

HOUSE BILL 1415

M3, M5

5lr3127

By: **Delegates Wivell, Adams, Arentz, Baker, Buckel, Hornberger, Mangione,
Miller, Pippy, Reilly, and Valentine**

Introduced and read first time: February 7, 2025

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Building Energy Performance Standards and Energy Use**
3 **Intensity Targets – Exemptions**

4 FOR the purpose of exempting a certain covered building from compliance with certain
5 building energy performance standards and energy use intensity targets until a
6 certain occurrence; and generally relating to building energy performance standards
7 and energy use intensity targets.

8 BY repealing and reenacting, without amendments,

9 Article – Environment

10 Section 2–1601

11 Annotated Code of Maryland

12 (2013 Replacement Volume and 2024 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Environment

15 Section 2–1602

16 Annotated Code of Maryland

17 (2013 Replacement Volume and 2024 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Environment**

21 2–1601.

22 (a) In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) “Agricultural building” means a structure that is used primarily to
2 cultivate, manufacture, process, or produce agricultural crops, raw materials, products, or
3 commodities.

4 (2) “Agricultural building” includes a greenhouse.

5 (c) “Building” has the meaning stated in the International Building Code.

6 (d) “Commercial building” means a building that is subject to the commercial
7 provisions of the International Energy Conservation Code.

8 (e) (1) “Covered building” means a building that:

9 (i) 1. Is a commercial or multifamily residential building in the
10 State; or

11 2. Is owned by the State; and

12 (ii) Has a gross floor area of 35,000 square feet or more, excluding
13 the parking garage area.

14 (2) “Covered building” does not include:

15 (i) A building designated as a historic property under federal, State,
16 or local law;

17 (ii) A public or nonpublic elementary or secondary school building;

18 (iii) A manufacturing building; or

19 (iv) An agricultural building.

20 (f) “Direct greenhouse gas emissions” means greenhouse gas emissions produced
21 on-site by covered buildings.

22 (g) “District energy” means thermal energy generated at one or more central
23 facilities that produce hot water, steam, or chilled water that then flows through a network
24 of insulated underground pipes to provide hot water, space heating, air conditioning, or
25 chilled water to nearby buildings.

26 2–1602.

27 (a) **[The] SUBJECT TO SUBSECTION (F) OF THIS SECTION, THE** Department
28 shall develop building energy performance standards for covered buildings that achieve:

1 (1) A 20% reduction in net direct greenhouse gas emissions on or before
2 January 1, 2030, as compared with 2025 levels for average buildings of similar construction;
3 and

4 (2) Net-zero direct greenhouse gas emissions on or before January 1, 2040.

5 (b) To facilitate the development of building energy performance standards under
6 this section, the Department shall require the owners of covered buildings to measure and
7 report direct emissions data to the Department annually beginning in 2025.

8 (c) (1) On or before June 1, 2023, the Department shall adopt regulations to
9 implement this section.

10 (2) Regulations adopted under this section shall:

11 (i) Subject to items (ii) and (iii) of this paragraph **AND SUBSECTION**
12 **(F) OF THIS SECTION**, include energy use intensity targets by building type;

13 (ii) As necessary, include special provisions or exceptions to account
14 for:

15 1. Building age;

16 2. Regional differences;

17 3. The unique needs of particular building or occupancy
18 types, including health care facilities, laboratories, assisted living and nursing facilities,
19 military buildings, critical infrastructure, and buildings used in life sciences as defined in
20 § 3-201 of the Economic Development Article; and

21 4. The use of district energy systems and biofuels by covered
22 buildings;

23 (iii) Consider the needs of the owners of covered buildings who:

24 1. Are not responsible for the design, modification, fixtures,
25 or equipment of commercial tenants;

26 2. Do not have access to or control over building energy
27 systems that are used or controlled by commercial tenants; or

28 3. Own buildings occupied by commercial tenants who are
29 responsible for all maintenance of and repairs to the buildings;

30 (iv) Provide maximum flexibility to the owners of covered buildings
31 to comply with building energy performance standards;

1 (v) Subject to paragraph (3) of this subsection, include an alternative
2 compliance pathway allowing the owner of a covered building to pay a fee for greenhouse
3 gas emissions attributable to the building's failure to meet direct greenhouse gas emissions
4 reduction targets; and

5 (vi) To the extent authorized by law, include financial incentives
6 recommended by the Building Energy Transition Implementation Task Force.

7 (3) The Department may not set an alternative compliance fee that is less
8 than the social cost of greenhouse gases adopted by the Department or the U.S.
9 Environmental Protection Agency.

10 (d) Electric companies and gas companies shall provide energy data, including
11 whole-building and aggregate data, to the owners of covered buildings for benchmarking
12 purposes.

13 (e) In calculating the statewide standards developed by the Department under
14 this section, an owner of a covered building may not consider greenhouse gas emissions or
15 energy use by a commercial tenant of the covered building that:

16 (1) Is a food service facility as defined in COMAR 10.15.03.02; and

17 (2) Engages in commercial cooking and water heating.

18 **(F) THE DEPARTMENT MAY NOT REQUIRE A COVERED BUILDING THAT**
19 **RECEIVED A USE AND OCCUPANCY PERMIT BEFORE JUNE 1, 2022, TO COMPLY WITH**
20 **BUILDING ENERGY PERFORMANCE STANDARDS DEVELOPED UNDER OR ENERGY USE**
21 **INTENSITY TARGETS ADOPTED IN ACCORDANCE WITH THIS SECTION UNTIL IT**
22 **BECOMES NECESSARY TO REPLACE LIGHTING SYSTEMS, HEATING, VENTILATING,**
23 **AND AIR CONDITIONING (HVAC) SYSTEMS, OR OTHER MAJOR COMPONENTS OF THE**
24 **COVERED BUILDING DUE TO THE FAILURE OF THOSE COMPONENTS OR AS A RESULT**
25 **OF THE END OF LIFE OF THOSE COMPONENTS.**

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2025.