



BUILDING PERFORMANCE IMPROVEMENT BOARD MEETING NOTES

Wednesday, July 17, 2024

In attendance:

Name	In-Person	Virtual	Role
Emily Curley	x		DEP staff liaison
Sheena Oliver			DEP staff
Cuiyin Wu		x	DEP staff
Lewis Morgante	x		DEP staff
Norelle Thomas		x	DEP staff
Stan Edwards	x		DEP staff
Rhett Tatum		x	Member
Daniel Cleverdon		x	Member
Amanda MacVey		x	Member
Andrew Rivas		x	Member
Lawrence Carroll		x	Member
Vacant - Nonresidential Building Owner or Manager			Member
Jill Goodrich		x	Member
Luke Lanciano		x	Member
Adam Landsman			Member
Mike Dieterich		x	Member
Julie Wolfington		x	Member
Josh McClelland			Member, Deputy Chair
Vacant - Representative of Local Electricity or Natural Gas Utility			Member
Kevin Walton		x	Member, Chair
Gregory Goldstein		x	Member
Lindsey Shaw			Ex officio member (DEP)
Bryan Bomer		x	Ex officio member (DPS)
Michael Yambrach			Ex officio member (DGS)

Don Scheuerman		x	DGS
Keith Walker		x	DPS
Annie Crowder		x	Member of the public
Chris Pendley		x	Member of the public
“iPhone”		x	Member of the public

Administrative items

Dan Cleverdon moved to approve meeting minutes from 6/26/24. Mandy MacVey seconded. Minutes were approved unanimously.

State BEPS Update

MDE released a new draft BEPS regulation proposal on Monday, 7/15

The revised regulation:

- Establishes requirements for building owners to report energy use and emissions data to MDE annually starting June 1, 2025, as proposed in December 2023;
- Establishes other reporting requirements as proposed in December 2023;
- Establishes net direct emissions standards, as proposed in December 2023;
- Removes the proposed site energy use intensity (EUI) standards; and
- Modifies the agricultural building definition, manufacturing building definition, exemption procedure, public infrastructure property types, and the consumer price index for clarification.

The 2024 BEPS draft proposed regulation can be found [here](#).

MDE intends to establish site energy use intensity (EUI) standards in 2027, as required by the Climate Solutions Now Act of 2022 (CSNA), after analyzing 2025 energy use data from covered buildings and submitting a report as required by the Budget Bill (Fiscal Year 2025), SB 360/Chp. 716 of 2024.

Building owners should refer to the site EUI standards [proposed in December 2023](#) as general directional guidance when they plan improvements to their buildings.

Building owners are advised not to install electric resistance heating equipment without considering how the use of such equipment would influence the site EUI, and future regulatory requirements.

MDE will hold a [series of public outreach sessions](#) in August on BEPS. Attendees can [register](#) for the meetings and submit questions in advance.

MDE intends to officially withdraw the December 2023 BEPS regulatory proposal, propose the July 2024 draft regulation in September [in the register for a public comment period], and hold a public hearing on the proposed action in October.

One member asked if there is any concern that the delay in regulation will make it harder for MDE to secure federal funding. DEP staff had no information about that.

County BEPS Regulation Update

DEP staff provided an update on County Council's BEPS regulation process. The Transportation & Environment Committee held a listening session for market rate housing and common ownership communities on July 15.

In summary, stakeholders recommended to:

- Change EUI standards
- Add an offsite renewable energy allowance
- Modify BPIP
- Extend deadlines for compliance (would require change in law)
- Exempt additional properties (would require change in law)

The next listening sessions are on September 16 with financing/incentive providers and on September 23 with the faith based community.

Discussion: Building Performance Improvement Plans

The Board spent much of the meeting having an open discussion about the building performance improvement plan section of the proposed County BEPS regulations.

To date, listening sessions seem to indicate appreciation for flexibility via BPIP process but focus on a preference to modify site EUI standards or change compliance options (like adding an offsite renewable energy allowance) to make performance standards easier to meet.

More detailed BPIP modification recommendations have included:

- Consider all multifamily properties under resourced buildings (or modify payback threshold for all market rate buildings)
- In calculating the payback for BPIPs, include interest payments on loans and omit any penalty costs
- Specify that existing systems need not be replaced before the end of their useful lives
- Grandfather current HVAC and gas equipment with a mandate to improve or change equipment only at the time of replacement, and only if existing building infrastructure can support new equipment
- Provide "more clarity" for BPIP process

In the discussion, members discussed both that there may be ways to clarify the intent of the BPIP in the regulation language but also that there may be an education / communication gap in stakeholders fully understanding the BPIP process.

On the latter, members noted:

- There may be a misunderstanding of how the BPIP is a path of compliance
- The regulation language seems good and any owner that follows the process will be helped tremendously because half the battle is uncovering potential energy improvement measures and other deficiencies in the building
- It would be helpful to produce a lay person's guide to regulations to better facilitate understanding of the options, potentially a one-pager or series of one-pagers that provide examples pathways to compliance, either via meeting the EUI standard or via the BPIP

On recommendations to clarify the BPIP regulation text, members made a few notes:

- Despite payback thresholds, could projects being fundamentally too expensive be a factor in circumstances outside the owner's control? E.g. adding "financing ability and finances" as a criterion outside the owner's control rather than just "financing cycles."
- The 25 year payback threshold is quite long. Some sectors, like commercial offices, are struggling to secure financing and it's unclear whether or how the financing costs are included in the cost of the measure when evaluating payback and cost effectiveness.
- Clarify who is evaluating the plan
- Assess the requirement that plans must be recorded in land records. Perhaps just the retrofit plan or a summary vs the full BPIP would suffice

Next meeting

The next meeting will be held on Wednesday, Aug. 21 on Zoom.

For additional information, please visit the Building Energy Performance Standards website at <https://www.montgomerycountymd.gov/green/energy/beps.html> or contact DEP at energy@montgomerycountymd.gov.