



## Environment Committee

**Committee: Education, Health and Environmental Affairs**

**Testimony on: SB528 – Climate Solutions Now Act of 2022**

**Organization: Takoma Park Mobilization Environment Committee**

**Submitting: Laurie McGilvray, Co-Chair**

**Position: Favorable with Amendments**

**Hearing Date: February 15, 2022**

Dear Mr. Chairman and Committee Members:

We are pleased to submit testimony on SB528 – Climate Solutions Now Act of 2022. The Takoma Park Mobilization Environment Committee is a grassroots organization focused on State and County climate action. We have been very involved in Montgomery County’s climate action planning and proposed legislation on building energy performance standards. We believe SB528 will provide significant, complementary tools to help the County and the State achieve their climate goals.

Thank you for bringing this comprehensive climate legislation that supports our priorities of **Emission Reduction, Electrification, Efficiency, and Environmental Justice** - the **four Es** of a climate solution.

We strongly support:

- **Emission Reduction** goal of 60% by 2030 and net zero by 2045;
- **Electrifying** new buildings (including schools), school buses, and light duty trucks, because getting off fossil fuels is an essential step in lowering climate pollution and improving our health;
- **Efficiency** through building performance standards that put buildings on an “energy diet;”
- **Environmental Justice**-focused investment in black and brown communities who aspire to live in healthy, clean neighborhoods, but for whom Maryland has underinvested in and concentrated polluting facilities in their communities.

We believe the bill can be further strengthened by the following amendments.

1. **Building Emission Performance Standards** - While the bill currently includes the measurement, reporting, and requirements for **direct emissions** (*defined as “onsite fuel combustion, e.g., gas used onsite for water and/or space heating, cooking, and refrigerant leaks”*), it should be amended to include performance measures for **improved energy efficiency** (e.g., site electricity use), 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](#). Improved building energy efficiency will reduce overall electricity demand, thereby reducing greenhouse gas emissions by decreasing buildings' demand on the grid. Greater building efficiency also can result in smaller-sized, less costly heating and cooling systems.

In addition, the bill should be amended to ensure affordable housing can comply with the performance standards and protect renters, by including: 1) flexible timelines for designated affordable housing to align with recapitalization and refinancing schedules, 2) a clear definition of "Designated Affordable Housing," and 3) policies to protect renters from increased rents and energy burdens in naturally occurring affordable housing. The bill should be amended to provide easily accessible funding, technical assistance, and an alternative compliance pathway to help affordable housing owners comply with the regulations (see National Housing Trust testimony).

- 2. Electrifying All New Schools** – Children and teachers deserve healthy, comfortable learning environments. New schools should be built for the future and treated similarly to other public buildings. The experience of Maryland's three net zero schools has shown that they can be constructed for the same cost as conventional schools. Maryland should invest its limited school construction dollars in climate-friendly net zero buildings that are healthy for students and teachers and which cost no more to construct and less to operate over the lifetime of the building. The bill should be amended to require new schools to be net zero.
- 3. Environmental Justice** – We are very supportive of the Climate Justice Corps which is intended to create career training opportunities in the new green economy, particularly for youth from disadvantaged communities. We would like to see this provision strengthened by amending it to also provide good pay, health benefits, and career training to Climate Justice Corps participants.

We have attached a detailed list of amendments and recommend a **FAVORABLE WITH AMENDMENTS** report in committee.

## Amendments to SB528 coordinated by the Maryland Climate Partners

### 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”.
- 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 protections 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)
- **Under 12-1602 (C) of the Public Safety Code, add: Energy Conservation**
  - Insert:
    - 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 by 2023.
      - A 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code by 2025.

For all other new covered buildings.

A 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code by 2025.

A 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code by 2027.

#### *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 (attached).
  - 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/Net-Zero Ready Schools*

- Explicitly state that the IAC state school construction funding process may cover planning, design, and engineering for net-zero schools.
- Pg 40 line 15-17. Remove having the Council develop guidelines and instead require them to provide an annual report the status of meeting the high performance building requirements.
- P. 8, line 9-13:  
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 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.

## Technical Amendments

- The term “Disproportionately affected communities” should be replaced with “overburdened communities.”
  - The definition of communities that are overburdened needs to include factors beyond climate change indicators.
    - At a minimum, an overburdened community includes any census block group... in which: (1) at least 45 percent of the households qualify as low-income households (defined as a household that is “at or below 200 percent of the federal poverty guidelines”), (2) at least 50 percent of the residents identify as non-white; OR (3) at least 25 percent of the households have limited English proficiency
- Specific to the establishment of goals for the percentage of state funding for GHG emissions reduction measures (page 10 lines 21-24 and page 11 lines 8-11):
  - Explicitly define GHG emissions reduction measures broadly (e.g.: Does it include adaptation measures such as tree planting? Building improvements? etc.)

### *Schools*

- Delete “subject to the availability of funding” on page 8 line 14
- Fund Oversight committee of the Climate Catalytic Capital Fund should include representatives from overburdened communities and affordable housing communities.

### *On landfill methane*

- subsection 2-408 (page 12), Amend the deadline for adoption of regulations January 2023 or June 2023.

