



BUILDING PERFORMANCE IMPROVEMENT BOARD MEETING NOTES

April 12, 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	X		Member
Andrew Rivas	X		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		X	Member, Deputy Chair
Edward Musz	X		Member
Kevin Walton		X	Member, Chair
Gregory Goldstein		X	Member
Lindsey Shaw	X		Ex officio member (DEP)
Bryan Bommer		X	Ex officio member (DPS)
Dan McHugh	(has retired as of 11/30)		Ex officio member (DHCA)
Michael Yambrach			Ex officio member (DGS)
Khalid Mack		X	Member of the public

Administrative items

Quorum present; meeting notes from 3/15 meeting approved.

The Board chair and DEP staff created a summary report of the site EUI target setting discussion from previous meetings to be part of an overall Board recommendation document. A draft was circulated to the Board in advance of the meeting.

During the meeting, the Board voted to approve the building group report (two members abstained).

The report was approved with the caveat that members may have new or different opinions about the site EUI targets following recommendations for the Building Performance Improvement Plans and Renewable Energy Allowance so will be given a chance to revisit their opinion before finalizing the board's summary report.

Recap any actions from previous meeting

Over the past few meetings, the Board discussed various elements of Building Performance Improvement Plans (BPIPs). To date, the Board considered qualifying scenarios for circumstances outside owners' control from other jurisdictions and ways to document those scenarios, discussed "economic infeasibility" as a qualifying scenario, a two-part application approval/submission process, considered what should be included in building performance improvement plans, and how to document measures via processes like energy audits, commissioning, and O&M plans.

At the end of the previous meeting, the Board considered two methods of verifying that the owner has fulfilled the terms of the BPIP:

- Performance monitoring: DEP could recalculate a new site EUI target that would result if all of the agreed-upon measures in the plan were completed, and then track annual benchmarking data to see if the building has met (or come near) the new site EUI target
- Tracking measure installation: Owners would need to report back to verify that each agreed-upon measure was implemented according to the BPIP timeline

Building Performance Improvement Plans

- **Verifying Implementation**

The Board hoped to take a poll on each member's recommended verification method, but after further discussion opted to give the topic more consideration and submit written comments that will be reviewed at the next meeting.

In discussing the measure implementation tracking method, one member suggested allowing owners to provide documentation that is easily accessible to them. Things like a signed contract or final paid invoice would be readily available and allow the owner to demonstrate that a measure was implemented and that the County could also retain the option to "audit" measures or complete a site visit to verify in some circumstances. Where applicable, a final approval permit could also be used to show implementation.

DEP noted that the County's Energy Efficient Property Tax Credit requires similar documentation to substantiate that an efficiency measure was installed. It was suggested that if measure implementation is included as a verification method that DEP look to replicate the language/guidance from the property tax credit application.

In addition to the previously discussed options for verification, performance monitoring and measure installation, the Board also discussed some options for a “hybrid” verification process.

- 1) **Performance monitoring:** DEP could recalculate a new site EUI target that would result if all of the agreed-upon measures in the plan were completed, and then track annual benchmarking data to see if the building has met (or come near) the new site EUI target
- 2) **Tracking measure installation:** Owners would need to report back to verify that each agreed-upon measure was implemented according to the BPIP timeline
- 3) **Performance monitoring with measure installation tracking:** DEP would recalculate a new site EUI target that would result if the agreed-upon measures in the plan were completed and track annual benchmarking data to see if the building has met the new site EUI target. If the building did not meet the new target, the owner could provide proof that all measures were installed and then demonstrate compliance.
- 4) **Tracking measure installation with performance monitoring:** Owners would report back when agreed-upon measures were implemented, with DEP monitoring performance based on expected savings. If performance varied (e.g. < 25%) from what was expected, owners would need to re-validate their EEM (to assure that the measure was installed correctly, operated as designed, not overridden, etc).

In the case of a performance target, members suggested an allowance for building owners that implement all agreed-upon measures but fall short of their performance target.

Members discussed challenges around performance monitoring including a longer turnaround time to see results of improvement measures. Measures typically need a full year of data to show full savings, which is then reported to DEP by June 1 of the following year. This could result in an 18-month lag on being able to verify performance from any implemented measures. A few members noted that it is in the owner’s best interest to ensure that savings persist after they have paid to install new efficiency measures to capture cost savings, improve the payback, and potentially capture property tax incentives.

A member noted that if the board decides on Tracking measure installation, some sort of commissioning checklist should be included within the technical guidance. Commissioning can help ensure that any installed measures or operational changes stay implemented and retain savings.

A member noted that owners should be encouraged to implement improvement measures as early as possible.

Renewable Energy Allowance

The Board reviewed background on the Renewable Energy Allowance (REA). The law says that BEPS must account for the renewable energy allowance in the performance metric and that net normalized EUI be calculated by taking site energy use by the covered building normalized for weather and other characteristics within the limits of the capabilities of the benchmarking tool and normalized for other factors as determined by the Department minus energy generated from the renewable energy allowance.

- **Onsite Renewable Energy Considerations**

The Board first focused on questions about onsite renewable energy allowances.

Members were asked their opinion on whether onsite renewable energy should be considered as part of the REA. The majority of members were in favor of including onsite renewable energy in the REA, with two abstaining.

The Board considered related questions to the onsite REA, but ran out of time to conduct polling:

- If owners should get credit for renewable energy produced or just renewable energy consumed at the building.
- If owners need to retain renewable energy credits to get a REA.
- If onsite renewable energy should be given a 1:1 allowance (e.g., 1 kBtu of onsite renewable energy = 1 kBtu REA), given an allowance less than 1 (e.g., 1 kBtu onsite RE = 0.5 kBtu REA), or given an allowance more than 1 (e.g., 1 kBtu onsite RE = 1.05 REA).

General discussion included remarks that BEPS is about building performance and that overly crediting renewable energy discourages energy efficiency. Though renewable energy is a “clean” source, the cleanest source is the avoided energy that was not wasted through inefficiency, so there is a concern on how to appropriately balance efficiency while encouraging renewable energy use.

Others remarked that tracking can be complicated. For instance a tenant may purchase contract with a solar provider for community solar. In this case the consumption provided from the solar may not be reflected in the aggregated electricity feed and tracking/reporting the purchased amount can be very difficult to figure out.

A member cautioned that credit should not be provided for renewable energy that is a result of overall utility grid decarbonization, rather the renewable energy allowance should apply to private systems that are additional to the utility grid.

Another member suggested varying level of credits bases on the type of institution producing the renewable energy, for e.g., a nonprofit organization.

Members plan to revisit the questions about renewable energy at the next meeting.

- **Next meeting**

The BPIB plans to revisit and continue discussing the Renewable Energy Allowance and provide thoughts about the BPIP verification approach.

- **Action Items**

- Members to bring input on verification methods to meeting on 4/26
- Members to consider questions around renewable energy allowance in advance of meeting on 4/26

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.