

Committee: Senate Education, Health and Environmental Affairs

Legislation: SB 0528 Requiring the State to reduce statewide greenhouse gas emissions through the use of various measures, including the alteration of statewide greenhouse gas emissions goals, the establishment of a net-zero statewide greenhouse gas emissions goal, the development of certain energy efficiency and electrification requirements for certain buildings, and requiring electric companies to increase their annual incremental gross energy savings through certain programs and services, etc.

Organization: Environmental Justice Ministry, Cedar Lane Unitarian Universalist Church

Position: Favorable with Priority Amendments (attached)

Hearing: February 15, 2022

Dear Committee Chair and Committee Members,

The Environmental Justice Ministry strongly supports SB 0528 because it addresses key issues that will overall target systemic climate change issues that are an existential threat to human survival. Our faith holds the respect for the interdependent web of all existence of which we are a part which this bill highlights in climate friendly actions for the reduction of carbon and methane emissions with many complementary essential actions.

In summary, those actions are:

GHG Reduction Targets & Methane Accounting:

60% by 2030; 100% by 2045

METHANE EMISSIONS From Landfills:

Municipal solid waste landfills required to monitor & report methane emissions to mde

Agency Consideration of Climate

1. Each state agency shall consider Maryland's greenhouse gas reduction goals & impacts of climate change, incl. Sea level rise, storm surges & flooding, increased precipitation & extreme weather in its planning, regulatory, & fiscal programs
2. Shall identify and recommend changes to existing pgms that do not support State's greenhouse gas reduction efforts or address climate change

123 Article – Economic Development

Green Bank: Climate Catalytic Capital Fund in MCEC

Purpose: Promote Environmental Justice/Leverage Private Capital to accomplish goals of CSN

1. Facilitate electrification of transportation sector
2. Building energy efficiency and ghg reductions
3. Expand deployment of clean energy generation & energy storage
4. Target implementation of energy & weatherization for Imi;
5. Optimize community scale infrastructure resilience & energy equity
6. Cutting edge clean energy technology
7. Create Maryland Green Bond Program
8. 2024 - 2026, appropriate \$5 mil each year [note: way too low]

Establishes Environmental Justice & Sustainable Communities Commission

Establish a Just Transition Employment & Retraining Working Group

Duties:

Establish Maryland Climate Justice Corps

Purpose:

- Promote climate justice & assist state in achieving ghg goals
- Opportunities for young adults
- Mobilize, educate & train youth to deploy clean energy technology & mitigate and prevent environmental & health impacts of climate change on disproportionately affected communities
- Opties for disadvantaged youths to be trained for careers in green-collar jobs

Zero-Emission Vehicle School Bus Transition Fund

1. Beginning 2024, school districts can only purchase zero-emission buses (w/ exception if none available, county can't get federal, state or private \$\$ to fund difference);
2. Can enter into agreement w/ electric to get \$\$ in exchange for their use to use buses as storage batteries

Zero Emission State Fleet

1. Passenger vehicles: ramp up to all ev by 2030
2. Light Duty vehicles: ramp up to all ev by 2036 (w/ certain exemptions)

Schools: New Construction

1. **New Schools will be High Performance Buildings** (don't need to be net-zero or ready)
1. **Net-Zero School Grant Pgm**
1. By 2030, energy for state facilities shall be at least 75% low-carbon renewable energy source [Defined as solar, wind, geothermal, ocean, hydro-electric]

Buildings: New Construction & Major Renovations

1. By 2023, all new construction all-electric for water & space heating needs)
2. Solar-ready
3. EV charging ready
4. Building Grid interaction
5. Local jurisdictions can vary IF-cost-effectiveness test developed by Dept. of Labor says the incremental cost is greater than the social cost of ghg reductions that would be reduced by complying w/ requirement
6. Even if get variance, buildings shall still be required to comply with electric ready standards

IGCC: International Green Construction Code [Note: recommended mod: ensure Maryland adopts all of the provisions of IGCC and sets ambitious Zepi codes to get us to Net Zero by 2040]

1. Jan. 2023, adopt IGCC
2. Local jurisdictions must enforce current version & any local amendments

Building Emission Standards (Existing bldgs).

