

Bill No. 8-14
Concerning: Buildings – County
Buildings – Clean Energy Renewable
Technology
Revised: 3/31/2014 Draft No. 2
Introduced: January 28, 2014
Enacted: June 10, 2014
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Berliner, Floreen, Riemer, Elrich, Andrews, and Navarro

AN ACT to:

- (1) ~~[[require use of certain clean energy renewable technology in the construction or extensive modification of certain County buildings;~~
- (2) require the Director of the Department of General Services to conduct a clean renewable energy technology project feasibility assessment on certain County buildings]] establish a County Clean Energy Plan and clean energy portfolio target;
- (2) require the County Executive to issue regulations to define the Plan and target;
- (3) require the Director of the Department of General Services to report on the progress of the Clean Energy Plan; and
- ~~[[2]]~~ (4) generally amend County law regarding building, energy, and environmental policy.

By adding

Montgomery County Code
Chapter 8, Buildings
Article VIII, Clean Renewable Energy Technology
Sections 8-54, 8-55, 8-56, 8-57~~[[, 8-58]]~~

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 Sec. 1. Article VIII (Sections 8-54, 8-55, 8-56, 8-57[[, 8-58]]) is added to
2 Chapter 8 as follows:

3 Article VIII. Clean Renewable Energy Technology.

4 8-54. Definitions.

5 In this Article, the following words have the meanings indicated:

6 Clean energy portfolio target means a target, expressed in megawatt hour
7 equivalents, for establishing an amount of clean energy to be installed on the
8 County's portfolio of facilities. The County's portfolio includes any
9 building, facility, or property in which the County has a financial interest. A
10 financial interest includes any ownership, lease, or public private
11 partnership, and any facility where the County provides 30% of total
12 funding.

13 Clean renewable energy technology means a technology or system that uses
14 geothermal heating and cooling, solar hot water heating, wind power, solar
15 electricity generation, or solar thermal generation. Clean renewable energy
16 technology includes passive solar energy generation that reduces energy use
17 from other sources by at least 20%.

18 [[Cost effective means where the cost of installing clean renewable energy
19 technology on a covered County building is not projected to exceed the
20 projected cost savings of the installation within the first 15 years after the
21 installation of the technology begins.]]

22 [[County building means any building for which the County government
23 finances at least 30% of the cost of:

- 24 (1) construction, for a newly constructed building; or
25 (2) modification, for a building that is extensively modified.]]

26 [[Covered County building means a newly constructed or extensively
27 modified County building.]]

28 Department means the Department of General Services.

29 Director means the Director of the Department or the Director's designee.
30 [[Extensively modify or modified refers to any structural modification which
31 alters more than 50% of a building's gross floor area, as shown on an
32 application for a building permit.]]

33 [[Projected total cost means the estimated cost required to construct or
34 renovate a building, including any building system, interior finish, site
35 infrastructure, connection to any existing utility, landscaping, and sidewalk
36 and parking lot built for the immediate use of occupants of the building.]]

37 **8-55. Clean energy renewable technology required.**

38 [[a) Any contract to build or extensively modify a County building must
39 require the use of clean renewable energy technology. Except as
40 provided in subsection [[b)]] (c), a covered County building must
41 have installed at least 1 kilowatt of clean renewable energy
42 technology for every 1,000 square feet of gross floor area. This
43 requirement may be met by using ground mounted clean renewable
44 energy technology on or directly adjacent to the building lot.

45 (b) Each appropriation to build or extensively modify a County building
46 must include an additional amount of 2% to the projected total cost
47 funded by the County, as shown in the project description form,
48 subject to subsection (c).

49 (c) The Director must limit the size of the clean renewable energy
50 technology installation if the initial cost of the installation is projected
51 to exceed 2% of the projected total cost of the new building or
52 renovation. However, if the Director transfers expenditures to the
53 project under subsection [[a)]] (b), the initial cost of the installation
54 must not exceed 4% of the projected total cost.]]

