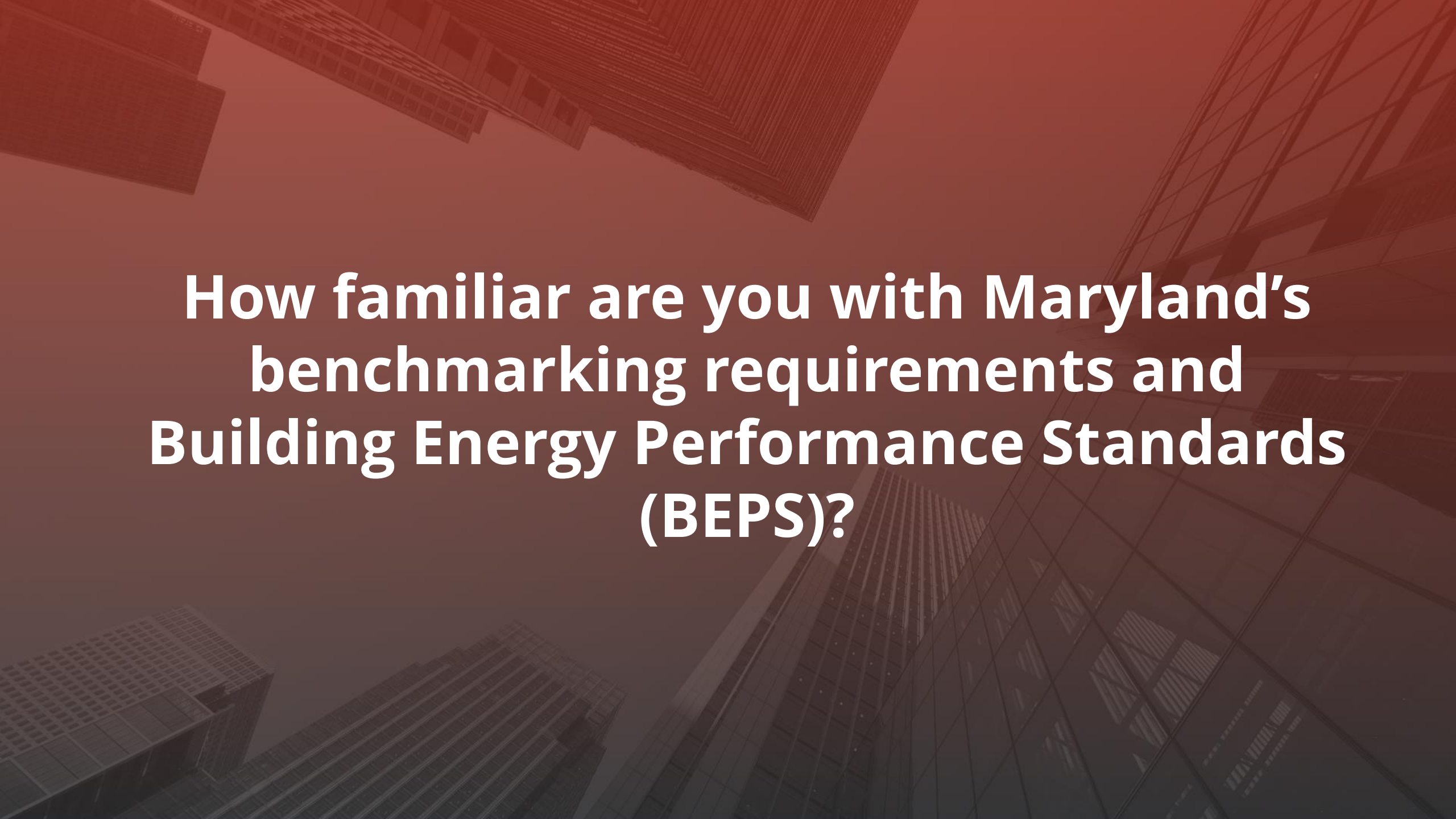


# Introduction to Maryland Benchmarking and BEPS Requirements

December 11, 2024



A low-angle, upward-looking perspective of several modern skyscrapers. The buildings are rendered in a dark, monochromatic style with a prominent red overlay that covers the entire image. The perspective creates a sense of height and architectural scale.

**How familiar are you with Maryland's  
benchmarking requirements and  
Building Energy Performance Standards  
(BEPS)?**

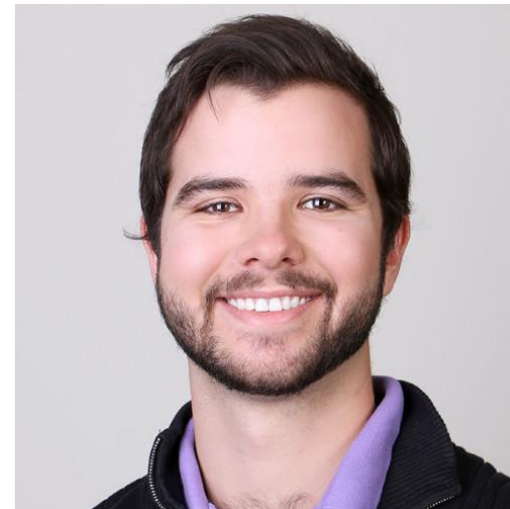
# Meet Our Speakers



**Chris Pendley**  
*Director of Sustainability*  
*Policy & Strategy*  
**AOBA**



**Rick Briermann**  
*Vice President*  
**Atlantic Realty Group**



**Samuel Furio**  
*Outreach Coordinator*  
*Building Decarbonization Team*  
**Maryland Department of the  
Environment**

