



Environment Committee

Committee: Appropriations

Testimony: HB806 – Building Standards and Emissions Reductions– High Performance, State, and Local Government Buildings, State Operations, and Eligible Projects

Organization: Takoma Park Mobilization Environment Committee

Submitting: Laurie McGilvray, Co-Chair

Position: Favorable With Amendments

Hearing Date: March 1, 2022

Dear Chair and Committee Members:

We are pleased to submit testimony **favorable with amendments** for HB806 – Building Standards and Emissions Reductions– High Performance, State, and Local Government Buildings, State Operations, and Eligible Projects. The Takoma Park Mobilization Environment Committee is a grassroots organization focused on State and County level climate action. We strongly urge you to vote favorably on HB806 and to include the suggested amendments described later in the testimony.

HB806 includes a number of requirements for state and local buildings, as follows:

- change the definition of “high performance building” to include schools and public safety buildings and require them to meet high performance building standards;
- require State and local government buildings >25,000 sq. ft. to be in compliance with an all–electric construction code and building emissions standard for space and water heating and require them to achieve a 50% reduction in greenhouse gas direct emissions by 2030 and be net–zero by 2040 (*i.e., consuming only as much energy as is produced*);
- require the Department of General Services (Department) to establish a procurement preference for construction materials that meet “global warming potential” standards for concrete, steel, glass, and structural wood, for state buildings and local government buildings for which at least 50% of the construction costs are provided by the state (excluding maintenance of a capital project; a road or highway project; or public school capital project); and require state agencies to procure materials that meet or are lower than the maximum acceptable global warming potential;
- require the Department to report annually starting January 1, 2023 on the status of greenhouse gas emissions for all state operations, including the University System of Maryland, and to develop by January 1, 2025 an Interagency Climate Action Plan for achieving net-zero direct and indirect emissions from all state operations, including the University System of Maryland.

Public Buildings Must Lead the Way

Buildings emit 40% of Maryland’s greenhouse gases (13% of which are direct emissions from the combustion of gas, oil, and propane) and account for 90% of Maryland’s electricity use. Construction materials also contribute to greenhouse gas emissions. In fact, cement production alone generates approximately 7% of annual global emissions and as much as 39% of all concrete in North America

is purchased by public agencies. If Maryland expects private buildings to reduce emissions, it must hold public buildings to a higher standard - to set an example and show the feasibility and cost effectiveness of building efficient, climate-friendly buildings.

Recommended Amendments to Strengthen HB806

The following recommended amendments are intended to raise the standard, apply it to more buildings, and tighten up the excellent Buy Clean Maryland provisions.

1. Modify the Definition of High-Performance Buildings and Where it Applies

The current definition exempts schools and they should be included. Experience in Maryland has shown that the gold standard of net-zero schools can be constructed at a cost equal to or lower than conventional schools. New schools should not have a lower standard than other public buildings. We recommend that the bill redefine the high-performance building standards to apply to buildings constructed with at least 25% of state or local government funds and define high-performance buildings as requiring a LEED Silver certification (not just equivalency).

2. High Performance Buildings Should Acquire Energy from Renewable Sources

If a public building meets the high-performance building standard, it should not only be constructed and certified to a LEED Silver standard, but also ensure it is using renewable energy. We recommend adding a requirement for high performance buildings to acquire energy from renewable sources (i.e., solar, wind, hydro, geothermal).

3. All-Electric New Construction Code for Schools

HB831 included an all-electric construction code that is referenced in HB806; however, schools were exempted from this requirement. New schools should not be exempted from the all-electric requirement. This is particularly important looking to the future and the dramatic two-to-five fold increase predicted in the cost of gas. Precious Built to Learn dollars should be used to construct schools that will cost less, not more, to operate in the future.

4. Building Emission Performance Standards

HB806 currently includes requirements for direct emissions (*onsite fuel combustion, e.g., gas used onsite for water and/or space heating, cooking, and refrigerant leaks*); however, it does not include efficiency standards for onsite electricity use. While reducing fossil fuel combustion in public buildings is very important, improving the energy efficiency is also critical. The bill should be amended:

- to include performance measures for improved energy efficiency, such as: maintaining and retro-commissioning building energy systems; implementing HVAC scheduling and other smart control systems; and making building shell and other energy efficiency improvements, as recommended by the MD Commission on Climate Change's Building Energy Transition Plan; and
- to allow local governments to have more stringent or different standards, while still reporting on the statewide metrics.

Improved building energy efficiency will reduce overall grid electricity demand and can result in smaller sized heating and cooling systems. State and local government owners of these public buildings should also have to measure and annually report their direct emissions and site electricity use to the Department of Environmental Management starting in 2025. Having a performance standard is only as good as the requirement to measure and report on it.

5. **Tighten Buy Clean Maryland Provisions**

The Buy Clean Maryland provisions are well crafted and include a comprehensive list of building materials, similar to a law recently passed in Colorado. Currently, HB806 includes four instances where the Department may grant a waiver if using the eligible material would: 1) be technically infeasible; 2) result in a significant increase in project cost; 3) result in a significant delay in project completion; or 4) result in only one source or manufacturer being able to provide the necessary materials. Given the changing landscape of decarbonizing construction materials, there may be only one manufacturer for certain materials. This fact alone should not disqualify the material if it does not also trigger one of the other waiver provisions. The Colorado law has no such waiver provision. We recommend deleting the fourth waiver item on sole source of the material.

With the proposed amendments, HB806 will help the City of Takoma Park and Montgomery County reach their climate goals. Montgomery County has goals to reduce greenhouse gas emissions by 80% by 2027 and 100% by 2035, and the City of Takoma Park passed a resolution with strategies to achieve net zero emissions city-wide by 2035 and to be fossil fuel-free by 2045. Reducing climate pollution from public buildings must be part of the climate solution.

We strongly urge a **FAVORABLE WITH AMENDMENTS** vote on HB806.