



Montgomery County's Building Energy Performance Standards (BEPS) Executive Regulation (17-23AM)



Highlights of BEPS Regulation

- Covers commercial and multifamily buildings 25,000 gsf+
- Requires annual energy benchmarking
- Requires owners to meet a site energy use intensity target by improving energy performance and implementing onsite renewable energy
OR
- Completing and implementing a Building Performance Improvement Plan (BPIP)
- Regulations have been approved by County Council

What are building energy performance standards?

Building Energy Performance Standards (BEPS) (Bill 16-21) set a minimum energy performance threshold for buildings. Energy use in buildings accounts for about 50% of community-wide greenhouse gas emissions. BEPS is meant to drive energy improvements in existing buildings.

What buildings are covered under BEPS?

BEPS covers commercial and multifamily buildings 25,000 gross square feet (gsf) and larger, roughly 1,850 buildings in the County. Covered buildings are grouped by size and type. This grouping dictates when buildings begin benchmarking and their interim and final standard deadlines.

Building Group	Included Buildings	First Benchmarking Year	Baseline Years	Interim Standard Deadline	Final Standard Deadline
County	County-owned 50k+ gsf	2014	2018 - 2022	Dec. 31, 2028	Dec. 31, 2033
Group 1	Non-residential 250k+ gsf	2015	2018 - 2022	Dec. 31, 2028	Dec. 31, 2033
Group 2	Non-residential 50-250k gsf	2016	2018 - 2022	Dec. 31, 2028	Dec. 31, 2033
Group 3	Non-residential 25-50k gsf	2022	2022 - 2024	Dec. 31, 2030	Dec. 31, 2035
Group 4	Multifamily 250k+ gsf	2022	2022 - 2024	Dec. 31, 2030	Dec. 31, 2035
Group 5	Multifamily 25-250k gsf	2023	2023 - 2025	Dec. 31, 2031	Dec. 31, 2036

How does BEPS work?

Covered buildings report energy data and building information to the County by June 1 each year, a process called energy benchmarking. After 3 years of benchmarking, each covered building receives:

- **A baseline** which averages the two highest site energy use intensities over the baseline period;
- **An "area-weighted" final performance standard** based on the square footage of each property type in the building OR a 30% reduction from the baseline, whichever is higher;
- **An interim standard**, halfway between the baseline and final standard.

Regulations establish a final site energy use intensity (site EUI) standard for each property type. Site EUI measures energy use per square foot.

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How do building owners demonstrate compliance?

1. Energy Benchmarking

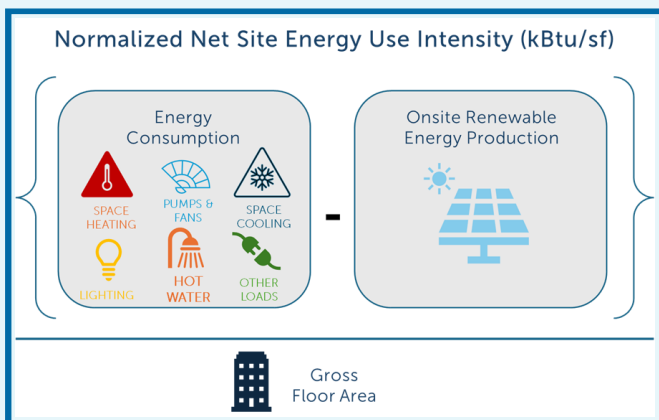
Buildings report energy data annually on June 1, per the [Benchmarking Law](#). Benchmarking data provides the baseline that each building begins at and determines whether buildings are meeting BEPS.

2. Building Energy Performance Standards

Building owners have two options to comply with BEPS:

Performance Pathway

Achieve a "normalized net site EUI" at or below the interim and final performance standard by the group's deadlines. Annual benchmarking will demonstrate the building's EUI.



Based on [2023 benchmarking data](#), roughly a third of all covered buildings are already below their final performance standard. These buildings keep benchmarking annually and maintain their performance.

Buildings above the standard have two strategies to reduce normalized net site EUI to meet performance targets:

- Implement energy improvement measures to reduce energy use
- Install onsite renewable energy to obtain a renewable energy allowance

Building Performance Improvement Plan (BPIP)

If a covered building owner cannot meet the interim or final performance standards due to economic infeasibility or other circumstances beyond the owner's control, the owner may submit a proposed BPIP.

- **Economic infeasibility** means that the interim or final standard cannot be met by implementing cost effective energy improvement measures.
- **Circumstances outside the owner's control** include characteristics inherent to the building or the building's operations or involve timing events in the building's equipment lifecycles, occupancy, or financing cycles.

The BPIP requires an energy audit and assessment of equipment replacement, electrification feasibility, and onsite renewable energy, done by a qualified auditor.

Based on this information, the building owner creates a retrofit plan identifying the cost-effective energy improvement measures and the year or qualifying event during which they will be done.

- **Cost effective** means a measures that pay back within the life of the equipment or within 10 years for specially designated buildings.
- **Specially Designated Buildings** include affordable housing, multifamily buildings subject to rent stabilization, common ownership communities, non-profit owned buildings, and local small business owned buildings

Building owners demonstrate compliance by reporting annually that the measures committed to in the retrofit plan were done on the schedule agreed to, regardless of the resulting EUI.