

Technical Bulletin

Maryland High Performance Building Laws

Important Updates Regarding Statewide and Montgomery County Building Energy Performance Standards (BEPS) and All-Electric New Construction Building Codes

THANK YOU FOR YOUR PARTNERSHIP.



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Make sure you are fully aware of the latest compliance requirements.

This bulletin provides a detailed primer on various regulations for existing multifamily properties and certain new construction projects, as well as the timelines, alternative pathways and exemption rules that may be applicable to your properties:

1. Maryland Statewide BEPS
2. Montgomery County BEPS
3. Montgomery County All-Electric New Construction Rules
4. Compliance Support and How MaGrann Can Help

SECTION 1

Maryland Statewide BEPS rules have been finalized.

On December 23, 2024, the Maryland Statewide BEPS rules were finalized and went into effect. Statewide BEPS was originally mandated under the Maryland Climate Solutions Now Act of 2022, requiring the State of Maryland to adopt a statewide BEPS law. After multiple iterations of draft rules since the law's passing, final rules are now in effect.

Statewide BEPS "covered buildings" includes those with gross floor area (GFA) of 35,000 square feet or more (excluding parking garage area) with certain exemptions in place for historic buildings, schools, agricultural buildings, manufactured buildings, and federal buildings. For campus style properties, two or more buildings with a combined GFA of 35,000 square feet or more are considered a single covered building if those buildings are served by the same electric or gas meter or are served by the same heating or cooling system(s).*

The standard includes a net direct greenhouse gas (GHG) emissions target, encompassing two interim targets and one final target. **The final standard, which must be met by 2040, requires all covered building types to achieve zero net direct GHG emissions.** There will also be a final site energy use intensity (EUI) target to be met by 2040, but the Maryland Department of the Environment (MDE) has not yet published these targets.

The BEPS rule also includes annual [benchmarking reporting requirements](#), which must be submitted annually to the MDE via the Environmental Protection Agency (EPA) ENERGY STAR Portfolio Manager. Benchmarking data will be used by the MDE to both A. collect baseline energy use data prior to the actual

performance standards kicking in to inform the establishment of appropriate site EUI targets, and B. to verify whether buildings are in compliance once performance standards kick in.

Key Deadlines

A summary of the Statewide BEPS timeline and key deadlines are outlined below. Note GHG emission targets vary by property type, and the targets included below apply specifically to **multifamily covered buildings**.

Net Direct Emissions Standards for Multifamily Housing (Kg CO₂e per square foot):

- Interim Standard for 2030-2034: **0.82**
- Interim Standard for 2035-2039: **0.41**
- Final Standard for 2040 and Beyond: **0**

September 1st, 2025 – The first benchmarking report is due to MDE. Energy consumption data collected must demonstrate net direct greenhouse gas emissions and site EUI for the entire 2024 calendar year, and the report must be submitted via EPA's ENERGY STAR Portfolio Manager. A benchmarking report must be submitted by June 1st each year thereafter, reporting data for the entirety of the previous calendar year.

*Effective October 1st, 2025, buildings located in Montgomery County will be waived from Statewide Maryland BEPS requirements but, if covered by the Montgomery County BEPS regulations, must comply with the Montgomery County BEPS program, further detailed below.

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June 1st, 2026 – The first third party verified benchmarking report is due to MDE. This report must follow all the benchmarking report requirements outlined above, with the additional requirement for building owners to enlist a qualified third-party entity to verify the accuracy of the report. A third party verified benchmarking report must be submitted every five years thereafter.

January 1st, 2030 – By 2030, buildings owners must complete the installation of all upgrades needed to meet the first interim standard, which is 0.82 Kg CO₂e per square foot for multifamily properties.

January 1st, 2035 – By 2035, buildings owners must complete the installation of all upgrades needed to meet the 2nd interim standard, which is 0.41 Kg CO₂e per square foot for multifamily properties.

