

TO: Chair Korman, Vice Chair Boyce, and Members of the Environment and Transportation

Committee

FROM: MEA

SUBJECT: HB 1279 - Maryland Building Performance Standards - Fossil Fuel Use, Energy

Conservation, and Electric- and Solar-Ready Standards (Better Buildings Act of 2024)

DATE: March 6, 2024

MEA Position: FAVORABLE WITH AMENDMENT

MEA can adopt a favorable position on this bill only if the bill is amended.

This bill would accelerate building decarbonization, requiring the Maryland Department of Labor to require that new buildings and significant improvements of buildings and structures meet all water and space heating demands of the building or structure without the use of fossil fuels as part of the Maryland Building Performance Standards.

The Maryland Energy Administration (MEA) is supportive of efforts to decarbonize the building sector. This bill is consistent with Maryland's climate goals –specifically a 60% reduction in greenhouse gas emissions required by the Climate Solutions Now Act (CSNA)– and consistent with the Building Energy Transition Plan adopted by the Maryland Commission on Climate Change. The Plan relied on an E3 study that uncovered several key findings that informed the Buildings Sub-Group's crafting of policy recommendations, including that all-electric new buildings typically have the lowest construction and operating costs. This is the lowest-cost approach to building decarbonization (significantly lower than retrofits), and is likely necessary to achieve net-zero emissions by 2045 for the residential and commercial buildings sectors.

However, MEA can <u>only</u> be supportive if the bill were amended, and would offer one amendment to improve the bill and lower the administrative burden of its implementation. The portion of the bill dealing with Energy Use Intensity (EUI) would create unnecessary administrative burdens and would largely duplicate the work being conducted by the Department of Environment on Building Energy Performance Standards (BEPS) required by CSNA.

MEA urges the committee to strike the EUI language, and to issue a favorable report as amended.

¹Appendix A - Building Energy Transition Plan - Maryland Commission on Climate Change - November 2021, https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/2021%20Annual%20Report%20Appendices%20 FINAL.pdf

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