

February 12, 2025

Maryland General Assembly  
House Environment and Transportation  
Committee  
Delegate Marc Korman, Chair  
Delegate Regina T. Boyce, Vice Chair  
250 Taylor House Building  
Annapolis, MD 21401

Maryland General Assembly  
Senate Education, Energy, and the Environment  
Committee  
Senator Brian J. Feldman, Chair  
Senator Cheryl C. Kagan, Vice Chair  
2 West Miller Senate Office Building  
Annapolis, MD 21401

Re: Support for HB49 and SB256, Building Energy Performance Standards – Compliance and Reporting

Dear Chair Korman, Chair Feldman, Vice Chair Boyce, and Vice Chair Kagan:

Thank you for the opportunity to comment in support of HB49 and companion bill SB256.

With a global team of nearly 100,000 experts, Johnson Controls (JCI) offers the world's largest portfolio of building technology and software as well as service solutions from some of the most trusted names in the industry. By 2030, we have committed to cut our Scope 1 and 2 absolute emissions by 55% and in FY24 have reached a 48% reduction since 2017. Our 2030 Scope 3 target is to reduce product in use emissions by 16% and as of FY24, we reduced emissions 20% since 2017. These ambitious emissions reduction targets have been approved by the Science Based Targets initiative.

JCI supports Maryland's decarbonization goals and recognizes the role that Building Energy Performance Standards (BEPS) will play in achieving them. This legislation strikes the right balance between flexibility and emissions reductions, driving all large buildings across the state to benefit from cost-effective decarbonization measures. This will result in significant operating cost cuts, enhanced resiliency, and improved uptime for building operations, delivering tangible benefits for all Marylanders.

Further, by formalizing the Energy Use Intensity (EUI) metric, the bill not only propels energy efficiency but also continues to encourage beneficial electrification measures, ensuring a comprehensive approach to building decarbonization.

Our extensive experience and commitment to delivering operational savings for our customers resonate with the objectives of Maryland's BEPS. In one recent project, we worked with Cherry Creek, CO schools to bring its portfolio into compliance with Colorado's building performance standards by reducing EUI by 25%, while simultaneously delivering guaranteed operational savings of \$20 million over 20 years, conserving 1.8 billion gallons of water, and improving learning environments for the students. In our own Norman, OK facility, we have made equipment upgrades, deployed digital optimization tools, and installed on-site renewable generation, resulting in a 43% reduction in emissions and nearly \$1 million per year in net positive cash flow through energy and operational savings.

Projects such as these are only successful when their delivered energy savings result in reasonable payback periods and demonstrate how buildings can simultaneously reduce GHG emissions and operational costs. Importantly, these measures lead to significant cost savings for Marylanders both through the reduction of energy usage and by making improvements to electric grid infrastructure more manageable. The implementation of BEPS will further these efforts, providing a robust framework that not

only aligns with our vision of a sustainable future but also ensures substantial long-term savings for building operators and residents alike.

JCI has a significant presence in Maryland, with approximately 500 employees who stand to benefit from continued investment in building energy efficiency improvements and maintenance. Continued focus on BEPS will drive economic development, foster innovation, and ensure that our workforce remains engaged in impactful work that supports the state's ambitious climate goals. The cost-effective upgrades and energy efficiency measures prompted by this legislation will directly translate into lower operating costs, making a tangible difference in the economic well-being of Maryland's communities.

Thank you again for the opportunity to comment in support of HB49 and SB256.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Lessans', followed by a long horizontal flourish.

Mark Lessans  
Sr. Director, Sustainability and Regulatory Affairs