate that the County would strengthen its energy efficiency efforts by the passage of Bill 16-21. ACEEE uses the *Local Clean Energy-Self Scoring Tool* to assess municipalities outside of the 100 cities assessed in the *City Scorecard*.⁶ In 2019, we worked with Montgomery County staff to assess the County's clean energy efforts.⁷ We found that had the County been included in past city scorecards, it would have likely performed well enough to be in the top-25 of the rankings. In our assessment, the County had its best performances in the buildings policies and transportation sections of the scoring. The strong performance in buildings was due in part to the existing benchmarking and transparency program at the time. By further increasing the number of buildings that need to comply with the benchmarking program and adding a building energy performance standard, the County is furthering its strong dedication to a clean energy future.

One issue we would note is that when the building performance standard starts applying to multifamily buildings as part of groups 4 and 5, affordable housing in particular is likely to need attention and assistance. We urge the County to begin planning for such assistance well before standards on these buildings take effect.⁸

³ *Ibid.*

⁴ Urban Green Council. 2019. "Retrofit Market Analysis." urbangreencouncil.org/sites/default/files/urban_green_retrofit_market_analysis.pdf.

⁵ Ribeiro, Samarripas, Tanabe, Jarrah, Bastian, Dreobl, Vaidyanathan, Cooper, Jennings, and Henner. 2020. *The 2020 City Clean Energy Scorecard*. aceee.org/research-report/u2008.

⁶ Tanabe, O'Neil, Jarrah, and Ribeiro. 2021. "Local Clean Energy Self-Scoring Tool, Version 5.0." aceee.org/toolkit/2021/01/local-clean-energy-self-scoring-tool-version-50.

⁷ Tanabe. 2019. "Tool Allow Communities to Assess Clean Energy Progress; Montgomery County Calls it Innovative." aceee.org/blog/2019/12/tool-allows-communities-assess-clean.

⁸ See, Nedwick and Ross. 2020. "Mandating Building Efficiency while Preserving Affordable Housing: Opportunities and Challenges." In *Proceedings of the 2020 ACEEE Summer Study on Energy Efficiency in Buildings* 13: 215-31.

Thank you for the opportunity to submit testimony regarding Bill 16-21. Should you have any questions about ACEEE's testimony, please feel free to contact me.

Sincerely,

David Ribeiro

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ACEEE
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https://aceee2020.conferencespot.org/event-data/pdf/catalyst_activity_10997/catalyst_activity_paper_20200812133235576_437b9bd6_1824_4c79_8c8b_c8be751171c4, for the steps that the county should consider and take to support affordable housing compliance.