



Senate Education, Energy, and the Environment Committee

February 13, 2025

Senate Bill 256 – *Environment – Building Energy Performance Standards – Compliance and Reporting*

**POSITION: OPPOSE**

The Maryland Tech Council (MTC), with over 800 members, is the State's largest association of technology companies. Our vision is to propel Maryland to be the country's number one innovation economy for life sciences and technology. MTC brings the State's life sciences and technology communities into a united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of opposition to Senate Bill 256.

MTC appreciates the intent of this Maryland Department of the Environment (MDE) Departmental bill to expand the applicability of the alternative compliance pathway to include paying a fee for energy use attributable to a building's failure to meet energy use intensity targets. However, MTC opposes the bill due to a continuing lack of clarity about the overall Building Energy Performance Standards (BEPS). Under this proposal, it is left to MDE's discretion what the alternative compliance fee will be. Therefore, there is not enough information for businesses affected by this proposal to evaluate the financial impact. Additionally, energy use intensity (EUI) targets are not included in the bill, so we cannot evaluate the feasibility of compliance or payment of the alternative compliance pathway.

MTC continues to be concerned about the feasibility and timelines associated with the BEPS regulations. In particular, our members in the life sciences industry continue to have concerns about the definition of a "manufacturing building" to be eligible for an exemption from the requirements. The regulations define a "manufacturing building" as a "building involved in the process of substantially transforming, or a substantial step in the process of substantially transforming, tangible personal property into a new and different article of tangible personal property by the use of labor or machinery, or otherwise designated as a manufacturing building by the Department." Many of our members in the life sciences industry are involved in the manufacture of life-saving therapies and medications, including research and development for those activities. Some of these processes are energy-intensive and do not have reasonable alternatives. The Maryland General Assembly recognized this when it passed the Climate Solutions Now Act of 2022 (CSNA). That law required that the State "As necessary, include special provisions or exceptions to account for...the unique needs of particular building or occupancy types, including health care facilities, **laboratories**, assisted living and nursing facilities, military buildings, critical infrastructure, and **buildings used in life sciences** as defined in § 3-201 of the Economic Development Article."<sup>1</sup> At a minimum, the MTC would request that the Department designate laboratory research and development activities as manufacturing and, therefore, exempt them as covered buildings. We believe such an exemption is consistent with the General Assembly's intent in the CSNA and urge the Committee to use this bill as an opportunity to provide this necessary clarity.

Thank you for the opportunity to comment on this legislation.

**For more information call:**

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<sup>1</sup> [2022 Regular Session - Senate Bill 528 Chapter \(maryland.gov\)](#)