

WRITTEN TESTIMONY

Building Standards and Emissions Reductions – High Performance, State, and Local Government Buildings, State Operations, and Eligible Projects (HB 806)

To the Appropriations Committee, Maryland General Assembly

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Favorable with Amendments

Dear Chairwoman Maggie McIntosh, Vice Chair Mark S. Chang and distinguished Members of the House Appropriations Committee,

Thank you for the opportunity to present our written testimony on the embodied carbon provisions in House Bill 806: High Performance, State and Local Government Buildings, State Operations and Eligible Projects, currently under consideration in the Maryland General Assembly

ACEEE is a nonprofit research organization located in Washington, D.C., that works at the intersection of research, policy and markets, and is the leading U.S. center of expertise on energy efficiency. We provide independent analyses, collaborate with businesses, governments, academia and philanthropy, as well as public interest, health and environmental justice groups to scale the solutions needed to combat climate change. Currently, we are engaged in several initiatives with federal, state and local policymakers, manufacturers of cement, steel, wood, and insulation and buildings sector professionals to reduce embodied carbon in building materials and are committed to halving US Energy use and emission by 2050 while bolstering economic growth and equity.

Our testimony focuses on the following elements of HB806:

1. Buy Clean Maryland Act – General Comments

We support and encourage setting and using global warming potential (GWP) limits as outlined in Section 2, Provision 4-903 in addition to requiring environmental product declarations (EPDs) Type III as outlined in 4-904. Such an approach is consistent with recommended components for a robust buy clean policy as described by the Carbon Leadership Forum.¹

2. Remove Waiver for Projects with Only One Source

We do not support provision 4-904 (E)(4) (p.6, line 16) that would allow a waiver if requiring eligible materials would result in only one source or manufacturer being able to provide the necessary materials. We are concerned that this provision may discourage procurement and project teams from additional efforts to solicit eligible materials from multiple sources or manufacturers. If such efforts result in technical difficulty, significant cost increase, or project delay, one of the other three conditions would apply. Therefore, a fourth condition that uses “sole source” to obtain a waiver is unnecessary and unhelpful.

3. Add Provisions to Provide Implementation Support

To support compliance with the Buy Clean provisions we recommend including provisions that outline support for manufacturers and/or companies who comply with the policy. According to Carbon Leadership Forum guidelines for developing robust Buy Clean procurement policies, financial incentives, bid incentives, and support structures are important for successful implementation of these policies.² The financial and education support will not only facilitate the implementation of the buy clean policy for public buildings in Maryland, but will also help local companies gain new skills and grow their competitive edge to win and deliver similar low-carbon projects to others (private-sector and federal sector) in the region.

¹ <https://carbonleadershipforum.org/steps-to-develop-a-buy-clean-policy/>

² <https://carbonleadershipforum.org/steps-to-develop-a-buy-clean-policy/>

4. Build Market Demand and Supply in the Region

We support passage of HB806 as it will help build market demand and supply in the region, especially given similar efforts in nearby Northeastern states including New York, New Jersey, and Connecticut. The recent Executive Order 14057 for a Federal Buy Clean Program signed by President Biden in December 2021³ is also likely to have significant impacts on the construction sector (including manufacturers, vendors, architects and engineers, developers and contractors) in the D.C.-Maryland-Virginia region. A 2020 assessment by Climate Works noted that Buy Clean requirements will not add significantly to the cost of public works because material costs are not a major driver of project costs.⁴ Furthermore, experience from energy efficiency codes and standards has proven that increased demand for high-efficiency products and services results in changes in stocking behavior which subsequently lowers prices. This can in large part be explained by a shift from special order to in-stock for these products. We anticipate a similar trajectory in the low-carbon construction materials market. For these reasons, we urge you to adopt our proposed amendments and vote favorably with amendments for HB806.

³ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/12/08/fact-sheet-president-biden-signs-executive-order-catalyzing-americas-clean-energy-economy-through-federal-sustainability/>

⁴ <https://www.climateworks.org/blog/whats-at-stake-with-buy-clean/>