# Agenda

- Scene-setting
- Maryland Benchmarking and BEPS
- Open Q&A

# How many buildings could benchmarking apply to?

| <b>Jurisdiction</b> | <b>Covered MF</b>      | <b>Covered MF GFA</b>     |
|---------------------|------------------------|---------------------------|
| Montgomery County   | 448                    | 76,403,656                |
| PG County           | 164                    | 20,992,121                |
| Baltimore County    | 237                    | 24,659,538                |
| Baltimore City      | 321                    | 40,864,183                |
| Howard              | 204                    | 15,413,649                |
| Anne Arundel        | 167                    | 16,414,900                |
| <b>Jurisdiction</b> | <b>Covered Offices</b> | <b>Covered Office GFA</b> |
| Montgomery County   | 477                    | 60,943,035                |
| PG County           | 221                    | 20,251,952                |

A low-angle, upward-looking perspective of several tall skyscrapers. The image is heavily overlaid with a semi-transparent red color, creating a monochromatic effect. The perspective makes the buildings appear to converge towards the top of the frame, emphasizing their height and density.

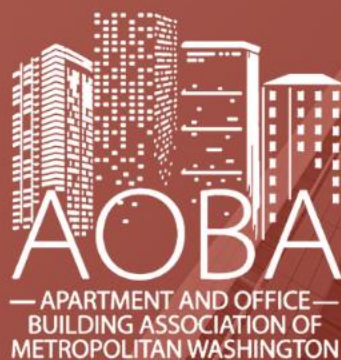
**Have you started benchmarking your  
Maryland properties?**

A low-angle, upward-looking perspective of several modern skyscrapers. The buildings are covered in a semi-transparent red overlay, creating a monochromatic effect. The perspective makes the buildings appear to converge towards the top of the frame, emphasizing their height and architectural details like window grids and structural beams.

**What did we not cover you have a  
question about?**

# What do you do today?

- Start reviewing your buildings and preparing to benchmark if you need to
- Start reviewing the Preliminary Covered Buildings List



# Thank You!

Chris Pendley

Email: [cpendley@aoba-metro.org](mailto:cpendley@aoba-metro.org)

T: (202) 296-3390 - Ext. 209 | M: (202) 809-6512



Maryland's Building Energy  
Performance Standards (BEPS)

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## AOBA & MMHA BEPS Overview

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Visit Our Website  
[mde.maryland.gov](https://mde.maryland.gov)

Sam Furio, Outreach Coordinator  
Dr. Zach Berzolla, Section Head  
**MDE Building Decarbonization Team**



# Agenda

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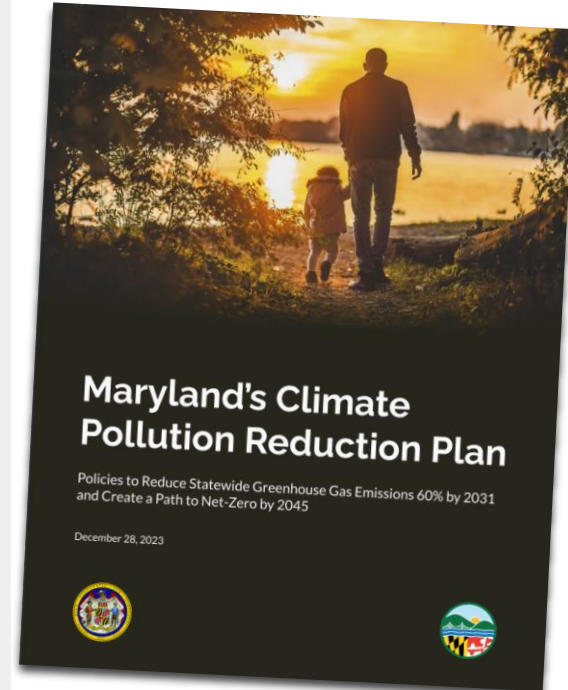
- MD BEPS background
- What's a "covered" building
- What building owners need to know
- Performance standards
- Alternative compliance
- Resources
- Addressing FAQs





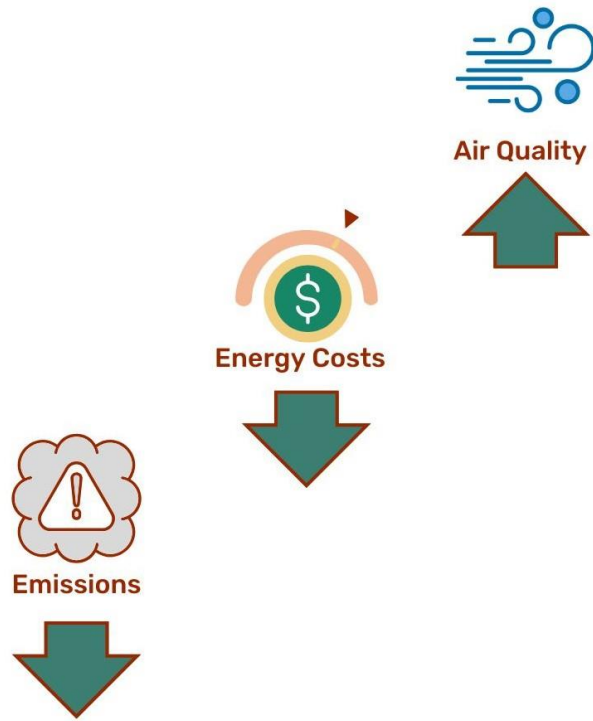
# Climate Plan Objectives

- Reduce statewide greenhouse gas emissions (compared to 2006 levels)
  1. Achieve 60% reduction by 2031
  2. Achieve net-zero emissions by 2045
- Implement BEPS to help meet these reductions
- Create net benefits and green jobs
- Read the plan today @ [mde.maryland.gov](https://mde.maryland.gov)





