



7338 Baltimore Ave  
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**Committee:** Environment and Transportation  
**Testimony on:** HB1490 - “Building Energy Performance Standards and Greenhouse Gas Emissions Reduction Targets (Clean Buildings Jobs Act of 2020)”  
**Position on:** Support with Amendments  
**Hearing Date:** March 4, 2020

The Maryland Sierra Club urges a favorable report on HB1490 with amendments. This bill would establish important policies for significantly reducing greenhouse gas (GHG) emissions from commercial, industrial and residential buildings in Maryland. This would be achieved by the Maryland Department of the Environment (MDE) establishing five-year GHG targets for each of various types of buildings, which in turn would be derived from annual GHG emission reports submitted by building owners.

Driving down the energy demand from the buildings in which we live and work is essential to meeting our climate goals. Nationally, buildings contribute about 40% of GHG emissions and up to 80% in cities, when their electricity and gas usage are factored in.<sup>1</sup> Similarly, in Montgomery County and using a similar metric, more than one-half of community-wide county emissions derive from buildings.<sup>2</sup> Maryland’s GHG inventory only counts GHG emissions from buildings where the emissions originate from the buildings themselves (e.g., not from the electricity they use); that said, even with this more limited definition, buildings are the third largest GHG emitter in Maryland, contributing almost 20% of the state’s emissions.<sup>3</sup> We need to make energy efficiency and reliance on clean energy in buildings a priority in our plans to build a fair and sustainable economy.

Energy in buildings is consumed for heating, cooling, lighting, and operating appliances and other equipment. But, “[i]nadequate building operations leads to preventable excess energy consumption along with failure to maintain acceptable occupant comfort.”<sup>4</sup> This excess consumption is far from trivial and it is preventable right now.<sup>4</sup> “Both U.S. residential and commercial buildings could decrease their energy consumption by half just by using commercially available energy efficient technologies.”<sup>5</sup>

The value of mandating GHG emission targets for existing buildings is being recognized across the country. Washington, DC adopted legislation in 2018 to require building energy performance standards for existing buildings to help meet its aggressive carbon reduction goals of reducing GHGs by 50% by 2032. New York City also enacted legislation in 2019 to set emission caps for many types of buildings. Last year Washington State also passed a “Clean Buildings bill” mandating energy performance standards for commercial buildings, and other states and cities are reviewing similar legislation.

Maryland should join these jurisdictions in recognizing that energy performance standards are essential to achieving needed GHG reductions. Moreover, such legislation has a host of related benefits: major utility

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<sup>1</sup> <https://newbuildings.org/aiming-for-zero-energy-in-existing-buildings>.

<sup>2</sup> [https://www.montgomerycountymd.gov/DEP/Resources/Files/downloads/outreach/air/Montgomery-County-MD\\_Community-Wide-3Greenhouse-Gas-Inventory-Summary-Factsheet.pdf](https://www.montgomerycountymd.gov/DEP/Resources/Files/downloads/outreach/air/Montgomery-County-MD_Community-Wide-3Greenhouse-Gas-Inventory-Summary-Factsheet.pdf)

<sup>3</sup> State of Maryland 2017 Greenhouse Gas Emission Inventory Documentation, at 3, *available at* <https://mde.maryland.gov/programs/Air/ClimateChange/Documents/2019GGRAPlan/Appendices/Appendix%20D%20-%202017%20Greenhouse%20Gas%20Emission%20Inventory%20Documentation.pdf>.

<sup>4</sup> [https://www.pnnl.gov/main/publications/external/technical\\_reports/PNNL-25985.pdf](https://www.pnnl.gov/main/publications/external/technical_reports/PNNL-25985.pdf), p.iii.

<sup>5</sup> [http://www.globalchange.umd.edu/data/topten/TopTen\\_Best\\_Available\\_Technologies\\_in\\_the\\_US\\_full%20reportl.pdf](http://www.globalchange.umd.edu/data/topten/TopTen_Best_Available_Technologies_in_the_US_full%20reportl.pdf).

