



House Bill 212

Date: February 26, 2025

Committee: House Environment and Transportation

Position: Unfavorable

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

House Bill 212 requires Maryland's Department of Labor to adopt new requirements, as a part of the Maryland Building Performance Standards, that new buildings meet all energy demands without the use of fossil fuels and requires an electric-ready standard for certain buildings that qualify for a waiver allowing the use of fossil fuels. The adoption of these new standards would be required on or before January 1, 2026.

This legislation creates significant challenges for existing businesses and future economic development in Maryland. House Bill 212 would severely restrict the availability of affordable energy options for all new buildings in the state. This legislation also places Maryland at a significant regional economic competitiveness disadvantage by ultimately phasing out the use of other affordable energy sources for commercial buildings that are critical to every jurisdiction in our state.

Electrifying buildings alone does not ensure decarbonization due to the use of fossil fuels for electricity generation. Mandating building electrification may shift emissions from individual buildings to centralized power plants. There remains uncertainties about fully abandoning natural gas for widespread electrification and whether the grid can handle increased demand. The U.S. Department of Energy's 2023 Transmission Needs Study highlights the need for substantial transmission capacity increases, which can take over a decade to implement. Additionally, the legislation restricts the use of innovative technologies like renewable natural gas and hydrogen, which could offer cost-effective and environmentally friendly alternatives.

Lastly, HB 212 brings forward legal concerns. In April of 2023, the U.S. Court of Appeals for the Ninth Circuit held that the Energy Policy and Conservation Act (EPCA) preempts state and local building codes concerning the energy use of natural gas appliances, including Berkeley's building code which prohibits natural gas piping into new buildings, preventing the use of natural gas. In

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January 2024, the Ninth Circuit denied Berkeley's request for review and the panel's decision, which struck down Berkeley's ordinance, was reaffirmed.

While the Chamber has been supportive of efforts to responsibly reduce emissions, House Bill 212 sets for an unrealistic implementation timeline that would drastically change the permitting process for future construction in the state. A sole source energy policy poses risks, high costs and challenges. A balance should be struck between reducing emissions, promoting technological innovation, and ensuring affordability, accessibility and choice for consumers.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report** on **HB 212**.

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