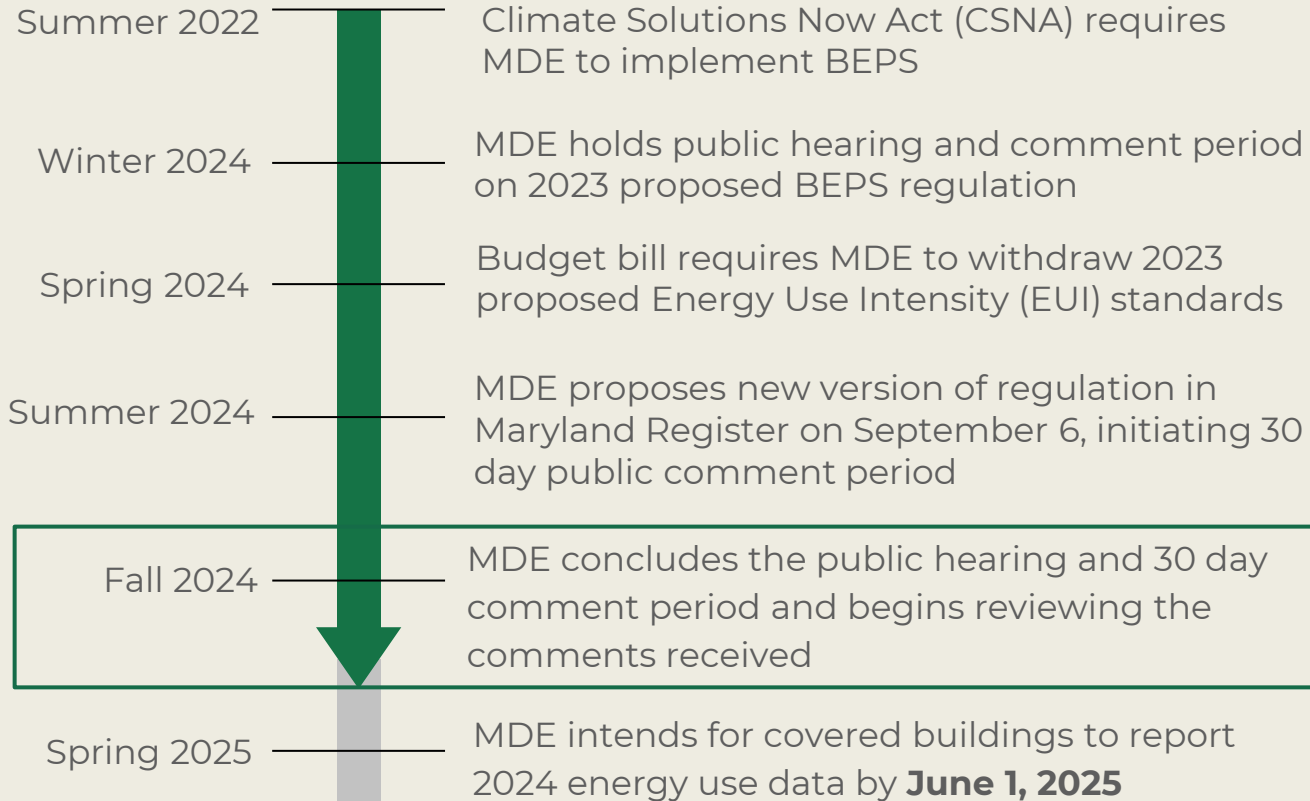
# Overview of BEPS Regulation



- Most buildings 35,000 square feet or larger are “covered”
- Covered buildings must annually report energy consumption beginning next year
- First reports are due June 1, 2025
- Start meeting phased emissions standards in 2030
- Building owners can choose to make an alternative compliance payment for a building's emissions over the standards

