



BUILDING PERFORMANCE IMPROVEMENT BOARD MEETING NOTES

March 1, 11 am to 1 pm

In attendance:

Name	In-Person	Virtual	Role
Emily Curley	X		DEP staff liaison
Stan Edwards	X		DEP staff support
Cuiyin Wu		X	DEP staff support
Rhett Tatum	X		Member
Daniel Cleverdon	X		Member
Amanda MacVey			Member
Andrew Rivas			Member
Lawrence Carroll	X		Member
Sheena Oliver		X	Member
Jill Goodrich		X	Member
Luke Lanciano		X	Member
Adam Landsman		X	Member
Mike Dieterich	X		Member
Julie Wolfington		X	Member
Josh McClelland			Member, Deputy Chair
Edward Musz	X		Member
Kevin Walton	X		Member, Chair
Gregory Goldstein		X	Member
Lindsey Shaw		X	Ex officio member (DEP)
Bryan Bomer			Ex officio member (DPS)
Dan McHugh	(has retired as of 11/30)		Ex officio member (DHCA)
Michael Yambrach			Ex officio member (DGS)
Henry Jordan		X	Member of the public
Scott Dicke		X	Member of the public

Administrative items

Quorum present; meeting notes from 2/15 meeting approved.

Recap any actions from previous meeting

During the meeting on 2/15, the Board considered qualifying scenarios for circumstances outside owners' control from other jurisdictions and began discussing how to define and document "economic infeasibility"

Building Performance Improvement Plans

• Qualifying Scenarios

DEP presented a list of qualifying scenarios from other jurisdictions and based on discussion from the Feb 15 meeting and discussed the documentation that would likely be requested for each scenario.

Members had thoughts on several of the qualifying scenarios:

- **Planned demolition:** In general, detailed and specific documentation, with timelines, should be required as demolition can be "planned" for years in advance. Additional documentation that could prove intent to demolish the building could include documentation showing lease expiration or not renewing tenants.
- **Planned major renovation / redevelopment:** Major renovation/redevelopment should be detailed and specific documentation, with timeline. Examples may include lease expiration dates, zoning change application, site plan approvals, design drawings.
- **Equipment system life:** Other jurisdictions publish an equipment system life table, one member asked if those were based on ASHRAE, which are an accepted industry standard. It was noted that equipment life can vary a lot between manufacturer/ASHRAE standards based on how systems are operated and maintained.
- **Historic building:** One member asked if the County could have a list of historic buildings already created and allow a BPIP for them rather than having owners apply. Others noted that historic designation alone may not preclude them from meeting their EUI target, so it should remain an application process.
- **Planning for financial cycles:** Though other jurisdictions only provide financing cycles as a qualifying scenario for affordable housing, one member noted that this can and should apply to market rate buildings as well.

• Application process / picking a "pathway"

In the previous meeting, members noted that DC's BEPS program requires owners not meeting the first cycle BEPS to pick a pathway that they will use to comply – e.g., performance, prescriptive, etc. Creating a deadline requires owners to pay attention to the requirements and prompts them to consider the best path for their building.

For the County's BPIP process, members generally agreed that having a two-part process would make sense. For instance, a building owner would submit documentation outlining their qualifying scenario and receive approval to utilize the BPIP for BEPS compliance. This would provide more certainty that the BPIP is allowed before undertaking more costly and in-depth audits or assessments of the building and ensure that owners start early enough to meet the BPIP submission deadline. Per the BEPS law, "The owner must submit a building performance improvement plan to the Department at least 90 days

before the deadline for submitting documentation of compliance with interim or final performance standards.”

In terms of creating a deadline by which owners would need to apply for a BPIP and document their qualifying scenario, members were somewhat split. Some thought that an application deadline is beneficial to owners so that they do not delay and then are crunched without time to plan. Others noted that some circumstances (change in ownership, economic infeasibility, etc) may make it difficult to apply by a set deadline. Deadlines can also create bottlenecks among the building professional community if all owners are clamoring for an audit or assistance at one time.

DEP staff noted that creating an additional BPIP application deadline in regulations may not be possible since the enabling law does not make mention of a required application date. As such, regulations could suggest or recommend that owners apply early to qualify for a BPIP, perhaps with one of the June 1st benchmarking deadlines a year or two in advance of the building’s interim or final target deadline.

