



Maryland Energy Administration

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

TO: Members, House Economic Matters Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: HB1295 - Public School Construction School District Energy Use
DATE: March 10, 2020

MEA POSITION: Letter of Information

It may be difficult for smaller school districts or for school districts struggling with operational and capital constraints to comply with the requirements of this bill, though it may outline a number of practices consistent with sound energy management principles. These challenges could be compounded if critical state aid for school construction and renovation cannot be approved by the Interagency Commission on School Construction unless a plan is in place. The legislation would also require a study and recommendations for how the net-zero Energy School program could potentially be expanded and funded.

The basic framework of the proposed statute requires a school district to adopt a number of practices related to an energy policy, a mechanism for tracking the school district's overall electricity use intensity, the amount of electricity sourced from renewable sources, and reporting in a standardized template. The legislation also encourages each school district to develop targets for increased renewable energy use and decreased greenhouse gas emissions. Conceptually, each of these elements is a sensible approach to energy management. In fact, some school districts have similar frameworks in place including Montgomery County¹, Howard County, and Anne Arundel County Public Schools². Some other school districts, such as Harford County Public Schools, have energy conservation policies.³

The bill conflates capital expenditures (e.g., new construction and renovation) with operating expenditures (e.g., utility management and maintenance) that may be funded from different sources. This may have unintended consequences where physical improvements to school districts are delayed or deferred while a district and its staff redirect resources to adopt new practices. Adoption and implementation of these practices may be delayed by procurement processes and other factors. Management practices and systems to track energy consumption accurately require capacity, which does not emerge instantly. While many of these efforts can be paid for through the savings achieved, these savings do not accrue instantly.

The non-statutory portion of this bill would require the Interagency Commission on School Construction to coordinate with the Maryland Energy Administration and the Maryland Clean Energy Center to study and make recommendations on how to expand the Maryland Net-Zero Energy School Initiative Grant Program. The Maryland Net-Zero Energy School Initiative Grant Program is an existing MEA program funding the design

¹ [Montgomery County Public Schools FY18 Environmental Sustainability Report](#)

² [Anne Arundel County Public Schools, Better Buildings Challenge Profile](#)

³ [Harford County Public schools Conservation Energy Policy](#)

and construction of three net-zero energy schools. The program, funded solely through the Customer Investment Fund (CIF) ordered by the Maryland Public Service Commission (PSC), has resulted in the net-zero energy construction of Wilde Lake Middle School in Howard County, as well as two other schools in Baltimore City, Graceland Park/O'Donnell Heights Elementary/Middle School and Holabird Elementary/Middle School, that are finishing construction this year. While MEA consulted with the Interagency Commission on School Construction to identify new public schools being planned throughout the State, the Maryland Clean Energy Center has had no role in MEA's existing Net-Zero School program. Additionally, while MEA would be happy to participate in a study of potential ways to expand the Net-Zero School program, MEA would be remiss to not point out that the Strategic Energy Investment Fund (SEIF), the main source for MEA, as well as several other sister state agency, energy programs, is a finite resource.

MEA provides the following list of opportunities contained within this bill:

- Practically, years are required to develop and begin implementing a meaningful energy or sustainability policy to allow time for inclusion and discourse amongst school boards, local governments, energy management experts and residents among others.
- Availability of resources for development of a plan are not included in the bill. School districts with smaller staffing levels and fewer financial resources may be unduly burdened by the legislation.
- Fact finding amongst school districts would be helpful to better understand the practices that are already in place and the requisite level of resources needed to implement energy management practices. MEA is willing and eager to facilitate any such initiative, and has the appropriate subject matter experts to advise or even staff such fact finding.
- MEA can provide additional education on the existing MEA Net-Zero Schools program and state and public utility incentives; such as grants for solar installations on roofs and parking lots, Jane Lawton Energy Efficiency Program loan funds, the newly launched Resilient Maryland Program that offers planning and design funds for clean energy and resiliency features, and EmPOWER Maryland utility programs. These resources may assist school districts in the adoption of more sustainable practices.
- Creating a new template may be counterproductive, as the federal ENERGY STAR program offers a specific tool, "Portfolio Manager", to benchmark energy usage and provide a ENERGY STAR score. This tool is widely used and 88 buildings have received ENERGY STAR labels, scoring over a 75. Many more schools are certainly benchmarked but may not be labeled. Leveraging this federal investment would be more efficient than developing a new template. MEA has a statutory responsibility to provide outreach, and would include federal representatives to help streamline the process.

New practices take time and resources to implement. This bill may not represent the necessary collaborative framework to achieve its goals while ensuring the prerequisite and lasting buy-in amongst school district leadership, facility operators, educators, and others who all contribute to energy performance. MEA asks that you consider this information while evaluating this proposed legislation.