



SB0528 – Climate Solutions Now Act of 2022

Testimony before

Education, Health, and Environmental Affairs Committee

February 15, 2022

Position: Favorable With Amendments

Mr. Chair, Mr. Vice Chair and members of the committee, my name is Brian Wessner, and I represent the 750+ members of Indivisible Howard County. We are providing written testimony today in **support of SB0528**, to define coordinated efforts to create long lasting climate solutions for today's generation and generations yet to come. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We appreciate the leadership of Chairman Pinsky in moving this bill, our highest priority bill of the 2022 session.

Solving the climate issues facing Maryland is not a one-size-fits-all effort. Success requires setting aggressive goals for the reduction in greenhouse gases (GHG), identifying the sources of those gases in Maryland and who are the most affected, and providing the organizational and financial resources to address those sources in order to meet or exceed Maryland's goals. With amendments outlined in this testimony, including the priority amendments being put forth by Maryland Climate Partners and the Climate Justice Wing (see attached), SB0528 targets these elements of a lasting solution through:

- ❖ Responding to the **urgency of climate change** by reducing GHG emissions 60% by 2030 (based on 2006) and continuing that momentum by reaching net zero status in 2045.
- ❖ Focusing on **Environmental Justice and Climate Equity** by establishing funding through the Climate Catalytic Capital Fund, energizing our young people through a new Climate Justice Corps, mandating research to determine and focus on those most affected by climate change, and providing a just transition to those whose jobs are affected by the transition from fossil fuels to renewable energy. Proposed amendments, supporting attached amendments put forth by the Maryland Climate Partners and the Climate Justice Wing, include:
 - 40% of the Fund to be explicitly spent on overburdened communities including whole-structure retrofits; the Fund is established to facilitate the electrification of the building sector and the installation of non-fossil fuel equipment
 - The Climate Justice Corps guarantees good pay, wages, and benefits – as specified in SB0228 - focusing on providing opportunities for overburdened communities, including those experiencing the greatest impact to employment
- ❖ Setting **meaningful targets to reduce net-GHG emissions in existing state and private buildings** with the goal of achieving net-zero emissions. State buildings will reduce GHG by

50% in 2030 and become net-zero by 2035. Private buildings have interim reduction goals of 20% by 2030 and 40% by 2035, with net-zero GHG by 2040, Proposed amendments, supporting attached amendments put forth by the Maryland Climate Partners and the Climate Justice Wing, include:

- Adopted regulations to prioritize direct emissions reductions from qualified buildings via electrification plans and pathways
 - Adopted regulations to provide protections against financial cost pass-through and evictions for tenants in covered multi-family buildings
 - Adopted regulations require covered public buildings' retrofits to be completed with a high quality workforce (i.e., prevailing wage, insurance coverage, paid leave, etc.)
- ❖ Establishing **energy efficiency standards for all new buildings, both state and private**, to meet all water and space heating demands without the use of fossil fuels beginning in 2023, meet electric-ready standards to support solar energy systems, EV charging, and interaction between the building and the grid. Proposed amendments, supporting attached amendments put forth by the Maryland Climate Partners and the Climate Justice Wing, include:
- When the State provides funding of 25% or more, reduce modeled energy use by 40% for permit applications received between January 1, 2023 and December 31, 2025, and by 60% for permit applications received between January 1, 2025 and December 31, 2027
 - For all other new buildings, reduce modeled energy use by 40% for permit applications received between January 1, 2025 and December 31, 2027
- ❖ Protecting our students by establishing a **Net Zero School Pilot Program**, for new school construction. Each local school system planning to construct a new school between 2023 and 2033, is required to build at least one of those schools to meet net zero energy requirements. These projects will be supported by a **Net Zero School Grant Fund** to assist local school systems. Proposed amendments, supporting attached amendments put forth by the Maryland Climate Partners and the Climate Justice Wing, include:
- The Interagency Commission on School Construction (IAC) funding process covers planning, design, and engineering for net zero schools.
 - The Maryland Green Building Council is required to provide an annual status on meeting the high performance building requirements
- ❖ **Energy efficiency savings** will be achieved using two strategies: (1) Electric companies are required to implement **energy efficiency programs** for their customers, with improvements based on a percentage of the electric company's 2016 gross retail sales. These savings goals are 2.25% in 2024 and 2025, 2.5% in 2026, and 2.75% in 2027 and thereafter. (2) A **Climate Transition and Clean Energy Hub** will be established to provide technical assistance to public and private entities to achieve GHG reductions and comply with state and local energy efficiency and electrification requirements. Proposed amendment includes:
- For the Climate Transition and Clean Energy Hub, include requirements for a user-friendly website and dashboard for keeping track of the hub's progress and findings, facilitating the collaboration and leveraging of project experiences

- ❖ Vehicles of all types are significant contributors to current levels of GHG. To reduce their impact, a number of **Transportation** actions are included to initiate the transition zero emissions vehicles for school buses, as well as passenger cars and light-duty vehicles in the state fleet. These actions also include the development of a charging infrastructure to support these zero emissions fleets. Proposed amendment, supporting attached amendments put forth by the Maryland Climate Partners and the Climate Justice Wing, includes:
 - On page 42, in line 14, delete “subject to the availability of funding.” The state transition to zero emissions vehicles should be mandatory, sustained effort - not subject to fits and starts based on variable funding levels.
- ❖ To encourage adoption of solar technology in low income areas, community solar projects on rooftops, parking lots or brownfields in these areas are eligible to receive **solar tax incentives** that will exempt these projects from personal property tax as noted in SB0264 currently under consideration.

These actions, when taken together, create a strong framework for achieving Maryland’s GHG reduction goals.

Thank you for your consideration of this important legislation.

We respectfully urge a favorable report with amendments.

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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.