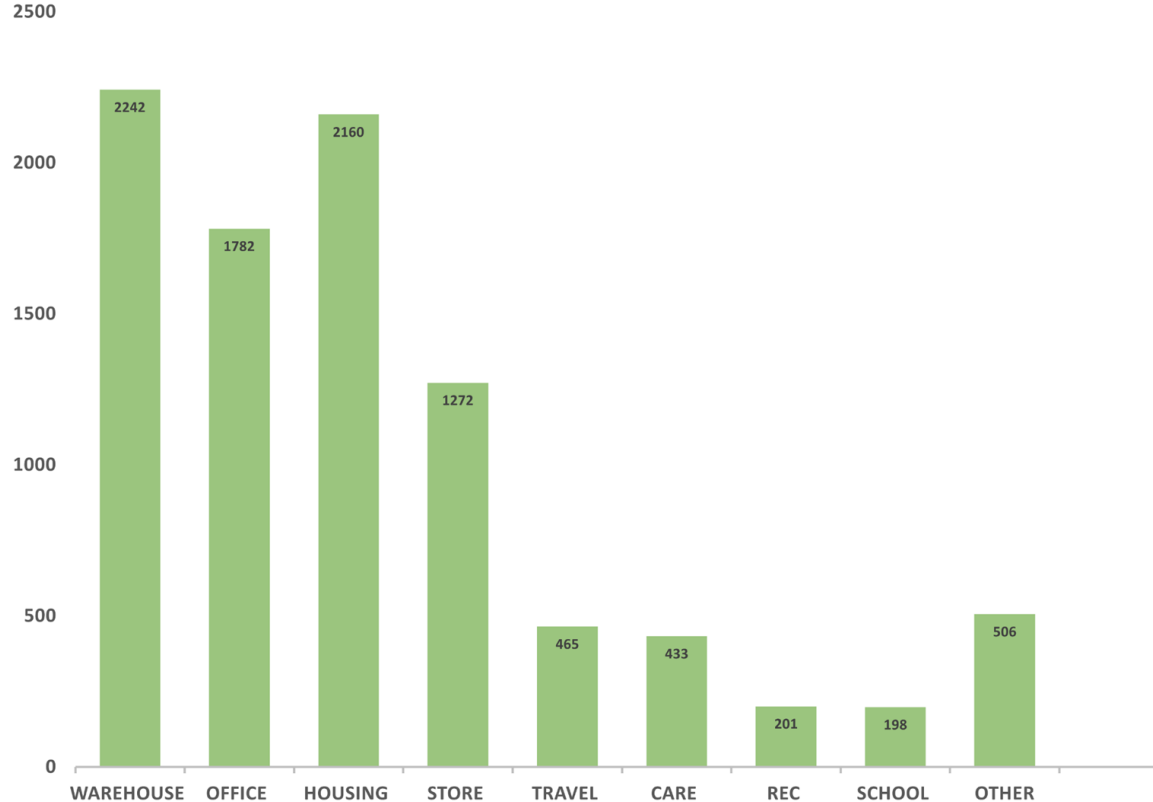


# Regulation Timeline





# Covered Buildings: Property Types

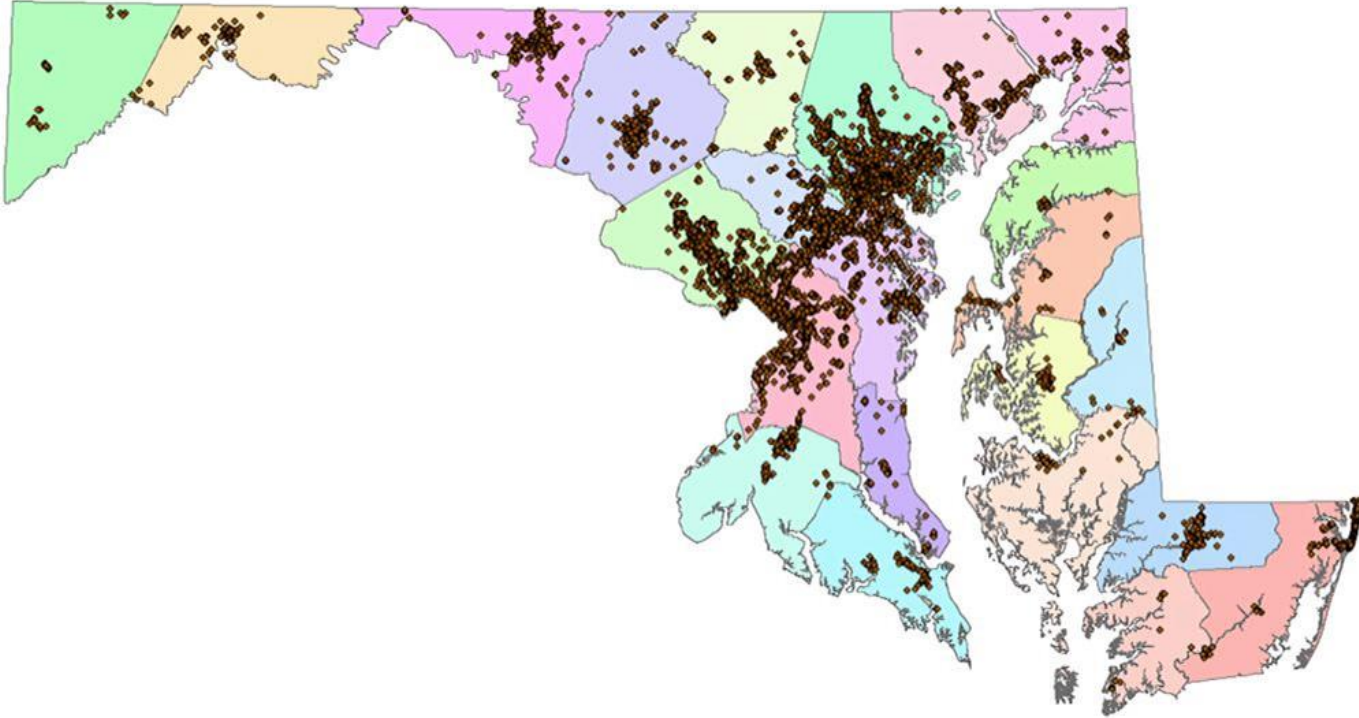


*Preliminary analysis*



# Covered Buildings: Locations

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## Total Exemption Apply Once



Designated  
Historic



Agricultural



Elementary &  
Secondary Schools



Demolished



Manufacturing



Federally  
Owned

## ACP Adjustment

Apply Annually



Reduced Alternative  
Compliance Payments  
(ACP) for  
Affordable Housing

## Total Exemption

Apply Annually



Financial Distress



Not Occupied

## Baseline Exemption

Apply Annually  
(Max 3 Times)



