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bill 16-21\_210709

**July 15, 2021**

## **Bill 16-21 - Building Energy Use Benchmarking and Performance Standards**

Dear Council Members,

I am writing to express our strong support for bill 16-21 - Building Energy Use Benchmarking and Performance Standards.

By establishing a Building Energy Performance Standard for Montgomery County (MC), it puts the County on the leading edge on policies to address climate change. Not only will implementing this measure lead to tangible greenhouse gas (GHG) emission reductions, it will also position the county for economic prosperity by generating demand for local businesses and by attracting forward thinking companies with strong Environmental Social Governance (ESG) criteria in their business plans. In particular, I want to highlight the following aspects:

- **Elimination of GHG Emissions by 2035:**  
Residential and commercial buildings make up 50% of all GHG emissions in MC, which puts buildings on the critical path to achieving the counties goal of zero GHG emissions by 2035. Besides increased code requirements for energy efficiency for new constructions, existing buildings have to be optimized as well. With a life expectancy of buildings of 50+ years, the majority of buildings that will be in use in 2035 are already built. Setting energy use intensity goals as part of BEPS will lead to lower GHG emissions caused by operating buildings. Furthermore, it reduces the necessary energy generation capacity, which is important with variable energy sources such as solar and wind.
- **Economic Growth For Local Businesses**  
The District of Columbia has initiated its BEPS this year. It is already generating a range of economic activity and increasing demand for local businesses. Building owners are reaching out to consultants to analyze their portfolios and to develop action plans to maintain or to bring assets into compliance. Furthermore, building owners are taking steps to upgrade their facilities with more efficiency equipment and on site renewables, driving demand for local equipment, installation and service companies.

- Health

Reducing energy demand and increasing renewable energy sources to clean up the electricity grid lowers emissions, which leads to cleaner air, fewer respiratory health issues and increased quality of life. In addition, buildings with low energy consumption are typically well maintained and operated with increased indoor air quality and thermal comfort.

- Environmental Social Governance

Led by large corporations such as Amazon and Microsoft, an increasing number of firms have goals for reducing GHG emissions as part of their operations, which includes office and warehouses. Low energy use in buildings as well as availability of public transportation to reduce emissions by commuting of staff, are increasing becoming a part of the decision when selecting locations of businesses operations. Communities that offer conditions that enable low-emissions will increasingly win opportunities for new facilities.

- Financial Burden

One argument against BEPS are the additional financial expenses for owners to implement energy conservation measures. While no and low cost measures such as lighting upgrades or variable speed drives on pumps or fans are quickly implemented due to their short return on investment (ROI), capital improvement measures are often pushed out until a system fails. Due to the urgency to get the system back up and running they are typically replaced with the same system, missing the opportunity to reduce energy consumption. However, major HVAC systems have a life expectancy of 15-20 years and most of them have to be replaced within or shortly after the 12 year timeline of BEPS anyways. Instead of the in-kind replacements as systems fail, BEPS is encouraging the development of a capital expenditure plan, a road map to reduce energy consumption that can be executed over the next 12 years.

While not all energy efficiency measures have a short payback time, all of them reduce operating costs. Additionally, incentives from utility companies and financing options such as the Green Bank or PACE are available to reduce the financial impact. It should be noted that should it still be economically infeasible to reasonably meet one or more of the applicable interim or final performance standards, the proposed bill allows to submit a building performance improvement plan to lower energy consumption without leading to an unreasonable financial burden.

As a firm working in the field of sustainability and energy efficiency and based on the beforementioned factors as well as the urgency of implementing measures to reverse the impact of our activities on climate change, I express our strong support for bill 16-21 - Building Energy Use Benchmarking and Performance Standards.

Best Regards,  
Baumann Consulting



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Jochen Schaefer, SVP