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bill savings (and thus lower operating costs); a reduced burden on the electricity grid (resulting in strengthened energy resilience); creation of new jobs; and improved public health.

We also urge that the bill be amended for clarity and to help strengthen it, as follows:

- Section 2-1603(A) requires MDE to establish building “baselines of the current average median” GHG emissions. The reference to both “average” and “median” is confusing; it is our understanding that “median” is what is intended.
- Section 2-1603(A) requires that emissions baselines be established “for different categories of building, including commercial, industrial, and residential,” and that reductions targets and energy performance standards be established “for different sizes and categories of building.” We agree that different sizes and types of buildings have different energy profiles. It would appear that the best way to account for this is to require that MDE utilize the concept of GHG emissions intensity, i.e., the GHG emissions per square foot of gross building floor area (or something similar to that). In this way, similarly situated buildings will be treated similarly, regardless of their size. (This section also should be clarified to explicitly state that the baselines, targets, and standards will apply just to “covered buildings,” which is the evident intent of the bill.)
- Section 2-1603(B) identifies the overall reduction in GHG emissions from “covered buildings” which Maryland is to achieve by 2030, using the 40% by 2030 goal (2006 baseline) set forth in the state’s Greenhouse Gas Reduction Act (GGRA); the section further calls for an 80% reduction by 2050. However, legislation introduced this session (HB1425/SB926) – which the Sierra Club supports with amendments – would update the GGRA 2030 target to 60% to reflect recent analyses by the International Panel on Climate Change, and would further require that the state achieve net-zero statewide emissions by 2045. This bill should use the same targets.
- Section 2-1603(C) specifies that 25% or less of the GHG emission reductions be achieved “through the purchase of renewable energy credits or other off-site measures.” We recommend that the option of off-site renewable energy credits be limited to new projects or green e-certified credits, so as to help ensure that RECs reflect new clean renewable energy.
- Section 2-1603(C) should explicitly refer to and encourage the full electrification of buildings as a method to achieve the reductions, not simply “fuel switching.” Gas use in buildings is nearly 20% of the state’s greenhouse gas emissions and gas in homes, particularly stoves, is a critical public health issue. If Maryland is to decarbonize the building sector, which is necessary to meet climate action targets, it would need to move approximately 40,000 homes from gas to electric per year. Further incentivizing a fossil fuel-to electric switch is critical to addressing climate change and this legislation should reflect that. The section should read: “AT LEAST 75% OF GREENHOUSE GAS EMISSIONS REDUCTIONS REQUIRED UNDER THIS SECTION BE ACHIEVED THROUGH ENERGY EFFICIENCY MEASURES, ~~ON-SITE FUEL SWITCHING~~ ALL ELECTRIC HEATING AND COOKING RETROFITS, AND BUILDING TECHNOLOGIES.”
- Section 2-1605 restructures the Maryland Strategic Energy Investment Fund (SEIF). The Sierra Club believes that the first priority of any restructuring of the SEIF should be to establish accounts and programs to support workers and communities facing the transition away from fossil fuels, specifically with a managed and state-facilitated transition off of coal-fired power plants. The decline of coal-fired power is undeniable and the state must establish a specific, time-bound transition off of

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its remaining six coal power plants while providing better support structures for the impacted communities. Should this legislation, or any others, restructure the SEIF, we believe it should be in context of supporting workers and communities in the transition off coal.

- Section 2-1606(A)(2) prescribes a penalty of \$500 per violation, after the first violation, for violations other than a failure to comply with applicable energy performance standards. Thus, it appears that this penalty would apply to building owners who violate the requirement to monitor and report their buildings' GHG emissions. But since this monitoring would serve as the benchmark for determining compliance with the energy performance standards, any monitoring violation seemingly could defeat the implementation of emissions reductions program. In this light, we are concerned as to whether the penalty amount is sufficient.
- Lastly, we urge that the bill explicitly authorize local jurisdictions to enact legislation establishing stricter building energy performance standards than will be established under this bill (i.e., explicitly state that the law would not preempt local standards).

For these reasons, we urge a favorable report, with the amendments described above.

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