



BUILDING PERFORMANCE IMPROVEMENT BOARD MEETING NOTES

Wednesday, May 10, 11 am to 1 pm

In attendance:

Name	In-Person	Virtual	Role
Emily Curley			DEP staff liaison
Stan Edwards		X	DEP staff support
Cuiyin Wu			DEP staff support
Rhett Tatum	X		Member
Daniel Cleverdon	X		Member
Amanda MacVey			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			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)
Khalid Malik		X	Member of the public
Henry Jordan		X	Member of the public
Kofi Brown	X		Member of the public
Anonymous (2)		X	Member of the public

Administrative items

Quorum present; meeting notes from 4/26 meeting approved.

BPIB members must complete travel/dependent care reimbursement forms to DEP by 6/2/23.

The Maryland Department of the Environment will issue draft regulations for the Maryland BEPS program on 5/15; written comments are due 6/5/23. DEP staff will follow-up with the County's Office of Intergovernmental Relations to find out how the Board can submit comments.

Recap actions from previous meeting

At the 4/26 meeting, members discussed onsite renewable energy options for the Renewable Energy Allowance. Many recommendations were made during the meeting, as well as in writing following the meeting. A summary of those recommendations is listed below, with one member formally abstaining from the polling:

- 1. The law requires inclusion of a renewable energy allowance in the performance metric. Should onsite renewable energy be considered as part of the REA?**
 - Yes (BPIB consensus)
 - No
- 2. If yes, should owners get credit for renewable energy *produced (R)* or *consumed (Ru)*?**
 - Option 1 (stakeholder consensus): All onsite electricity generated will receive allowance, including exported power: **7**
 - Option 2: Owner gets credit only for renewable energy used onsite: **4**
- 3. Do owners need to retain RECs to get a REA?**
 - Option 1 (stakeholder consensus): Allowance should apply even if onsite RECs are sold or transferred: **7**
 - Option 2: Owner must retain RECs to take credit: **3**
 - Option 3: Some building types (e.g., under-resourced buildings) may count onsite energy regardless of REC retention, while others must retain RECs for credit: **1**
- 4. What kind of allowance should be given for onsite renewable energy?**
 - Full credit (1 kBtu = 1 REA): **9**
 - More than full credit (1 kBtu = 1.05 REA)
 - Less than full credit (1 kbtu = 0.50 REA): **2**

Related to the onsite renewable energy discussion, one member referenced [the Federal Government's ruling](#) on claims made for renewable energy used. The group discussed the distinction between an organization's communications issues around renewable energy claims and the use of an REA without REC retention as a policy tool to expand distributed renewable energy. The REA can be used the County to encourage the use of onsite renewable energy, and the Federal accounting of RECs, whether they are retained or not, can be considered a separate aspect of renewable energy.

Renewable Energy Allowance (REA)

- **Offsite Renewable Energy Considerations**

The Board continued discussions from the 4/12 and 4/26 meetings on the renewable energy allowance (REA) and questions about considerations for offsite renewable energy.

Concerning tracking data, one member noted that in ENERGY STAR Portfolio Manager, additional fields exist to report the eGRID subregion of purchased renewable energy, which could support locational reporting of offsite renewable energy.

In reference to **Question 1, whether offsite renewable should be considered in the REA**, initial polling from the Board members reflected:

- **Option 1 – Yes: 11** (*some with caveats*)
 - One member suggested that if offsite renewables are included, they should be counted only after all building efficiency measures have been maximized.
 - Another member suggested that offsite renewable could be included, but that building owner would need to go through the BPIP compliance pathway.
 - One member wanted to highlight that offsite renewable energy options should include both electric and gas options in the REA.
- **Option 2 – No: 2**

After this initial poll, the Board discussed additional considerations for offsite renewable energy, including: technology options, location, and contract terms and types – and whether those considerations are the same or different for under-resourced buildings, as well as whether there should be a cap/limit on how much offsite renewables should be allowed to be credited towards BEPS compliance.

