

Thursday, February 27, 2025

TO: Brian Feldman, Chair of the Senate Education, Energy, and the Environment Committee, and Committee Members

FROM: Cait Kerr, The Nature Conservancy, State Policy Manager; Michelle Dietz, The Nature Conservancy, Director of Government Relations

POSITION: Support SB 804 Maryland Building Performance Standards - Fossil Fuel Use, Energy Conservation, and Electric- and Solar-Ready Standards (Better Buildings Act of 2025)

The Nature Conservancy (TNC) supports SB 804 offered by Senators Brooks, Benson, and Lewis Young. SB 804 will require new or significantly improved homes and buildings to meet all laundry, water, and space heating demands of the building without using fossil fuels. It also establishes energy conservation requirements and an electric- and solar-ready standard for new or significantly improved buildings that will meet the bill's stated size criteria, with the possibility for a waiver.

This bill is consistent with Maryland's Building Energy Transition Plan developed by the Maryland Commission on Climate Change (MCCC). One of the four core recommendations in this plan is that, "The General Assembly should require the Maryland Building Code Administration to adopt a code that ensures that new buildings meet all water and space heating demand without the use of fossil fuels," and further states that these requirements should include that all new buildings "are ready for solar, electric vehicle charging, and building-grid interaction. This code shall apply to all new residential, commercial, and state-funded buildings beginning as early as possible but no later than 2024." We are already behind on implementing this recommendation and need to take action now to meet our economy-wide emissions reduction commitments. SB 804 also aligns with implementation of the Climate Pollution Reduction Plan. The bill further reflects recommendations from the MCCC's 2024 Annual Plan, including, "The Building Codes Administration should adopt solar-related provisions in the 2024 International Energy Conservation Code," and "New construction – both residential and commercial – codes should be updated to require electrical wiring and panels that are both solar- and EV-ready." Our state has committed to economy-wide emissions reductions and is on a path away from fossil fuels. New and significantly improved construction needs to be sustainable for the future, and electric- and solar-ready construction is better prepared for energy transition.

TNC, as a member of the Mitigation Working Group and the Buildings Sub-Group, provided funding for the Maryland Building Decarbonization Study, which supported the MCCC's Building Energy Transition Plan. This study modeled three potential building decarbonization scenarios and made recommendations for Maryland to achieve deep decarbonization of building end-uses by mid-century, while also analyzing the costs and benefits of each potential pathway. One conclusion from this study was that "All-electric new construction is found to be less expensive considering both equipment and fuel costs than those connecting to gas grid and using fuels for heating." SB 804 also increases emphasis on energy efficiency; reducing electricity demand through efficiency is the most cost-effective way to meet our growing energy needs.

According to the state's Greenhouse Gas Emissions Inventory, buildings sector emissions accounted for approximately 16.6 percent of the state's total greenhouse gas emissions in 2020. This is the third largest

emissions source in our state. The Building Energy Transition Plan is intended to serve as a roadmap for reaching net-zero emissions from residential and commercial buildings by 2045, consistent with the state's commitments under the Climate Solutions Now Act of 2022. SB 804 offers a cost-effective method to put the MCCC's recommendations into action in order to set Maryland on a clear path toward significant buildings sector emissions reductions that aligns with our commitments.

TNC commends Senators Brooks, Benson, and Lewis Young on putting forward this bill, which aims to implement the MCCC's building decarbonization recommendations in order to achieve our climate goals, while also reducing consumers' costs, providing long-term health benefits through reducing air pollution, and promoting construction that is resilient to increasing energy demands.

Therefore, we urge a favorable report on SB 804.