Members noted that documenting eligibility for a BPIP should not require them to utilize the BPIP pathway. It may be that they are able to improve performance to reach the interim or final site EUI BEPS target.

One member noted that they are seeing a lot of buildings that are under-reporting their gross floor area in benchmarking data. As a result, their site EUI appears higher, and the ENERGY STAR score is lower, than it would be had the floor area been reported correctly. Since data integrity is so crucial to tracking performance, this member suggested that a thorough data verification be carried out when applying for a BPIP. Some buildings may be performing better than they think they are and could avoid unnecessary audits.

During this discussion, members brought up a separate but related issue of what happens if an owner makes a good faith effort to implement a suite of measures, but still falls short of the target. In this case, some sort of appeals process may be warranted whereby an owner could avoid penalties by producing a list of all the measures that they implemented but have still fallen short of the target.

- **Economic infeasibility**

Members next discussed economic infeasibility. Economic infeasibility could occur because a building study shows that site EUI target is not technically feasible, when the owner lacks the needed capital for the up-front cost to make improvements, and/or when improvement measures to meet the target have high cost and low benefits.

One member emphasized that the latter category is important because even projects that technically break even or have savings over the life of the equipment may not meet the return that the building owner requires. When making any investment decision, it must be consistent with the return that investors require. Depending on the market and the building, for instance offices where there is perceived risk at the moment, higher returns may be required.

The documentation needed to demonstrate economic feasibility may be quite onerous and require both a list of efficiency measures and their costs and benefits and financial information about the building. Members noted that there are non-energy/utility cost benefits to many efficiency projects, including improved indoor environmental quality (indoor air quality, comfort, health, resiliency, etc) which should

also be captured. Another member noted that some more in-depth efficiency measures could trigger additional code compliance requirements, like installing sprinkler systems, which would add a lot of extra costs that should also be considered.

The board generally agreed that while this is a crucial topic, it is very difficult to come up with one objective metric that would demonstrate economic infeasibility for all buildings. As such, there was general support to maintain flexibility and consider applications on a case-by-case basis. As applications are received and reviewed (in conjunction with the Board), best-practices can be learned over time.

- **Improvement Measures**

Per the BEPS law, a Building Performance Improvement Plan must contain a “List of potential improvement measures, including energy savings & cost-benefit analysis.”

The Board reviewed BPIP documentation requirements from other jurisdictions which include:

- ASHRAE level II audit – typically required by all jurisdictions with a custom/prescriptive pathway
- Retrocommissioning (RCx) plan – accepted by St. Louis in lieu of an audit once per building during first two BEPS cycles
- Operations and maintenance plan – required for all buildings in Washington State and for those seeking a timeline adjustment in Denver

The Board further discussed retrocommissioning. A few members noted that continuous commissioning / monitoring-based commissioning (MBCx) is preferable to retrocommissioning since it ensures that the building is not only tuned but also monitored and corrected as needed. One member questioned why St. Louis would limit RCx to fulfill requirements. Typically RCx returns a building to operating as designed, but is not necessarily meant to uncover additional efficiency opportunities. The St. Louis BEPS has multiple cycles of 5 years each. Therefore, it may be that RCx would be appropriate for the early cycles, but would not be allowed for the later cycles that will presumably have more substantial energy reductions. One member recommended that only MBCx be accepted. Other members noted that RCx/MBCx is not applicable to some building types like multifamily or condo buildings where there are many unitized systems that are not connected to a building automation system (BAS), where central systems like steam boilers cannot be modulated/adjusted very well, and where the BAS is very basic or old.

In terms of operations and maintenance plans, one member noted that this should be standard procedure for most buildings and would be a good idea to require to ensure that best practices are documented and being followed by staff. Another noted that while ASHRAE provides a helpful framework and elements of an O&M plan, it is far more useful to have a plan that is not so technical and easier for facilities staff to read, understand, and implement. They recommended that if an O&M plan were to be required, it would be preferable to allow some flexibility in terms of the format and required elements.

- **Next meeting**

The BPIP plans to revisit and continue discussing two additional BPIP elements: Improvement Measures & Cost-Effectiveness and Verifying Implementation.

- **Action Items**

- Board members to review summary report on building groups and provide or prepare comments by next meeting on 3/15.
- Members still needing to complete required training should do so
- DEP to provide the transportation/childcare reimbursement request for members to submit

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.