



Committee: Appropriations

Testimony on: HB806 - Building Standards & Reductions -High Performance, State & Local Government Buildings, State Operations, Eligible Projects

Organization: MLC Climate Justice Wing

Submitting: Diana Younts, co-chair

Position: Favorable with Amendments

Hearing Date: March 1, 2022

Dear M. Chair and Committee Members,

Thank you for allowing our testimony today in support of HB806. MLC's Climate Justice Wing is a statewide coalition of over 50 grassroots and grassstops organizations. We support this legislation, with some important tweaks and amendment proposals.

The Maryland Commission on Climate Change (MCCC), in its 2021 report, recommends that the building sector reduce their greenhouse gas emissions 100%. Buildings are 40% of Maryland's greenhouse gas emissions, of which 13% are direct emissions, primarily from gas to fuel space and water heating systems. Buildings also consume 90% of the electricity generated.

The MCCC also recommended a pathway to achieve those emission reductions. HB806, as currently written, follows a more modest path forward than recommended by the MCCC¹:

- **Building Emission Standards:** For **existing** state and local government buildings greater than 25,000 square feet with at least 50% funding from the State (excluding schools), HB806 sets **Building Emission Standards** that require that they reduce their direct emissions (*i.e.*, the emissions from gas boilers) 100% by 2035, with an interim target of 20% reduction by 2030. It also requires buildings to begin reporting their energy use in 2025 (*i.e.*, benchmarking); and
- **All Electric New Construction Code:** For **new** state and local government buildings with at least 50% funding from the state (excluding schools), HB806 requires that they be constructed to an all electric code for water and space heating and to implement the International Green Construction Code.
- **Interagency Climate Plan:** HB806 requires that an **Interagency Climate Plan** be developed to address direct and indirect emissions by 2025. "Indirect" emissions are the emissions produced by Buildings' outsize draw on the grid, which is not clean. Buildings, for instance, could reduce their indirect emissions by establishing energy efficiency targets that would modify buildings' energy use.

What are Greenhouse Gases and What does "Direct" Greenhouse Gas Emissions Mean? Greenhouse gases are the gases that create global warming. They include carbon dioxide and methane. Methane is 86 times more potent than carbon dioxide. Methane is the primary component of natural gas. *Direct* greenhouse gas emissions

¹ A companion bill, HB831 being heard in the Environment & Transportation Committee addresses emissions from commercial and residential buildings.

are those emissions produced by a buildings' gas-fired boilers (and boilers fired by other fossil fuels) and to a lesser extent, gases produced by stoves.

What are Building Emission Standards? Building Emission Standards are a critical tool that provides a flexible pathway for building owners to eliminate greenhouse gas pollution from existing buildings by setting **greenhouse gas reduction targets**. The Performance Standards should also set a pathway for energy use reduction (as suggested in the following amendments).

The MCCC also projected that as more of the building sector electrifies, natural gas rates will increase 2-5 times current rates by 2045, making it all the more important to transition off of gas soon. If we do not transition, state and local governments **AND SCHOOLS** will be faced with drastically increased operating costs as fixed utility costs will be spread to fewer and fewer ratepayers. Compounding this situation, is that the 3 Maryland Gas utilities have projected that rate surcharges will rise from \$150 million annually to \$450 million annually to cover the cost of a separate program (the STRIDE Program). See Attached information sheet prepared by the Office of People's Counsel.

Necessary Amendments:

Schools: At a minimum, HB806 should conform to SB528 (The Climate Solutions Now Act) that includes schools in the all electric construction and IgCC building codes and creates a funded Pilot Project for Net-Zero schools. Because it has been demonstrated that Net-Zero and Net-Zero ready schools are comparable in cost to build as conventional schools, this Committee should strengthen the school provisions and require that all new schools be net-zero or net-zero ready. SB528 (proposed by Senate Chair Pinsky), HB1290 (proposed by Chair MacIntosh), HB365 (proposed by Delegate Korman, and HB1165 (proposed by Delegate Forbes) all have stronger provisions for schools than does HB806, which in fact weakens the existing building standards for schools from current building requirements. See also, [Maryland Matters: Net-Zero Schools](#)

Energy Efficiency: It is equally critical to increase the energy efficiency of our buildings by setting energy use intensity targets. One key reason buildings constitute 40% of Maryland's greenhouse gas emissions is because of their outside draw on the grid, which is not yet clean. As we transition to a fossil free economy, we need to reduce the buildings sector's draw on the grid in order to maintain the integrity of the grid. We therefore ask that HB806 require an energy use intensity reduction pathway.

Benchmarking: The beginning date for benchmarking buildings should begin in 2023. Not only is it an easy requirement to implement, but the data from benchmarking is foundational to the success of building emissions standards.

All-Electric New Construction: Should be a requirement for all buildings, to conform with SB528, Climate Solutions Now.

Climate Catalytic Capital Fund (C3 Fund): SB528 gives additional funding to the MCEC (Maryland's Green Bank) to create a special fund to achieve the objectives of the Senate and House Climate bills, including creating a green bonds program. Green Banks leverage public monies with private funds. For every \$1 of public investment, the C3 fund would generate \$4 to \$10 of private capital and could give public buildings greater access to capital.

Authority to Enact Local More Stringent Standards: The bill should be clarified that it does not affect the authority of a county, municipality, or other local government to enact building emissions or energy standards that are at least as stringent as the standards established in the bill.

For these reasons, we urge you to adopt our proposed amendments and vote favorably for HB806.

MLC Climate Justice Wing:

Assateague Coastal Trust
Maryland Legislative Coalition
MD Campaign for Environmental Human Rights
Chesapeake Climate Action Network
WISE
Frack Free Frostburg
Mountain Maryland Movement

Howard County Indivisible
Howard County Sierra Club
Columbia Association Climate change and sustainability advisory committee
HoCo Climate Action
CHEER
Climate XChange - Maryland
Mid-Atlantic Field Representative/
National Parks Conservation Association
350 Montgomery County
Glen Echo Heights Mobilization
The Climate Mobilization Montgomery County
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Takoma Park Mobilization Environment Committee
Audubon Naturalist Society
Cedar Lane Unitarian Universalist Church
Environmental Justice Ministry
Coalition For Smarter Growth
DoTheMostGood Montgomery County
MCPS Clean Energy Campaign
MoCo DCC
Potomac Conservancy

Casa de Maryland
Nuclear Information & Resource Service
Clean Air Prince Georges
Laurel Resist
Greenbelt Climate Action Network
Maryland League of Conservation Voters
Unitarian Universalist Legislative Ministry of Maryland
Concerned Citizens Against Industrial Cafos
Wicomico NAACP
Chesapeake Physicians for Social Responsibility
Chispa MD
Climate Law & Policy Project
Maryland Poor Peoples Campaign
Labor for Sustainability
The Nature Conservancy
Clean Air Prince Georges
350 Baltimore
Maryland Environmental Health Network
Climate Stewards of Greater Annapolis
Talbot Rising
Adat Shalom Climate Action
Chesapeake Earth Holders
Climate Parents of Prince Georges
Echotopia
Maryland NAACP State Conference, Environmental Justice Committee