Low Occupancy  
< 50%

# Annual Energy Exclusions

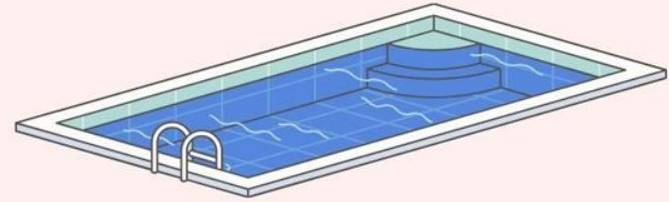
Food Service  
Facilities



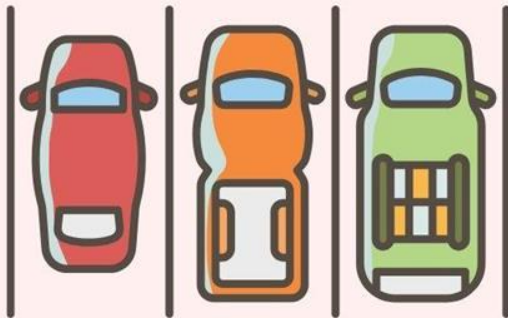
EV Charging



Outdoor Heated Pools



Parking Lots



Combustion Equipment  
*Required by Law*



Other ESPM Exclusions  
listed in TM24-01





# What Does a Building Owner Need to Do?

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1. Determine if a building is covered by calculating its square footage and/or evaluating exemption status
- 2. Start benchmarking**
3. Assess whether the building is already achieving the proposed standards
4. If not meeting the standards, plan to make improvements and determine when it's preferable to pay for the building's excess emissions



# How to Get Started

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## Benchmarking

**Annually,  
starting in 2025**

Use ENERGY STAR  
Portfolio Manager to  
track annual energy  
use and greenhouse  
gas emissions



# How to Get Started

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## Benchmarking

**Annually,  
starting in 2025**

Use ENERGY STAR  
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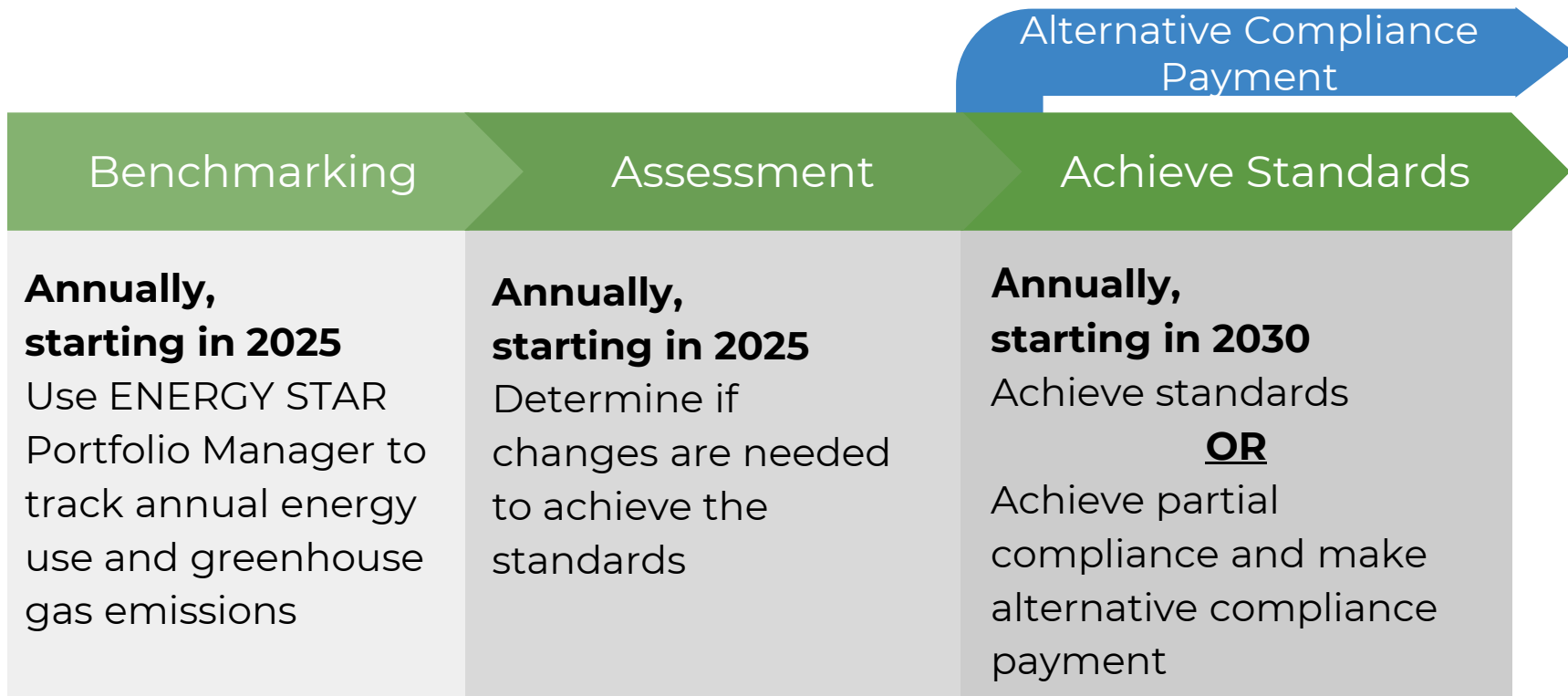
## Assessment