January 1st, 2040 – By 2040, building owners must complete the installation of all upgrades needed to meet the final standard, which is 0 Kg CO₂e per square foot

for multifamily properties. MDE will also establish a final site EUI standard, which will likely be published in 2027 following MDE's collection of initial benchmarking data.

Exemptions

If a building owner can provide documentation showing the building ownership entity is in financial distress, the building was not occupied for the entirety of the reporting calendar year, or that the building was demolished during the reporting calendar year, they may be granted a compliance exemption from the MDE.

There are also partial exemptions available for affordable housing providers who submit documentation showing they have made "good faith" effort, which can be shown by submitting documentation as described in the [Maryland Statewide BEPS Regulation](#). This partial exemption takes the form of a reduced compliance fee and is good for one calendar year. "Affordable housing providers" are defined in the regulation text linked above.

SECTION 2

Montgomery County-specific BEPS rules have also been finalized.

On February 25, 2025, the Montgomery County BEPS rules were finalized and went into effect. These rules apply only to buildings located in Montgomery County, Maryland.

Montgomery County BEPS "covered buildings" includes those with gross square feet (GSF) of 25,000 or more. In May 2025, the State of Maryland enacted [HB49 – Building Energy Performance Standards – Alternations and Analysis](#), which exempts buildings located in Montgomery County from needing to comply with Statewide BEPS, and requires buildings covered under Montgomery County BEPS regulations to comply with the Montgomery County BEPS program. This avoids properties located in Montgomery County needing to comply with two different BEPS rules.

Like Statewide BEPS, Montgomery County BEPS requires annual benchmarking reporting via EPA's ENERGY

STAR Portfolio Manager, due June 1st of each year and requiring the reporting of energy usage data for the entirety of the previous calendar year. The benchmarking portion of the Montgomery County BEPS law has

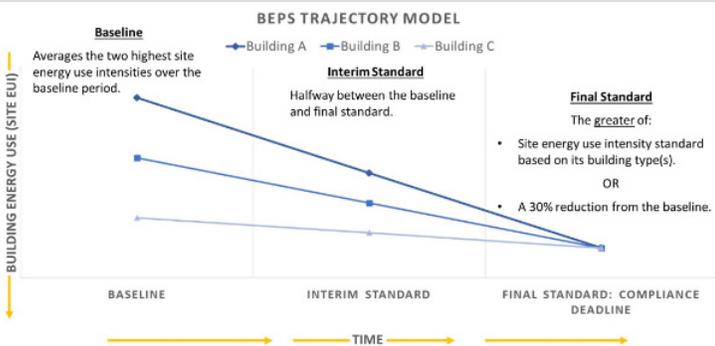
already been in effect for multifamily since 2022. For buildings covered under Montgomery County requirements, building owners must share data with the Montgomery County Department of Environmental Protection (DEP).

Unlike the Statewide BEPS, which looks at both GHG emissions and site EUI, Montgomery County BEPS only looks at site EUI (calculated as kBtu/GSF). Montgomery County BEPS also dictates different compliance deadlines depending on building GSF and residential vs non-residential status.

Another distinction is that while both the Statewide and Montgomery County rules provide a final performance target that applies to all multifamily buildings, Montgomery County rules allow buildings to reduce site EUI by 30% compared to the building's baseline benchmarking results instead of having to hit

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the final target. Also unlike the Statewide rules, interim targets under Montgomery County rules are calculated as the halfway point between the building’s baseline benchmarking results (average of the two highest site EUIs over the baseline period) and the final site EUI target (either the published final performance target or 30% reduction compared to baseline usage).



<https://www.montgomerycountymd.gov/DEP/energy/commercial/beps.html>

Key Deadlines

The Montgomery County BEPS timeline and key deadlines are summarized below, including the baseline years for multifamily covered buildings, interim standard, and multifamily final standard guidance.

