

Committee:	Education, Energy and the Environment
Testimony on:	SB804 - The Better Buildings Act of 2025
Organization:	Maryland Legislative Coalition Climate Justice Wing
Submitting:	Monica O'Connor, Co-Chair
Position:	Favorable
Hearing Date:	February 27, 2025

Dear Chair and Committee Members:

Thank you for allowing our testimony today in support of SB804, The Better Buildings Act of 2025. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, urges you to vote favorably on SB804.

The Better Buildings Act does just what its name implies – it requires most new buildings to be built smart from the start, with better energy conservation and no on-site fossil fuel combustion for space and water heating. It will encourage the use of electric equipment and includes a provision of solar-readiness for buildings under 20 stories tall for future deployment of even more clean energy options.

SB804 implements a simple vision of how we want our public and private buildings to be - less expensive to operate, and much better for the climate crisis we face. It is a common-sense bill that ensures that new construction utilizes highly efficient, cost-effective electric appliances that use less energy, lower utility bills and are less polluting.

Today's heat pumps are <u>three to four times</u> more efficient than fossil fuel heating equipment, and remain two to three times more efficient even in winter weather. According to a report by the Building Decarbonization Coalition (BDC), the average heat pump uses as much as 29% less electricity during periods of peak demand than a central AC unit. The Maryland Energy Administration states, "heat pumps are an essential tool to lowering monthly energy bills and keeping electricity demand low year-round." Across Maryland, <u>98%</u> of households using high-efficiency electric appliances in place of fossil fuel heating equipment can save money on their monthly energy bills. The median low-income household in <u>Maryland would save \$373 per year</u> by replacing a gas furnace with an all-electric heat pump.

According to a <u>report</u> issued by The Maryland Public Service Commission, the grid can handle increased high rates of electrification in buildings, and transportation. The Better Buildings Act only affects new buildings, which is a small subsection of the entire building stock. If the grid can handle economy-wide electrification it can more than handle new building electrification, because it represents a small percent of the total building stock in the state. What's more, SB804 could actually decrease electricity demand through energy efficiency measures in contrast to constructing new buildings without these measures. In addition, larger buildings would have to meet efficiency measures under the building energy performance standards in the future and it makes more sense and is less costly to build smart from the start. Maryland's electricity demand has decreased over the past ten years thanks to energy efficiency investments that the state has made. The Better Buildings Act builds on this success by improving energy efficiency requirements for new buildings. By law, Maryland has just 20 years to reach net zero carbon pollution emissions as mandated in the Climate Solutions Now Act of 2022. Because buildings account for <u>13% of the state's polluting carbon</u> <u>emissions</u>, it is impossible to meet these targets if we continue to utilize fossil fuels for space and water heating. The net effect of passing the Better Buildings Act would be to reduce carbon pollution emissions and substantially lower utility costs for homeowners and renters. This legislation is popular nationwide, with the state of California and New York City being two of the biggest adopters of new building electrification bills. Furthermore, Howard County and Montgomery County have already enacted versions of the Better Buildings Act along with the Maryland Department of Energy giving its endorsement to the legislation.

For these reasons MLC Climate Justice Wing respectfully requests a favorable report on SB804.

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