1. Covers commercial & multi-family, 25,000 sq. feet or greater. Excludes schools, historic properties
2. State bldgs: 100% net reduction in ghg emissions by 2035; 50% by 2030

3. Commercial/multifamily: 100% ghg reduction by 2040; 40% by 2035; 20% by 2030
4. Report benchmarking by 2025 to report direct emissions

Climate Transition & Clean Energy Hub

Purpose: To serve as clearinghouse for information on advanced technology & architectural solutions to reduce ghg emissions from building sector.

Duties: Shall provide technical assistance to public & private entities to achieve ghg emission reductions, comply w/ local & state energy efficiency & electrification requirements.

Building Energy Transition Implementation Task Force

Duties: 1) study & make recommendations for complementary pgms, policies, & incentives aimed at reducing ghg emissions from building sector;(2) develop a plan for **funding** the retrofit of covered bldgs to comply w/ emission standards. Can include:

Community Solar Tax Incentives:

1. Personal property tax exemption for machinery used to generate electricity or steam for sale or hot or chilled water for sale to heat or cool buildings
2. Personal property tax exemption from county & municipal corp property tax that is part of a community solar energy generating system that has more than 51% for lmi households

EmPOWER

1. Extends EmPOWER
2. Goes from 2% to ramp up to 2.7%; ramp up begins in 2024; gets there in 2026 (calculated as a percentage of the normalized gross retail sales & electricity losses)

Senate Bill 0528 is comprehensive legislation that must be passed with the following amendments to enable a sustainable future for Marylanders. Please vote in favor of SB 0528 with the attached priority amendments:

Priority Amendments

Building electrification and efficiency:

- **Climate Catalytic Capital Fund**
 - **Explicitly state that 40% of funds from the Climate Catalytic Capital Fund be spent in low and moderate-income neighborhoods and that funds can be spent on whole-structure retrofits (including multi-family buildings) including health, safety, weatherization, and electrification measures.**
 - **The purpose of the funds should explicitly include “Facilitate the electrification of the building sector”.**
 - **Explicitly state that funds cannot be used for installation of new equipment that uses fossil fuels**
 - **Funds from alternative compliance payments should go to the Climate Catalytic fund to be spent on low-income whole-structure retrofits, including low-income multi-family buildings.**
- **On page 35, lines 2-3, strike “water and space heating” and substitute “on-site energy” and add on line 3, “except for kitchen appliances”.**
- **On page 35, following line 9, add energy efficiency provisions for buildings. Add:**
 - D. For new covered buildings funded at least 25% by State funds**

- A 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2023 and Dec 31 2025
- A 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2025 and Dec 31 2027

E. For all other new covered buildings

- A 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2025 and Dec 31 2027
- A 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received

F. “Major Renovation” means a renovation project:

- For which the total projected cost exceeds 50% of the assessed value of the existing building; or
- Involving a change of use, if the change involves the application of different requirements of the standards.

G. Except as provided in subsection () of this section, if a covered building is undergoing a major renovation, the building shall be renovated to achieve:

- A 40% reduction in the building’s average annual energy use; or
- A 20% reduction in modeled energy use consumption over the current Energy Code.

