



American Council for an Energy-Efficient Economy

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February 29, 2024

Education, Energy and the Environment Committee
2 West
Miller Senate Office Building
Annapolis, MD 21401

Environment and Transportation Committee
Room 251
House Office Building
Annapolis, MD 21401

RE: Testimony on SB 1023 and HB 1279, the Better Buildings Act of 2024

Dear Chair Feldman, Chair Korman, Distinguished Members of the Committees,

The American Council for an Energy-Efficient Economy (ACEEE) tremendously appreciates your leadership advancing affordability and growth in Maryland through energy efficiency and clean energy. We respectfully **urge you to lower costs for households and businesses in the necessary transition off fossil fuels by passing SB 1023 and HB 1279**, together the Better Buildings Act of 2024, out of your respective Committees.

ACEEE has deep experience and expertise when it comes to the benefits of energy efficiency in building construction and operation, particularly when considering the investments needed to meet Maryland's goals. Maryland Department of the Environment's Maryland's Climate Pathway report clearly delineates how buildings need to change to reduce climate pollution and avoid the worst impacts of climate disruption: virtually every building needs to use clean electricity efficiently for space and water heating.¹ The most affordable way to achieve those goals is to ensure every building constructed today and going forward is prepared for that future: it is significantly more expensive to retrofit buildings down the road.² **The provisions of the Better Buildings Act will thus lower the costs of that transition for Maryland households and businesses.**

It is unfortunate that the Better Buildings Act is necessary at all. If it wasn't for opposition from homebuilders and fossil fuel interests during the International Energy Conservation Code (IECC) process, Maryland's current building code would already include many of these provisions.³ Misinformation from

¹ [Maryland's Climate Pathway Report](#)

² [Electric Readiness in Residential Energy Code \(energycodes.gov\)](http://energycodes.gov)

³ [2021 Energy Code Progress Challenged: Climate and Affordability Stand to Lose Unless We Speak Up - New Buildings Institute](#)

those entities continues to this day when it comes to the costs of efficient home construction: the actual experience of a home builder in North Carolina was that the increased construction cost of a highly efficient home wired for solar and electric vehicle charging was around \$6,000, far less than figures sometimes claimed by home builder organizations.⁴ Analysis of the latest IECC code found that households experience net positive cash flow – the annual energy savings exceed the slightly increased cost of the downpayment and annual borrowing costs – in just the second year of ownership for similar levels of upfront cost.⁵ Many of the requirements of the Better Buildings Act are also necessary for homes to qualify for DOE’s Zero Energy Ready Homes program, which comes with a \$5,000 tax credit thanks to the Inflation Reduction Act.⁶ **In other words, an innovative builder can find a way to meet these requirements with virtually no upfront cost to the owner, the benefits are all savings to the occupant.**

Those savings are particularly important for low-income households in Maryland, who already face some of the highest energy burdens – the percentage of their income going to energy costs - in the United States. The American Housing Survey estimated that fully a quarter of low-income homeowners in Baltimore may have faced an absolutely shocking energy burden of nearly 50% in recent years.⁷ The Maryland Office of People’s Counsel has found that the price of fuel for households that remain on the gas distribution system will skyrocket in coming years.⁸ **Adding new buildings to that increasingly expensive gas system – especially those buildings that will face barriers to transitioning to clean electricity without the Better Buildings Act – is simply unthinkable.**

Building for an affordable clean energy future for Maryland households and businesses is about as win-win a policy as can be imagined. **The Better Buildings Act will save money and reduce pollution that damages public health and disrupts the climate.** Please pass it expeditiously out of your Committees, through the House and Senate, and to the Governor to be signed into law.

Sincerely,

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⁴ [How home builders are blocking measures to save energy - The Washington Post](#)

⁵ [Federal Register :: Adoption of Energy Efficiency Standards for New Construction of HUD- and USDA-Financed Housing: Preliminary Determination and Solicitation of Comment; Extension of Comment Period](#)

⁶ [Section 45L Tax Credits for Zero Energy Ready Homes | Department of Energy](#)

⁷ [American Housing Survey \(AHS\) \(census.gov\)](#)

⁸ [Gas Rates & Climate Report \(maryland.gov\)](#)