



THE VOICE OF MONTGOMERY COUNTY BUSINESS

**MONTGOMERY COUNTY COUNCIL
PUBLIC HEARING**

BILLS 2-14 THROUGH 12-14

FEBRUARY 10, 2014

As a Chamber of Commerce that recognizes the economic and environmental imperative of greening the way we do business, we commend the County Council for the intent of this package of bills. We believe that positioning our county as a place to do green business is a compelling competitive advantage in today's marketplace. Supporting a green infrastructure is critical, as is growing the number of green jobs that are created to meet the needs of the new marketplace.

There are, however, areas of concern with regard to the package. Below are specific comments on a few of the bills. Broadly speaking, the fiscal impact statements will likely address the costs associated with the various activities. It will be important to review these so as not to impose undo burden as we try to move the marketplace. Where possible, incentives should be deployed to encourage adoption of new practices and attainment of environmentally sustainable goals. We would also like to see these bills work in concert with other county regulations so there is not confusion in following or enforcing the regulations.

We see green as part of a larger economic development strategy for the county. The Green Business Certification program is a terrific example of the business community working in partnership with the Department of Environmental Protection and Montgomery College to achieve environmental goals through a voluntary program. We look forward to working with you, the County Council, to make sure this package is able to realize the stated intention of addressing climate change at the local level to the greatest extent possible.

Comments on specific bills:

Bill 7-14 Contracts and Procurement -Certified Green Business Program

We applaud the County Council for recognizing the Montgomery County Green Business Certification Program and finding ways to incentivize those companies interested in working with the county to participate. We encourage the county government – or units within it - to become "Green Certified" and to green its own supply chain by using environmentally preferable purchasing of products and practices where appropriate. There is a green procurement bill requested by DGS (HB 629) pending at the state which could serve as a guide.

According to the information provided by the Council staff, "The goal is to encourage businesses to develop strategies for protecting the environment in their day to day operations." If the goal is

indeed to encourage more businesses to adopt green practices internally (such that they can be certified by Montgomery County or another comparable entity), the county may also want to explore using one or more of the many tools available outside of the county procurement process and appropriate to all businesses to incentivize that initiative.

Coincidentally, there is also a bill in the General Assembly that focuses on creating Green Business Incentive Zones (HB 473/SB 787) which also encourages the growth and success of this new market player by offering incentives such as tax credits.

This bill, as drafted, uses the procurement process and the opportunity to gain preference as an incentive. The procurement process is complex. Any modification to that process should be to make it easier to do business with the county. We are concerned that by restricting the language to “percentage price preference” companies that do have the right products or services, but have not met the green business certification preference, may be at a disadvantage that ultimately undermines the overall effort to reduce our collective ecological footprint. Therefore, we suggest reviewing the ways that the procurement process can be used effectively, perhaps by including green certification in the evaluation criteria or as a “tip over.” This may more effectively encourage companies to green themselves without inadvertently making the procurement process more cumbersome and ultimately counter-productive in meeting the goal. It is worth noting that “percentage price preference” language was struck from HB 629 mentioned above.

Bill 2-14, Environmental Sustainability - Buildings - Benchmarking

To the extent that buildings are a critical piece of the climate puzzle, it is important to understand energy usage and work to conserve where we can. That being said, we encourage the Council to look to federal regulations as many tenants in the county are federal offices or contract with the federal government. Therefore, any new requirements for owners and/or tenants should conform to federal standards.

Second, we firmly believe that if the county requires benchmarking of private property owners, the county must be able to participate in the program as well. Taxpayers should know the efficiency of the buildings they are paying to operate. Last, for those older buildings that will be among the least efficient, the program must provide some process to help with mitigation, whether it be providing priority for county programs or other education and incentives to address problems.

Bill 5-14, Environmental Sustainability - Social Cost of Carbon Assessments

It is unclear, based on our reading of this bill, how the EPA method that was developed for regulations/legislation would be applied to Capital Improvement Projects or energy efficiency improvements in general. It is also unclear how information gleaned from the calculation would be used to reach any conclusion on the viability of a project.

Bill 6-14, Environmental Sustainability - Office of Sustainability - Established

Based on the bill as written, this new office would record and manage the county's greenhouse gas emissions. We see Montgomery County's position as a leader in sustainability as a driver of economic development. We therefore believe that this effort should include an economic development component as well as clear coordination with the extensive land use and transportation work that happens throughout the county government and with Park and Planning. In addition to producing an annual report, there should be some demonstrable gain to county taxpayers to justify the creation of a new office, which will require additional staffing and new responsibilities.

With regard to the remaining bills that are part of this package, we would encourage Council Members to be mindful of hidden costs and unintended consequences that may arise from the adoption of some of these bills. We hope that the fiscal impact statement will speak to some of these and that the committee work sessions will be constructive and produce useful information.

As mentioned at the outset, we see green as part of a larger economic development strategy for the county. We look forward to working with you to make sure this package is able to realize the stated intention of addressing climate change at the local level to the greatest extent possible.