

Dear Montgomery County Council,

I am writing to express my personal and professional support for the adoption of a Building Energy Performance Standards (BEPS) as detailed in Bill 16-21. Through my work with affordable housing and market rate multifamily developers as the Vice President of Business Development at MaGrann Associates, I can assure you that BEPS will be good for business in Montgomery County. It was my pleasure to serve on the stakeholder workgroup that informed the development of this BEPS, and I am thrilled at the sophistication of the result as seen in Bill 16-21.

BEPS are the new policy tool of choice for state, county, district and city governments to bring about the next stage of improvements in the energy efficiency of our existing building stock. This is a critical next step in addressing the big energy users within our built environment, while improvements to building codes ensure that new additions to our building stock are held to a high level of energy efficiency. I am offering here a few key points regarding how building performance standards will be good for the local economy. **If government and industry implement these standards hand in hand – Building Energy Performance Standards will be good for business.**

BEPS for Service Providers

The most obvious BEPS business opportunity is for the energy efficiency and building technology companies that will provide services to building owners and property managers to comply with the standard. There is a robust industry that already supports this voluntary market and businesses that understand the economic benefits of lower energy costs that result from high performing buildings. The International Energy Agency (IEA) estimates an **energy-efficiency-focused recovery from the COVID pandemic could create over 7.7 million jobs** in the US and at a local level the Building Performance industry can position itself as regional, national and even international experts in this transition.

BEPS for Property Owners

The BEPS business case for property owners is simple - **Reducing energy consumption reduces utility costs, provides access to additional (and often lower cost) capital, and improves asset value.** Calculation of total lifecycle cost is critical to understanding the beneficial economics of energy efficiency improvements. In both new construction development and existing building assets, investing in energy efficiency takes an upfront cost to provide predictable ongoing savings that create favorable rates of return. To state the obvious, those are the same economics of many investment strategies, and yet energy efficiency while financed with competitive rates and a solid rate of return is also a much lower risk compared to other investment classes. The professional industry that services this investment market has for 40 years developed a sophisticated set of predictive energy modelling tools, system-based building science, professional credentials, and third-party quality assurance programs to back these investments.

BEPS for Tenants

The attraction of BPS for tenants is gaining a **more comfortable and higher performing building**. Of course, this proposition is different for offices, market rate housing and affordable housing tenants and we need to ensure that we address each of these markets with a sensitivity to their unique purposes. Economic and social disparities can be improved while we improve building performance if we do it correctly. This takes a human-centric approach to looking at buildings and an understanding of each tenant's goals in order to effectively engage them in buildings performance improvements. With this type of inclusive approach, the benefits of higher performing buildings can lead to an improved quality of life for all tenants.

BEPS for All

We all have something to gain from BEPS as individuals, businesses, a community, and a region. We are competing on a global scale to attract investment, residents, and businesses to our communities. There is no question that implementing solutions to climate change through energy-efficient high-performing buildings is a global priority and competitive agenda for the coming decades. **We have a lot to gain and little to lose** from coming together to create a common vision and coordinated effort to achieve this shared goal that we can all benefit from.

Sincerely,

James Ball
Vice President of Business Development
MaGrann Associates