**Annually,  
starting in 2025**

Determine if  
changes are needed  
to achieve the  
standards



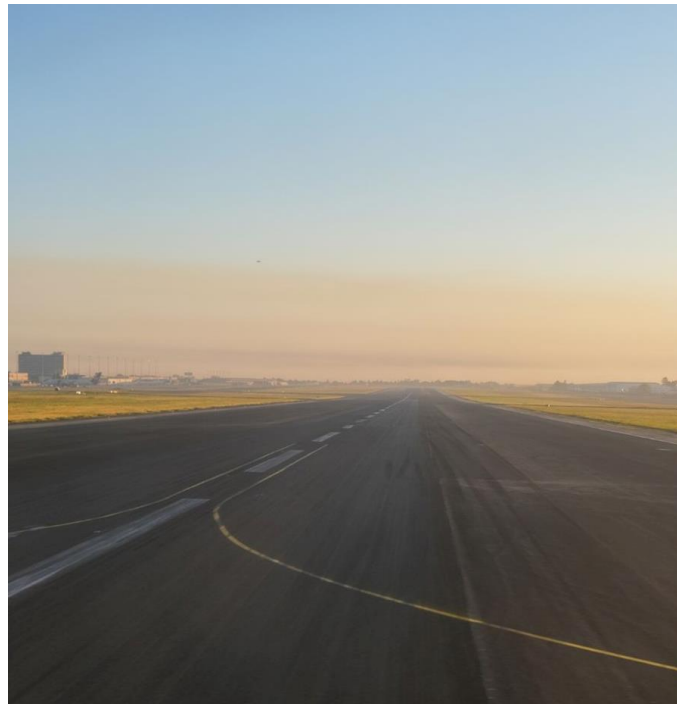
# How to Get Started





# Performance Standards

- Phased reduction of on-site “direct” emissions by type of building
  1. Interim Standard 1 (2030 - 2034) ↓
  2. Interim Standard 2 (2035 - 2039) ↓↓
  3. Final Standard Net-Zero (2040 +) ↓↓↓
- MDE intends to adopt an energy efficiency standard, called site energy use intensity (EUI) in 2027 – and recommends not installing inefficient electric equipment



**Building owners have a long runway!**



# Alternative Compliance

Alternative compliance is available for the proposed net direct emissions standard in the form of payments set at the US Environmental Protection Agency's (EPA) social cost of greenhouse gas. These rates are the lowest permitted by law.

| Year                                  | 2030  | 2031  | 2032  | 2033  | 2034  | 2035  | 2036  | 2037  | 2038  | 2039  | 2040  | 2040+ |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Annual Payment per metric ton of CO2E | \$230 | \$234 | \$238 | \$242 | \$246 | \$250 | \$254 | \$258 | \$262 | \$266 | \$270 | \$4+  |

*All figures are in 2020 dollars and will be adjusted for inflation to that year*



# Compliance Spectrum

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Undesirable

Ideal

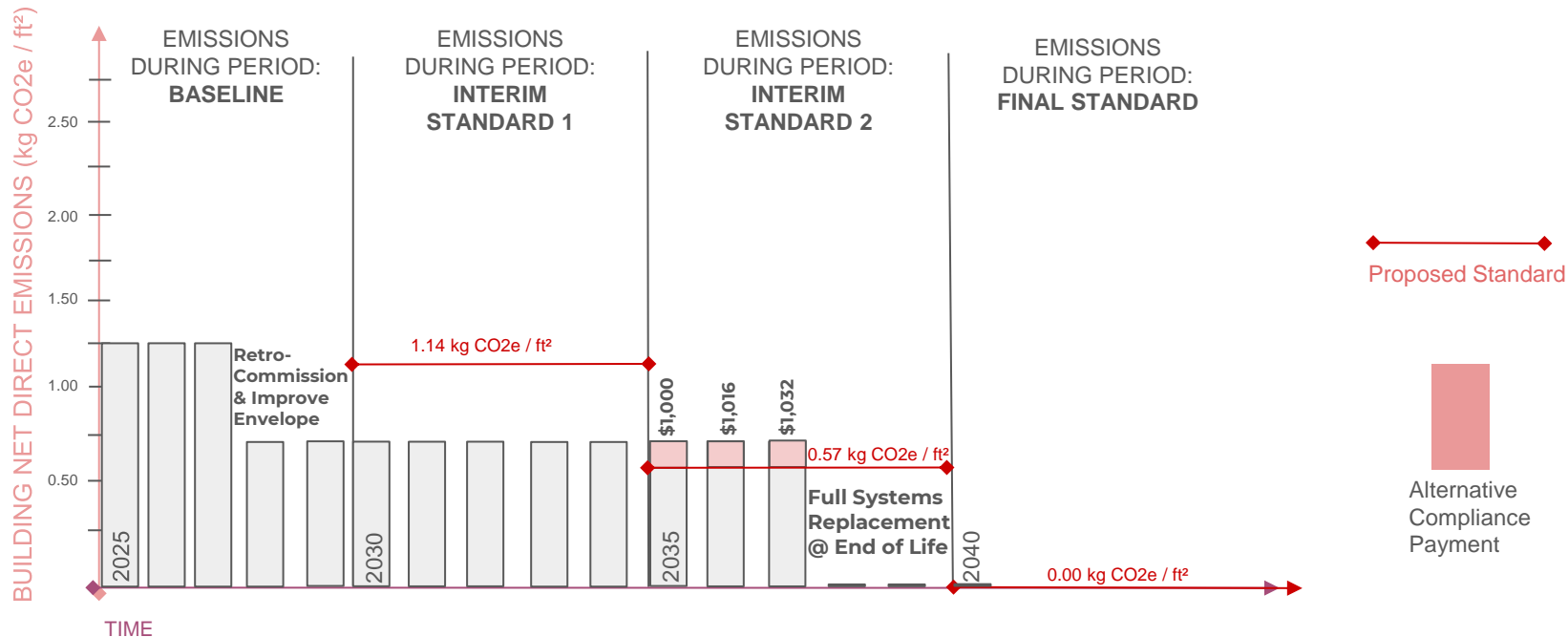
Building owner is not currently meeting the standard and makes no improvements to their property. They opt to meet compliance by making an Alternative Compliance Payment for the difference between the standard and their total emissions.