- 55 (a) By [6 months after date of enactment], the County Executive must
 56 establish, by Method 1 Regulation, a Clean Energy Plan that includes
 57 a specific amount of on-site clean energy that must be installed on any
 58 new or existing County facility. This Plan must include:
- 59 (1) a clean energy portfolio target for total clean energy to be
 60 installed on County facilities, which must exceed 1 kilowatt per
 61 1,000 square feet of facilities anticipated to be added to the
 62 County’s portfolio as documented in the Capital Improvement
 63 Program;
- 64 (2) a process for vetting any new facility for potential renewable
 65 energy installation during the design phase, including key
 66 criteria for evaluating opportunities for solar energy;
- 67 (3) a plan to ensure that appropriate facilities are solar ready, to the
 68 extent possible;
- 69 (4) criteria for responsible site selection to balance the County’s
 70 renewable energy goals with other environmental objectives;
- 71 (5) a process to coordinate with County agencies on any new
 72 facility built using at least 30% county funds; and
- 73 (6) required funding and staffing to achieve the target.
- 74 (b) The County may install a clean energy system in an alternate location
 75 in the County to meet this requirement, including:
- 76 (1) a vacant property;
 77 (2) a land swap or lease agreement; or
 78 (3) any other property or facility where the County has a
 79 contractual, budgetary, or other interest.
- 80 (c) The Executive must recommend to the Council whether funds to
 81 support solar energy should be incorporated in a energy specific

82 capital improvement budget, utility Non Departmental Account, or
 83 other mechanism to overcome any funding gap to meet the renewable
 84 energy target.

85 **[[8-56. Project feasibility assessment.**

86 (a) The Director must perform a feasibility assessment to find whether a
 87 covered County building can be retrofitted cost effectively to include
 88 clean renewable energy technology. The Director may consider other
 89 factors, including:

- 90 (1) the cost to the County;
- 91 (2) any safety or security issue;
- 92 (3) any cost savings from the installation;
- 93 (4) any clean energy job creation;
- 94 (5) the clean renewable energy technology capacity of the building;
- 95 (6) environmental benefits;
- 96 (7) the technological feasibility of a retrofit; and
- 97 (8) applicable zoning requirements.

98 (b) If the Director finds that installing clean renewable energy technology
 99 on a covered County building would not be cost effective, the Director
 100 must transfer expenditures from the covered County building project
 101 equivalent to 2% of the projected total cost for use in another
 102 applicable project, unless no applicable project is approved in the
 103 Capital Improvement Program. The County Council must approve
 104 any fund transfer between projects under this Section by resolution.]]

105 **8-[[57]] 56. Alternative financing.**

106 (a) An alternative financing arrangement which allows leveraging of
 107 federal, state, utility, and other incentives, including any grant, lease-
 108 purchase agreement, power purchase agreement, or energy savings

109 performance contract, may meet the clean renewable energy
110 technology requirement under this Article.

111 (b) The purchase of Renewable Energy Credits does not meet the clean
112 renewable energy technology requirement under this Article.

113 **8-[[58]] 57. Administration; reporting.**

114 (a) The Department must administer this Article using accepted principles
115 of sound accounting and fiscal management.

116 ~~[[a]]~~ (b) The Department must submit an annual report to the County
117 Council and County Executive by April 1 each year describing:

118 (1) the added clean renewable energy technology generation by
119 each project;

120 (2) the revenues and expenditures of each project;

121 (3) each project supported by the Program; and

122 (4) ~~[[the annual savings to the County's utility costs from each~~
123 ~~supported project]]~~ the cost and energy savings resulting from
124 the program.

125 **[[Sec. 2. Effective date.** Article VIII, inserted by Section 1 of this Act,
126 applies to each new or major renovation public building project for which an
127 application for a building permit is filed on or after January 1, 2014.]]

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129 *Approved:*

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6/10/14

132 Craig L. Rice, President, County Council

Date

133 *Approved:*

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135

136 Isiah Leggett, County Executive

Date

137 *This is a correct copy of Council action.*

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140 Linda M. Lauer, Clerk of the Council

Date