

Testimony: <u>HB0973</u>: Maryland Building Performance Standards – Fossil Fuel Use,

Energy Conservation, and Electric- and Solar-Ready Standards

(Better Buildings Act of 2025)

Hearing Date: March 26, 2025 Bill Sponsor: Delegate Boafo

Committee: Environment and Transportation

Submitting: Ruth White for Howard County Climate Action

Position: Favorable

<u>HoCo Climate Action</u> is a <u>350.org</u> local chapter and a grassroots organization representing approximately 1,400 subscribers. It is also a member of the <u>Climate Justice Wing</u> of the <u>Maryland Legislative Coalition</u>. We enthusiastically **urge you to support HB0973**, The Better Buildings Act, which requires most new buildings and substantial improvements to be built smart from the start, with better energy conservation and no on-site fossil fuel combustion for space and water heating.

HoCo Climate Action has been advocating for building decarbonization since October 2020 and soon after spearheaded a campaign to electrify all new buildings in Howard County. We actively supported the Climate Solutions Now Act of 2022 (CSNA) but were disappointed that it passed with only a study for all-electric new buildings, so we pivoted back to our Electrify HoCo campaign. In March 2023, the County Council passed the Clean New Buildings Climate Act (CB5-2023), requiring the County Executive to submit a report on changes needed to the county building code to ensure that future homes and buildings in Howard County rely on all-electric appliances, as well as several related policy items. This bill put the county on the pathway to all-electric new buildings. In November 2022, the Montgomery Council also voted to require new all-electric building standards.

Like most Marylanders, we want to see action on protecting our climate and health. Furnaces and water heaters fired with fossil fuel cause 16% of Maryland's greenhouse gases. Every new building that installs fossil fuel appliances adds to air pollution and climate change when the state is simultaneously devoting substantial funding on efforts to reverse these trends. CSNA commits us to a 60% GHG reduction by 2031 and net zero by 2045. The year 2031 is a mere 6 years away, and 2045 is in 20 years. New appliances typically last 15 years and more. It is counterintuitive to continue to permit buildings that make efforts to achieve our climate goals more difficult to achieve.

The urgent need to transition away from burning fossil fuels in buildings was outlined in several official Maryland reports finalized in December 2023:

• The climate crisis is upon us. Within just five years, global temperatures could breach the critical 1.5°C threshold, triggering catastrophic and irreversible consequences. This long-feared catastrophe is imminent - the time for meaningful climate action is now (Maryland Commission on Climate Change 2023 Annual Report p.3)

- We are motivated by our shared vision of a future where every building is fossil-fuel free. In this vision, residents can spend more of their hard-earned paychecks doing what they love, and businesses can reinvest in their products and services, rather than in energy bills.
 (Building Energy Transition Implementation Task Force report p. 4)
- To meet the statewide climate goals, a large portion of the statewide building stock will need to be updated. (Building Energy Transition Implementation Task Force report p.9)
- ...given the scale of Maryland's GHG reduction goals, efficiency is a necessary but insufficient building decarbonization solution, as buildings will also need to stop burning fossil fuels like gas and oil onsite by switching to electric equipment to meet the same needs (Building Energy Transition Implementation Task Force report p.10)
- The transition to a clean energy economy requires millions of fuel-burning devices to be replaced with efficient, zero-emission alternatives. (Maryland Climate Reduction Plan p. 12)
- Billions of dollars in investments from the Inflation Reduction Act and other sources are already converging with current federal and state policies to transition to zero-emission vehicles, buildings, electricity sources, and more. New policies and investments will quicken the pace of decarbonization. (Maryland Climate Reduction Plan p. 15)
- <u>Maryland's 2030 GGRA Plan</u> called for the state to accelerate the transition of fossil fuel heating equipment in buildings to efficient electric equipment that can be powered by clean electricity. (<u>Maryland Climate Reduction Plan</u> p.35)
- Maryland is among several states moving to adopt zero-emission appliance/heating equipment standards...Modern heat pumps are more than capable of meeting 100% of the heating demand of Maryland buildings, as evidenced by the fact that heat pumps are already commonly used in buildings statewide.
 (Maryland Climate Reduction Plan p. 39)

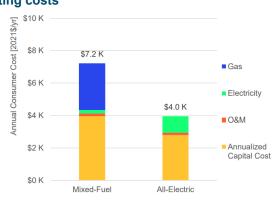
Continuing to construct fossil-fueled buildings that will need costly retrofits within a decade or so poses an unnecessary burden on the state and residents. We will end up in an endless game of Whac-A-Mole if we insist on building 20th century buildings that need to be quickly retrofitted for the 21st century and beyond. With the Better Buildings Act, we can avoid this costly transition work by building smart from the start. Additionally, those new buildings that will eventually be covered under Building Energy Performance Standards (BEPS) regulations will be at an advantage if they begin as efficient electric buildings.

In most if not all new buildings, the cost of all-electric construction is cheaper, as are the costs to operate electric appliances. While electricity rates are expected to rise, "natural" gas rates <u>are expected to skyrocket</u>. Today, it costs the average resident \$200 a year to just be connected to gas and that doesn't include the gas usage costs. This charge is <u>expected to rise exponentially as more customers transition off gas</u> leaving fewer customers to foot the bill for maintaining the gas infrastructure.



All-electric design is expected to be the less expensive option

 All-electric new construction is cheaper than mixed-fuel new construction for single-family residential homes across all decarbonization scenarios due to both lower capital (with avoided gas connection) and operating costs



From <u>Maryland Building Decarbonization Study</u> page 65 (this was an report for <u>Appendix A, Building Transition Plan</u> for the <u>2021 Maryland Commission on Climate Change Report</u>)

NOTE: O&M is operation and maintenance. Click to enlarge.

On Dec. 29, 2023, the Public Service Commission published the report, <u>An Assessment of Electrification Impacts on the Maryland Electric Grid</u>, an electrification study required by the CSNA. This study demonstrates that the Maryland distribution grid is well positioned to manage the transition to electrification even during peak summer demand. So, unless we totally halt construction of all new buildings or build them without air conditioning, new buildings with energy efficiency requirements will actually reduce the electricity demand, compared with traditional new buildings.

The Better Buildings Act ensures we are moving in the right direction, preventing new sources of climate pollution while we work to undo the harms from old ways of planning and building. If we don't pass this legislation, buildings that install fossil fuel heat and hot water appliances in the next few years will still be emitting greenhouse gases long after the state is required to achieve net zero emissions.

We urge a favorable report for HB0973.

Howard County Climate Action
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