Building owner is already nearly in compliance and/or opts to make improvements to their property until they deem it is more cost-effective to make an Alternative Compliance Payment on remaining emissions over the proposed standard.

Building owner is already meeting or making improvements to meet the standard.



# Example: Alternative Compliance





# Resources and Financial Support

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**Utility incentives for training,  
building tuneups, equipment**



**Financing and technical  
assistance**



**Grants and loans for  
energy efficiency**



**Federal Incentives, tax  
credits and deductions**



**Turn-key, low cost,  
standardized services to make  
buildings energy efficient**



**Clean Buildings Hub,  
grants, loans, rebates**



# Clean Buildings Hub

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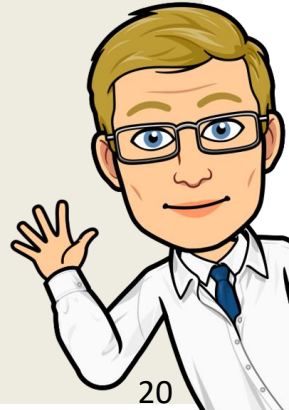




# Upcoming Outreach Sessions

- **Dec. 18** Historic Property Working Group - Session 1
- **Dec. 19** District Energy Systems Working Group - Session 1
- **Jan. 22** Benchmarking & Reporting Working Group - Session 4
- **Jan. 28** Exemption Process Working Group - Session 2

*Signup today on the MDE BEPS Website*

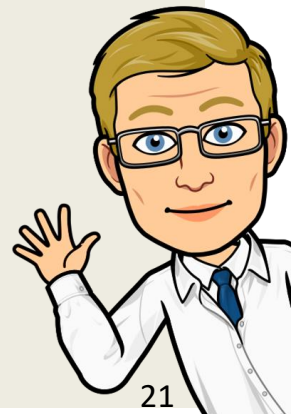




# New Draft Guidance Out Now

- MDE Draft Guidance for Benchmarking in Energy Star Portfolio Manager
- MDE Draft Statewide BEPS and Montgomery County DEP Benchmarking Alignment Guidance
- MDE Draft Campus Compliance Guide
- MDE Draft Guidance on Viewing the Direct Emissions Metric in ENERGY STAR Portfolio Manager

*Feedback Under Review*





# Addressing FAQs



# Garden Style Apartments

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- If you have separate garden style apartment buildings that **aren't** connected via envelope, shared systems, and/or energy meters, these are **separate buildings**.
  - If they are over 35,000 square feet, you will need to report them.
  - If they are under 35,000 square feet, they do not need to comply.
- If you have separate garden style apartment buildings that **are** connected via envelope, shared systems, and/or energy meters, these are **connected buildings**.
  - If the combined gross floor area is over 35,000 square feet, you will need to report them.
  - If the combined gross floor area is under 35,000 square feet, they do not need to comply.

# Garden-Style Benchmarking Example 1

Each address is a **separate** building, <10,000 SF  
Each address has its own gas service  
Each unit has its own electric service

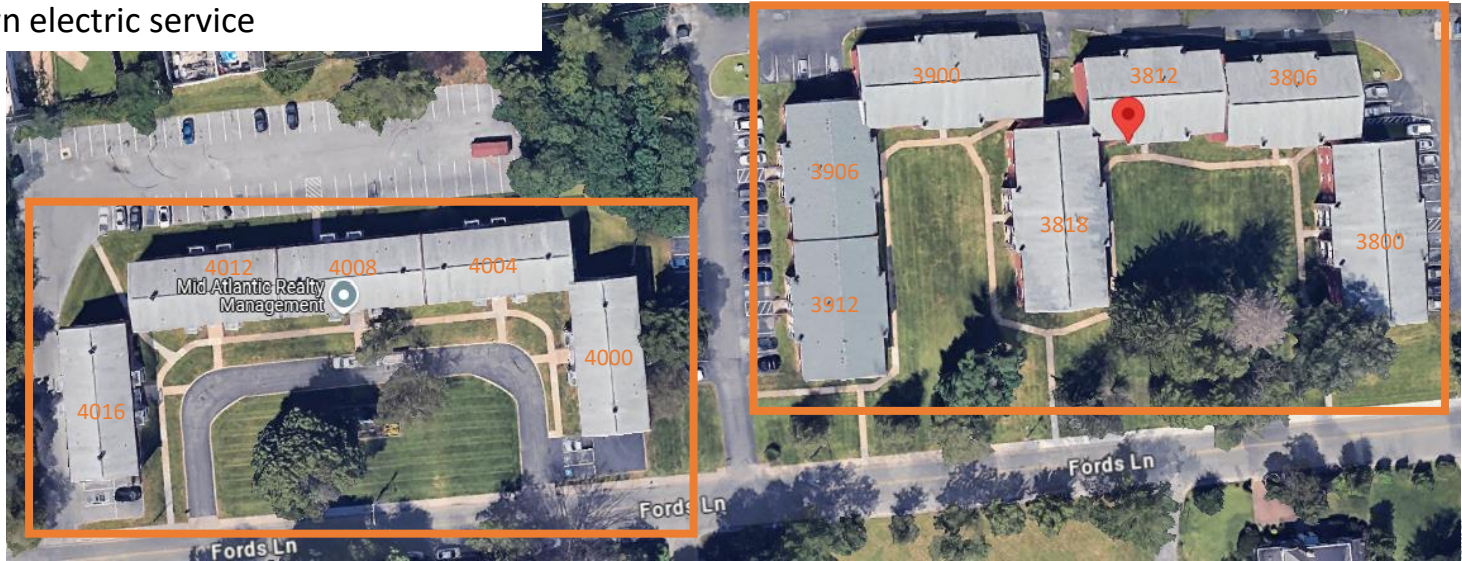
Property isn't subject to MD Benchmarking or BEPS  
If listed on potentially covered building list, apply for removal



