

MEMORANDUM

TO: Transportation, Infrastructure, Energy and Environment Committee

FROM: Amanda Mihill, Legislative Attorney *A. Mihill*
Michael Faden, Senior Legislative Attorney

SUBJECT: **Public Hearing:** Bill 8-14, Buildings – County Buildings – Clean Energy Renewable Technology

Bill 8-14, Buildings – County Buildings – Clean Energy Renewable Technology, sponsored by Councilmembers Berliner, Floreen, Riemer, Elrich, Andrews, and Navarro, was introduced on January 28, 2014. A Transportation, Infrastructure, Energy and Environment Committee worksession is tentatively scheduled for February 26, 2014 at 9:30 a.m.

Bill 8-14 would require new or extensively remodeled county buildings, to generate at least 1 kilowatt of renewable energy for every 1,000 square feet of floor area. Current County law does not set specific standards for the use of renewable technology in County buildings.

Councilmember Berliner explained the purpose of this Bill in his January 14 memorandum describing his proposed energy/environmental package. See ©20 of Bill 2-14, Agenda Item 13.

The Fiscal and Economic Impact statement for this Bill will be transmitted after March 17 (see ©7).

This packet contains:	<u>Circle #</u>
Bill 8-14	1
Legislative Request Report	6
OMB and Finance Memo	7

Bill No. 8-14
Concerning: Buildings – County
Buildings – Clean Energy Renewable
Technology
Revised: 12/12/2013 Draft No. 1
Introduced: January 28, 2014
Expires: July 28, 2015
Enacted: _____
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; and
- (2) 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 renewable energy technology means a technology or system that uses
7 geothermal heating and cooling, solar hot water heating, wind power, solar
8 electricity generation, or solar thermal generation. Clean renewable energy
9 technology includes passive solar energy generation that reduces energy use
10 from other sources by at least 20%.

11 Cost effective means where the cost of installing clean renewable energy
12 technology on a covered County building is not projected to exceed the
13 projected cost savings of the installation within the first 15 years after the
14 installation of the technology begins.

15 County building means any building for which the County government
16 finances at least 30% of the cost of:

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

19 Covered County building means a newly constructed or extensively
20 modified County building.

21 Department means the Department of General Services.

22 Director means the Director of the Department or the Director's designee.

23 Extensively modify or modified refers to any structural modification which
24 alters more than 50% of a building's gross floor area, as shown on an
25 application for a building permit.

26 Projected total cost means the estimated cost required to construct or
27 renovate a building, including any building system, interior finish, site

28 infrastructure, connection to any existing utility, landscaping, and sidewalk
29 and parking lot built for the immediate use of occupants of the building.

30 **8-55. Clean energy renewable technology required.**

31 (a) Any contract to build or extensively modify a County building must
32 require the use of clean renewable energy technology. Except as
33 provided in subsection (b), a covered County building must have
34 installed at least 1 kilowatt of clean renewable energy technology for
35 every 1,000 square feet of gross floor area. This requirement may be
36 met by using ground mounted clean renewable energy technology on
37 or directly adjacent to the building lot.

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

42 (c) The Director must limit the size of the clean renewable energy
43 technology installation if the initial cost of the installation is projected
44 to exceed 2% of the projected total cost of the new building or
45 renovation. However, if the Director transfers expenditures to the
46 project under subsection (a), the initial cost of the installation must not
47 exceed 4% of the projected total cost.

48 **8-56. Project feasibility assessment.**

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

- 53 (1) the cost to the County;
54 (2) any safety or security issue;

- 55 (3) any cost savings from the installation;
 56 (4) any clean energy job creation;
 57 (5) the clean renewable energy technology capacity of the building;
 58 (6) environmental benefits;
 59 (7) the technological feasibility of a retrofit; and
 60 (8) applicable zoning requirements.
- 61 (b) If the Director finds that installing clean renewable energy technology
 62 on a covered County building would not be cost effective, the Director
 63 must transfer expenditures from the covered County building project
 64 equivalent to 2% of the projected total cost for use in another
 65 applicable project, unless no applicable project is approved in the
 66 Capital Improvement Program. The County Council must approve
 67 any fund transfer between projects under this Section by resolution.

68 **8-57. Alternative financing.**

- 69 (a) An alternative financing arrangement which allows leveraging of
 70 federal, state, utility, and other incentives, including any grant, lease-
 71 purchase agreement, power purchase agreement, or energy savings
 72 performance contract, may meet the clean renewable energy
 73 technology requirement under this Article.
- 74 (b) The purchase of Renewable Energy Credits does not meet the clean
 75 renewable energy technology requirement under this Article.

76 **8-58. Administration; reporting.**

- 77 (a) The Department must administer this Article using accepted principles
 78 of sound accounting and fiscal management.
- 79 (a) The Department must submit an annual report to the County Council
 80 and County Executive by April 1 each year describing:

LEGISLATIVE REQUEST REPORT

Bill 8-14

Buildings – County Buildings – Clean Energy Renewable Technology

DESCRIPTION: Would require new or extensively remodeled county buildings, to generate at least 1 kilowatt of renewable energy for every 1,000 square feet of floor area.

PROBLEM: Current County law does not set specific standards for the use of renewable technology in County buildings/

GOALS AND OBJECTIVES: To achieve greater use of clean renewable technology in the construction or extensive modification of County buildings.

COORDINATION: Department of General Services, Office of Management and Budget

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Amanda Mihill, 240-777-7815

APPLICATION WITHIN MUNICIPALITIES: To be researched.

PENALTIES: Not applicable.



ROCKVILLE, MARYLAND

MEMORANDUM

February 5, 2014

TO: Craig Rice, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
Joseph F. Beach, Director, Department of Finance

SUBJECTS: Bill 2-14, Environmental Sustainability – Buildings – Benchmarking
Bill 3-14, Buildings – Energy Efficiency – Energy Standards
Bill 4-14, Street and Roads – County Street Lights
Bill 5-14, Environmental Sustainability – Social Cost of Carbon Assessments
Bill 6-14, Environmental Sustainability - Office of Sustainability – Established
Bill 7-14, Contracts and Procurement – Certified Green Business Program
Bill 8-14, Buildings – County Buildings – Clean Energy Renewable Technology
Bill 9-14, Environmental Sustainability – Renewable Energy – County Purchase
Bill 10-14, Buildings – Solar Permits – Expedited Review
Bill 11-14, Buildings – Electric Vehicle Charging Station Permits – Expedited Review

As required by Section 2-81A of the County Code, we are informing you that transmittal of the fiscal and economic impact statements for the above referenced legislation will be delayed because more time is needed to coordinate with the affected departments, collect information, and complete our analysis of the fiscal and economic impacts. While we are not able to conduct the required detailed analyses at this time, it is clear that a number of these bills could have significant fiscal impacts.

Due to this year's heavy workload on Executive branch staff in developing both a full capital budget and an operating budget, the fiscal and economic statements will be transmitted after March 17, 2014.

JAH:fz

cc: Bonnie Kirkland, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurmi, Special Assistant to the County Executive
Patrick Lacefield, Director, Public Information Office
Marc P. Hansen, Office of the County Attorney
Robert Hagedoorn, Department of Finance
David Platt, Department of Finance
Alex Espinosa, Office of Management and Budget
Mary Beck, Office of Management and Budget
Naeem Mia, Office of Management and Budget
Felicia Zhang, Office of Management and Budget