Multifamily Housing:

- **Baseline Years:** 2022-2024 (250K+ GSF)
2023-2025 (25K – 250K GSF)
- **Interim Standard:** Site EUI halfway between baseline and final standard
- **Final Standard:** Site EUI of 37 **or** 30% reduction in site EUI from baseline

June 1st, 2023 – [Applies to multifamily 250K+ GSF]

The first benchmarking report is due to the DEP. This first report must be verified by someone with an MDE Recognized Data Verifier Credential, with the full list of qualifying credentials [listed here](#). Energy consumption data collected must demonstrate site EUI for the entire 2022 calendar year, and the report must be submitted via EPA’s ENERGY STAR Portfolio Manager. A benchmarking report must be submitted by June 1st each year thereafter, reporting data for the entirety of the previous calendar year. A benchmarking report verified by an MDE Recognized Data Verifier is due every three years thereafter.

June 1st, 2024 – [Applies to multifamily 25K – 250K GSF]

The first benchmarking report is due to the DEP. This first report must be verified by an MDE Recognized Data Verifier. Energy consumption data collected must demonstrate site EUI for the entire 2023 calendar year, and the report must be submitted via EPA’s ENERGY STAR Portfolio Manager. A benchmarking report must be submitted by June 1st each year thereafter, reporting data for the entirety of the previous calendar year. A benchmarking report verified by an MDE Recognized Data Verifier is due every three years thereafter.

January 1st, 2030 – [Applies to multifamily 250K+ GSF]

By 2030, buildings owners must complete the installation of upgrades needed to meet the first interim standard, which is the site EUI halfway between the baseline and final standard.

January 1st, 2031 – [Applies to multifamily 25K – 250K GSF]

By 2031, buildings owners must complete the installation of upgrades needed to meet the first interim standard, which is the site EUI halfway between the baseline and final standard.

January 1st, 2035 – [Applies to multifamily 250K+ GSF]

By 2035, buildings owners must complete the installation of upgrades needed to meet the final standard, which is a site EUI of 37 or a 30% reduction in site EUI from the baseline.

January 1st, 2036 – [Applies to multifamily 25K – 250K GSF]

By 2036, buildings owners must complete the installation of upgrades needed to meet the final standard, which is a site EUI of 37 or a 30% reduction in site EUI from the baseline.

Alternative Pathways and Exemptions

In addition to the compliance pathway outlined above, Montgomery County also offers an alternative pathway referred to as the Building Performance Improvement Plan (BPIP) pathway.

This pathway is designed for covered buildings where the simple payback of the measures required to meet the interim or final standard is more than 25 years, or more than 10 years for “specially designated buildings” which includes affordable housing, multifamily subject to rent stabilization, common ownership communities, non-profit owned buildings, or local small business owned buildings.

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If a covered building meets this criteria, or the “circumstances outside the owner’s control” criteria as defined in [Montgomery County’s BEPS Overview](#), the building owner may submit a proposed plan which requires an ASHRAE Level 2 audit, which must also incorporate an electrification and renewable energy feasibility component. Based on the results of the audit, the building owner must submit a retrofit plan that outlines energy improvement measures with a simple payback of less than or equal to the effective useful life of the measure based on industry standards (or less than 10 years for under-resourced buildings), along with the year(s) or qualifying event(s) that will prompt the

implementation of each measure.

The BPIP must be submitted to the DEP no later than 90 days before the deadline for submitting documentation of compliance with interim or final standards as applicable. To demonstrate compliance with DEP, building owners must also report annually on June 1st that the measures committed to under the retrofit plan were installed as planned. Buildings pursuing the BPIP pathway are still required to submit annual benchmarking but are not subject to meeting a site EUI performance target. For full information on following the BPIP pathway, please refer to the [Montgomery County BEPS Regulation](#).

SECTION 3

All-Electric New Construction Rules

Montgomery County passed Bill 13-22 in December 2022, requiring most new construction and major renovation projects be built to all-electric building standards.

