

TAKOMA PARK MOBILIZATION

Environment Committee

To: Montgomery County Council
Testimony on: Building Energy Use Benchmarking & Performance Standards
Bill No. 16-21
Organization: Takoma Park Mobilization Environment Committee
Person
Submitting: Diana Younts, co-facilitator
Position: Favorable
Hearing Date: July 20, 2021

Dear Council President Hucker and Council Members,

Thank you for allowing our testimony today in support of bill 16-21, Building Energy Use Benchmarking & Performance Standards. The Takoma Park Mobilization Environment Committee and the undersigned organizations are supporters of and advocates for the County's ambitious greenhouse gas reduction goals. Many of our members took part in the climate change technical workgroups convened by County Executive Elrich; hosted the 2019 Climate Emergency Townhall; and at the state level, we have fought for passage of Community Choice Energy, Organics Recycling, Climate Solutions Now, and other legislation that furthers the goals of Montgomery County's Climate Action Plan. We strongly support the proposed Building Energy Use Benchmarking & Performance Standards legislation.

Building Energy Performance Standards Are a Foundational Tool for the County's Climate Action Plan

Buildings constitute 50 percent of Montgomery County's greenhouse gas emissions, and building energy performance standards (BEPS), in conjunction with benchmarking, are a foundational tool for reducing greenhouse gas emissions from buildings. To meet the County's climate goals, greenhouse gas emissions reductions must be obtained from existing buildings. This legislation is recommendation B-3 in the County's Climate Action Plan and because it also provides credit to owners who install onsite solar, it partially accomplishes recommendations E-3 (private solar voltaic systems) and E-4 (public solar voltaic systems).

Jurisdictions around the Country, including Washington, D.C., and the world are increasingly using BEPS to achieve their climate goals. Building energy performance standards are in place for high-energy-use commercial and industrial buildings in Tokyo; rental buildings in Boulder, Colorado, and the United Kingdom; offices in the Netherlands; single family homes

in France; and commercial buildings in Reno, Nevada; New York City; Washington State; and St. Louis. BEPS in Washington, D.C., implemented in January, 2021, covers commercial and multifamily buildings of 10,000 square feet and greater and utilizes a complementary technical hub to provide guidance and assistance to the private sector in complying with BEPS.

According to the ACEEE (American Council for an Energy Efficient Economy), retrofit energy savings through BEPS are commonly around 30 percent, although it should be noted that there is great variability in BEPS requirements and many jurisdictions have not yet fully implemented BEPS. Success in energy savings depend upon

- The percentage of building stock to which they apply
- The stringency of the requirements
- The speed at which they are implemented

For building performance standards to be successful, they must complement other policies and programs, such as building benchmarking (a part of the proposed legislation) and education and technical assistance (which will be achieved through the County partnering with Washington D.C.'s technical hub that was set up in its BEPS program).

The proposed BEPS legislation applies to commercial and multifamily buildings that are 25,000 square feet or larger which constitutes about 85 percent of the floor area of all Montgomery County and multifamily buildings. Thus, while it covers a significant percentage of the building stock, it still leaves unaddressed 70 percent of residential buildings and of course commercial buildings less than 25,000 square feet. Implementation is planned to be phased in, with County-owned and buildings already subject to benchmarking to meet interim performance standards by 2026.

The legislation is a framework and does not as yet propose specific numerical targets. The performance standards will be based on site intensity of energy use (SEIU or "Site Energy Intensity Usage") under control of the owners and occupants and will provide full credit for onsite solar as a deduction from site energy use. When the numerical targets are set, they will be benchmarked from peer groups of buildings and interim targets will be included as BEPS is phased into existence.

One important note is that by using SEIU, BEPS strongly favors one of the principal recommendations in the County's climate action plan -- the electrification of buildings -- because it scores only the efficiency of the building itself. So, for instance, if a building owner converts a 80 percent efficient gas system to a heat pump with an average 200 percent efficiency, that owner would achieve large savings toward the performance goals for the building. The proposed legislation also provides for onsite solar credits, a further boon to the County's climate action plan.

BEPS is also expected to produce many co-benefits: reduced utility and operating costs for building owners and tenants; improved, more resilient, and higher-value building stock in the County; improved human health from better indoor air quality and reduced air pollution; and increased local economic activity and green jobs related to building design, construction, energy efficiency, and other trades related to the building upgrade market.

We also encourage the Council to approve the FY 2022 budget request of \$255,643, as indicated in the fiscal note for the bill, in order to provide the necessary funds to ensure the BEPS timeline can be implemented. The \$255,643 request includes:

- \$75,643 for a Program Manager 1 to "work with multifamily and affordable housing building owners and managers to meet benchmarking and BEPS requirements and be a resource for the sectors;"
- \$80,000 for "Database development, support, and maintenance;" and
- \$100,000 for "General outreach for materials and mailings, general program support, supplies, and website."

Our Proposal for Strengthening Implementing Regulations

We also strongly urge the Council to strengthen bill 16-21 by ensuring that the implementing regulations include the following:

1. Accelerate the performance target for County-owned buildings so that they can demonstrate how building performance can be achieved.
2. Provide incentives to owners for early adoption of performance standards such as credits toward the next performance cycle.
3. Strengthen the provisions that specifically address the needs of moderate and low-income housing -- *e.g.*, grant funds to owners tied to rent ceilings, tax and other rebates, subsidies, affordable financing options, and rent stabilization and provide funding for those programs in the 2023 and beyond budgets.
4. Provide for representatives of low and moderate income residents of covered buildings to serve on the Building Performance Improvement Board (see paragraphs 334-335).
5. Provide provisions that incentive the County and private entities to give contract preferences to women and minority owned businesses.

For these reasons we urge you to enact bill 16-21.

Sincerely,

The Undersigned Organizations and Individuals:

Takoma Park Mobilization Environment Committee
One Montgomery Green
350 Montgomery County
Climate Law & Policy Project
Cedar Lane Unitarian Universalist Environmental Justice Ministry
Cedar Lane Ecosystems Study Group
Montgomery County Faith Alliance for Climate Solutions
Biodiversity for a Living Climate
Montgomery County Civic Federation
Glen Echo Heights Mobilization
Bailey Loving Condrey