H. A local jurisdiction may waive the requirements under subsection () of this section if the building owner demonstrates that the cost of the improvements necessary to achieve the required energy reductions would exceed projected operational and energy savings from the improvements over a certain payback period:

- A 25–year period for all buildings funded at least 25% by the State.
- A 15–year period for all other buildings.
- Provisions regarding “alternative compliance pathway” on page 47, lines 20 -23, and lines 27-29, should be sunsetted. We suggest a sunset of 12/1/2030
- Pages 47, delete lines 18-19 (“PROVIDE MAXIMUM FLEXIBILITY TO THE OWNERS OF COVERED BUILDINGS TO COMPLY WITH BUILDING EMISSIONS STANDARDS”)
- The Building Emission Performance Standards regulations directive under 2-1602 (C) should
 - require that the adopted regulations prioritize direct emission reductions from qualified buildings via electrification plans and pathways,
 - provide protection against financial cost pass-through and evictions for tenants in covered multi-family buildings, 3) require covered public buildings’ retrofits to be completed with a high-quality workforce (i.e. prevailing wage, insurance coverage, paid leave, etc.) (pg. 48)

Equity and Environmental Justice Provisions

- Strengthen the provisions on pages 9-12 by including language that requires 40% of investments go to overburdened communities and Rosenberg Justice 40 bill and/or the Boyce/Watson all agency climate, equity, and labor test language.

- The language in the Boyce/Watson all agency climate, equity and labor test should be incorporated on page 22, lines 12-15 as well
- The Interagency Commission on School Construction should be included as an agency required to consider climate in long-term planning

Net Zero Schools

- Explicitly state that the IAC state school construction funding process may cover planning, design, and engineering for net-zero schools.
- School buildings that are not net-zero should be net-zero ready Insert on Page 35, following line 6

(12-501(3)(I)(2)(A (under the provision requiring solar ready):

A. The Installation of Solar Energy Systems

- To include a 40% roof set aside and necessary electrical panel and conduit requirements. if the building:
- Will have 20,000 square feet or more of continuous roof space, excluding the parking area; and
- Will be 20 stories or less in height, above grade plane.

B. Regulations adopted under this subsection may authorize a local jurisdiction to waive the solar-ready requirement for a building on a specific finding that:

- incident solar radiation at the building site is less than 75% of incident solar radiation at an open site; or
- shadow studies indicate that 25% of a building's roof area will be in shadow.
- Clarify the definition of "Solar Ready" to include the 40% roof set aside and the necessary electrical panel and conduit requirements.
- Delete "subject to the availability of funding" on Page 8 Line 14 and replace that language with one of the options below -
- P. 8, line 9-13, (5-312(c)(2)(I), Delete para. "Except as Provided in . .

Delete 5-312 (c) (2) (I) of the Education Article that was inserted: except as provided in subparagraph (iii) of this paragraph, the net-zero energy requirements that apply for a building to meet the definition of a 'high performance building" under § 3-602.1 12 of the state finance and procurement article

OR

- Amend to read: Except as provided in Subparagraph III of this Paragraph, Public Schools shall be required to achieve a 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code by 2023 and a 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code by 2025.
- Pg 40 line 15-17. Remove having the Council develop guidelines and instead require them to provide an annual report on the status of meeting the high performance building requirements.
- Pg 8, line 25 – pg 9, line 2. If a school qualifies for a waiver because the Interagency Commission determines that either (I) or (II) is true, the school must be net-zero READY.

Buy Clean Maryland Act

- **Consider adding To SB528 the Buy Clean Maryland Act provisions from HB806 - Del. Stein Public Buildings bill with one change related to the waiver provisions.**
 - **Section 4-904 (E) Strike - (4) RESULT IN ONLY ONE SOURCE OR MANUFACTURER BEING ABLE TO PROVIDE THE NECESSARY MATERIALS.**
 - **Add - (F) IF ONLY ONE SOURCE OR MANUFACTURER IS ABLE TO PROVIDE THE NECESSARY MATERIALS, A SOLE SOURCE PROCUREMENT MAY BE ALLOWED, PROVIDED NONE OF THE OTHER WAIVER DETERMINATIONS ARE MADE.**

Thank you.

Nanci Wilkinson

Environmental Justice Ministry Team

Cedar Lane Unitarian Universalist Church