# Garden-Style Benchmarking Example 2

Each address is a **separate** building  
Each **orange group** has its own gas service, total  
group square footage ~50,000 SF  
Each unit has its own electric service

Two covered “buildings” denoted by **orange group** with  
shared gas metering  
Optional to benchmark both buildings as one PM “property”



# Garden-Style Benchmarking Example 3

4004, 4008, and 4012 are **one physical building**  
**because of a shared envelope**

Total square footage = 40,000 SF

Each unit has its own electric service

Each building has its own gas service

One covered “building” denoted by **orange group**  
Just the **building** covered under MD BEPS





# BEPS Affordable Housing Providers

## An affordable housing provider is defined as...

The owner of a covered building that primarily provides housing to limited income households, where a minimum of 51 percent of households living within the building are at or below 80 percent of the area median income\*, or a covered building that is restricted under the Low-Income Housing Tax Credit (LIHTC) program.

*\* as defined in the Housing and Community Development Article, §4-1801, Annotated Code of Maryland*





# BEPS Affordable Housing Providers

- Naturally Occurring Affordable Housing is eligible for the same flexibilities as regulated providers
  - Reduced alternative compliance payments
- You need to show documentation that supports the previous definition
- We want to hear from you on what documentation is available to you –  
**Join the Affordable Housing Working Group**





# 1st Floor Storefronts

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- Gross floor area is inclusive of the entire building
  - This includes from non-residential on-site tenants
  - If it's a restaurant, exclude the energy use when you benchmark (see draft MoCo guidance for how)
  - If it's a retail store, doctor's office, etc., you'll need to include the energy use when you benchmark.



# Covered Buildings List (CBL) & Notification

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- Preliminary Potentially Covered Buildings List is on the BEPS Website **[mde.maryland.gov/BEPS](http://mde.maryland.gov/BEPS)**
- Best effort to date at mapping over 9,000 covered buildings in the State
- We'll be releasing an updated version in January
- If your building meets the requirements, compliance is required regardless of:
  - Your listing on the CBL
  - Receiving notification by the Department (Ex. Postcard)



# Adjusting for Errors in the CBL

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- There's a form for that!
  - On the CBL but shouldn't be?
  - Not on the CBL but should be?
- We'll release the forms in January



# < 35k Square Feet on CBL Form

This form is for buildings listed on the potentially covered building that **are under 35,000 ft<sup>2</sup>**. Buildings seeking exemption must prove they do not meet the definition of a covered building, as specified in the BEPS regulation (COMAR 26.28.01.02.B):

“A covered building is a building that is a commercial or multifamily residential building in the State of Maryland or is owned by the State of Maryland and has a gross floor area of 35,000 square feet or more, excluding the parking garage area, and is:

(i) A single building;

(ii) One or more buildings held in the condominium form of ownership with a combined gross floor area of 35,000 square feet or more, excluding the parking garage area, and governed by a single board of managers; or

(iii) Two or more buildings with a combined gross floor area of 35,000 square feet or more, excluding the parking garage area, that are served in whole or in part by the same electric or gas meter or are served by the same heating or cooling system or systems, which is not a district energy system.”

Please provide the Unique Building Identifier (UBID). If the building is determined exempt, it will be removed from the list\*: \_\_\_\_\_

Building gross floor area\*: \_\_\_\_\_

Description of why the building should be exempt\*: \_\_\_\_\_  
\_\_\_\_\_

Attachments\*

Please provide evidence that the building does not meet the definition of a covered building above.



# Getting Data From Your Electric and/or Gas Company

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- You'll make a request in early 2025 for your calendar year 2024 energy data
- In 2025, the utility has 90 days to supply the energy data to you
  - 30 days in 2026 and beyond
- You need to make your requests on or before March 1st, 2025 to be ready by June 1, 2025.
- Providers are required to supply this information to you. Contact us at [BEPS.MDE@maryland.gov](mailto:BEPS.MDE@maryland.gov) if you don't hear back.
- If you can show best efforts to obtain the data but were unable, this will be factored into compliance determinations.



# Contact Us

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## Building Decarbonization Team



[beeps.mde@maryland.gov](mailto:beeps.mde@maryland.gov)



410-537-3183

## BEPS Website



## BEPS Email List