Related to offsite renewable resources and technologies, members discussed various options that included: only solar and wind, aligning with the technologies eligible under the Maryland RPS requirements, and adding to the technologies eligible under the Maryland RPS requirements by including renewable natural gas/agricultural waste as a methane source. An argument was made for using the Maryland RPS, as this would be the simplest criteria. Also, as that list could change over time, the county's approved list would then also update as the views changed of what should be included. One member suggested that limiting the list to solar and wind would serve to put pressure on industry to expand this resource.

Polling for **Question 2, what sources are eligible for REA credit if offsite renewables are allowed**:

- **Option 1: 7**
 - All Maryland RPS Tier one sources count as qualified renewable energy sources (includes solar, wind, geothermal, smaller hydroelectric, qualifying biomass, methane from a landfill or wastewater treatment plant, poultry litter-to-energy, waste-to-energy, and refuse-derived fuel)
 - If the County aligns with RPS Tier one sources, it would also need to credit any source that is added to the RPS Tier one sources in the future as amended by the State. Similarly, it could no longer credit any sources that were removed from the list.
- **Option 2: 0**

- Alignment with Maryland's RPS Tier 1 sources, with exclusions for combustion (e.g., Qualifying Biomass, Methane from a landfill or wastewater treatment plant, Poultry litter-to-energy, Waste-to-energy, and Refuse-derived fuel)
- **Option 3: 5**
 - County-developed list of qualified renewable energy sources (e.g., only solar and wind)
 - Three members preferred a more limited list (e.g., only solar and wind)
 - Two members preferred an expanded list beyond Maryland RPS to include MRETS credits (certified renewable natural gas credits).
- **Abstain: 1**

Related to locational boundaries of offsite renewable energy, members discussed various options that included: Maryland and/or Montgomery County only, or some gradient of allowable locations that would value renewable energy generated closer to Montgomery County more highly than renewable energy generated further away—but still providing some value greater than zero for offsite renewable energy. One proposal/example was to credit offsite renewable energy generated within Montgomery County Equity Emphasis Areas (EEAs) most highly (perhaps going about 100% or even 110%), then renewable energy generated within Montgomery County outside of EEAs, then Maryland, then the PJM Interconnection territory, then Nationwide.

A member raised the issue of how difficult would it be to track the location of the offsite renewable, and would this create a burden for implementation.

A member discussed if having a greater than 1:1 subsidy solar development on EEAs could have an adverse effect on the development of other resources that would have been used for the EEA community.

A member cautioned possible equity issues with financially capable entities that could buy RECs as a way out of compliance while those with limited funds would not have access to this pathway. Another member proposed that the option for RECs in BEPS should only be available to those going through the BPIP route.

Polling for Question 3, should location of the offsite generation matter if **offsite renewables are allowed**, did not take place at this meeting, but will be covered in the 5/24 meeting. There was a suggestion to add two additional Options to this polling to include another two-tier location factor that includes only Montgomery County, then Maryland state-wide, and an option to include the five-tiered location factor as described above.

Members also discussed that we should encourage offsite solar energy production as it will drive more demand for renewable energy on the grid.

A member emphasized that encouraging more in-county and instate renewable development is a political decision to support local renewable development and economic activity. Another member added that members should be clear on the intention of the offsite RECs purpose to move forward with option that serves the intent.

Some initial discussion about transaction types/contract length occurred, specifically around what happens to renewable energy contracts when a building is sold and the due diligence required on

renewable energy contracts during the sale of a building as it relates to BEPS compliance – but polling did not occur at this meeting.

Additional polling for transaction types/contract length, under-resourced building considerations, and a cap on the allowance for offsite renewable energy were not discussed, but will be covered in the 5/24 meeting.

- **Next meeting**

The BPIB plans to finalize the discussion on the Renewable Energy Allowance and discuss the Maryland State BEPS regulations.

- **Action Items**

- Members to consider final poll/vote around renewable energy allowance in advance of meeting on 5/24.
- Members should review the Maryland State BEPS regulations to be released on 5/15 and come prepared to discuss at the 5/24 meeting.

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.