Most multifamily new construction and major renovation projects three stories or less, located in Montgomery County, will need to be built to all-electric standards if the project’s building permit application is submitted on or after December 31, 2026. Multifamily projects a) that are four or more stories or b) where 50 percent or more of the dwelling units will be income restricted or moderately priced, as defined in [Bill 13-22](#) Text, will have until December 31, 2027 to submit building permit applications before needing to comply with these standards.

Exemptions to the all-electric requirement that could apply to multifamily developments include emergency backup systems, gas fireplaces and gas outdoor grills. Also note that major renovation is defined by the law as “any renovation where the work area exceeds 50% or more of major structural components, including exterior walls, interior walls, floor area, roof structure, or foundation, or has an increase of 50% or more of floor area.”

SECTION 4

Multifamily Property Compliance – **how MaGrann can help.**

Is your property considered a covered building under Montgomery County or Statewide BEPS? Determining the most cost-effective and streamlined action plan according to the requirements, timelines and penalties for non-compliance can be a daunting task!

MaGrann is here to help you navigate these complexities, in addition to financing, building upgrades and equipment lifecycle considerations. MaGrann is also here to support any new construction or major renovation projects that will need to consider the Montgomery County all-electric new construction rules.

Our areas of expertise in support of BEPS compliance efforts include ASHRAE Level I-III audits, scenario analysis including projected emissions reductions and penalties, electrification feasibility studies, MEP design for major system upgrades, green certification consulting and verification, benchmarking studies, commissioning and retro-commissioning, and more.

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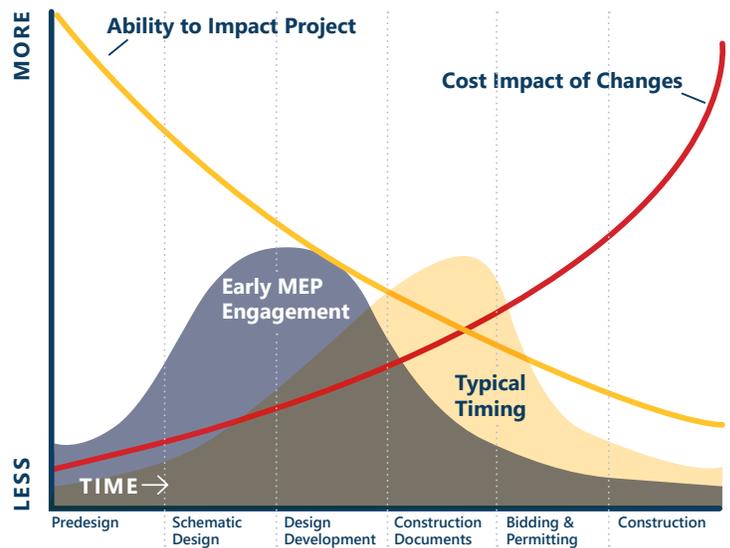
There are also several funding sources that can help support Maryland BEPS compliance. Please refer to our **Maryland Incentives Overview Technical Bulletin** for more details on how these incentives can be leveraged for Maryland regulatory compliance and other high

performance retrofit or new construction multifamily projects in the state. MaGrann can help identify and facilitate access to these resources in combination with the services listed above.

Early Birds Get the Incentives

When it's time to take action, getting your sustainability and engineering consultant involved from the start is like having a life coach for your project – you'll make smarter, more agile decisions that help you save money and avoid costly mistakes.

MaGrann even includes a complementary incentive analysis as a standard step in our early engagement and design process to help maximize utility rebates and tax credits. The result? A project that hits energy performance goals, saves time and money, and avoids last-minute design compromises and corrections.



Please reach out for further assistance or if you have any questions.

This bulletin represents our current understanding of these developing regulations. We recommend consulting the resources linked above and the responsible Maryland agencies for additional clarification. We will continue to monitor updates and will reach out again as more information becomes available.