

TO: Members, House Environment & Transportation Committee

FROM: Paul Pinsky Director, MEA

SUBJECT: HB 1134 - Maryland Building Performance Standards – Fossil Fuel Use and Electric–Ready

Standards

DATE: March 8, 2023

MEA Position: FAV

House Bill 1134 would ban the use of fossil fuels for new low- and mid-rise buildings by Oct. 2025, and for high-rise buildings by Oct. 2029. Certain buildings *may* be able to receive a waiver from this requirement, but all buildings will be required to at least meet an electric-ready building standard.

The Maryland Energy Administration (MEA) is supportive of building sector decarbonization and electrification as a tool to assist the State in meeting its greenhouse gas reduction goals. Maryland adopted an intentional and aggressive course for the advancement of all-electric building standards through the <u>Climate Solutions Now Act of 2022</u> (CSNA), and this bill would supplement those efforts.

On April 9, 2022, a bill that included some of the boldest, most concrete steps a state has ever taken to address the many facets of climate change became the law of the land in Maryland. The CSNA set Maryland on a path to achieving new, bold energy and climate goals, with specific frameworks to achieve those goals.

One such provision of CSNA was to develop recommendations for an all-electric building code for the State to align with decarbonization goals including appropriate exemptions for particular industries. HB 1134 would fulfill this commitment, in part, guaranteeing a certain level of electrification for new buildings.

In an effort to ensure that the increased demand for electricity associated with transitioning to a decarbonized building sector would not overwhelm the existing electricity distribution grids serving Maryland, the efforts to develop new building codes in CSNA were coordinated with a study led by the Public Service Commission. This will provide information as to what is needed to ensure the transition to an electrified building sector is effectively managed by utilities and the State.

However, there is one item MEA would raise for the Committee's consideration. The bill allows exceptions for certain buildings, but no exceptions for industrial facilities that may require the use of fossil fuels where there is no viable electronic alternative that can meet thermal demands. The bill may benefit from either a more comprehensive list of parties that may seek an exemption, or a more flexible consideration within the exemption process.

For the forgoing reasons, MEA asks the committee to render a FAVORABLE report.