### *State Fleet Electrification*

- On page 42, in line 14, delete “subject to the availability of funding”

### *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. (pg. 45)

### *Building Performance Standards*

- Designated Affordable housing needs flexible timeline to align with their scheduled recapitalization and refinancing timelines
- Include a representative of the low income, renter, tenants housing community, and an ESCO rep on the Building Energy Transition Implementation Task Force (page 49)
- Edit language for the Building Energy Transition Task Force charge in section (F) (1) to include reduction of direct emissions from the building sector (pg. 51)
- Edit language for the Building Energy Transition Task Force charge in section (F) (2) to ensure the Plan may include recommendations related to aligning and maximizing federal health, safety, weatherization, energy affordability, and electrification resources and programs, and education programs for contractors and installation technicians focused on building electrification solutions (pg. 51)

- Enabling provisions should be added to allow local jurisdictions to establish more stringent energy efficiency and conservation standards for both major renovations and new construction.
  - Major renovations: include requirement for 40% reduction in covered building's energy use (or 20% reduction beyond current energy code) for major renovations. Suggested bill language for this, and definition of major renovations, in this doc.

*Regarding Just Transition Employment Working Group*

- Membership of the working group, on pg. 18, lines 5-6 strike “one representative of the Maryland Chapter of the Siera club, selected by the Maryland Chapter of the Sierra Club” and replace with “Two representatives of the environmental community”
- On page 20, line 7, strike “counter” and substitute “address”.
- Fenceline communities should be defined (page 20, line 16)

*Regarding school bus electrification*

- When referring to the “cost difference between purchasing and operating” on Page 22 line 26, clarify that this includes “purchasing, deploying (infrastructure), administrative and operating costs, including retraining personnel.”

*Concerning the Climate Justice Corp*

- The Climate Justice Corps Board should include 3 Representatives of the communities the program is trying to work in (page 26)
- On page 27 line 16-17 it should be stated that the meetings should rotate and be hosted within the communities the Corp Program aims at benefiting.

Appropriations and timeline

- Increase appropriations to the Climate Catalytic Capital Fund to \$10 million a year and extend through FY2028
- For net-zero schools (pg. 9-10), Increase individual grants to a ceiling of \$5 million, extend the program until 2034, and increase the annual appropriation to \$20 million.
- Consider appropriations to MDE's air department to support the landfill methane work outlined on page 12
- Climate Transition and Clean Energy Hub should have an annual appropriation of \$1.5 million to fund the hub (pg. 45)

Aligning CSNA with complementary bills

*EMPOWER:*

Whether in SB528 (pg. 36-37) or in complementary legislation, we support making revisions to the EMPOWER program to better align with our climate goals and energy needs. We are agnostic to the legislative vehicle for these changes but acknowledge the urgency due to the 2023 sunset of EMPOWER without legislative action. Reform should include:

- Requiring that the core objective of EmPOWER shift from focusing solely on reduced electricity consumption to emphasizing reduced/avoided greenhouse gas emissions
- Modifying Empower to focus on electrification and prohibit use of Empower support for new fossil fuel. (simply copy HB708, pg 24, lines 5-20)
  - “Article – Public Utilities 5 7–211. 6 (d) (1) Subject TO PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT to 7 review and approval by the Commission, each gas company and electric company shall 8 develop and implement programs and services to encourage and promote the efficient use 9 and conservation of energy by consumers, gas companies, and electric companies. 10 (2) BEGINNING WITH THE CALENDAR YEAR 2024, THE PROGRAMS 11 AND SERVICES PROVIDED UNDER THIS SUBSECTION SHALL: 12 (I) ENCOURAGE AND PROMOTE THE REPLACEMENT OR 13 ENHANCEMENT OF GAS, OIL, OR PROPANE HEATING SYSTEMS WITH ELECTRIC HEAT 14 PUMPS, GIVING PRIORITY TO LOW–INCOME HOUSEHOLDS AND CONSUMERS; AND 15 (II) ENCOURAGE AND PROMOTE BENEFICIAL ELECTRIFICATION 16 FOR THE PURPOSES OF REDUCING ENERGY CONSUMPTION, REDUCING CONSUMER 17 COSTS, AND REDUCING GREENHOUSE GAS EMISSIONS. 18 (3) BEGINNING WITH THE CALENDAR YEAR 2024, THE PROGRAMS 19 AND SERVICES PROVIDED UNDER THIS SUBSECTION MAY NOT PROVIDE FINANCIAL 20 ASSISTANCE FOR EQUIPMENT OR APPLIANCES THAT USE FOSSIL FUEL.
- Modify acceptable use of SEIF.
  - See page HB708, pg 27, which modifies Public Utility Article 9–20B–05. The bill makes all SEIF funding subject to the following provisions (pg 29)
    - *11 (F–5) FUNDING PROVIDED UNDER SUBSECTION (F) OF THIS SECTION MAY BE 12 USED FOR A PROJECT THAT USES FOSSIL FUEL ONLY IF IT CAN BE DEMONSTRATED 13 THAT THE LIFECYCLE GREENHOUSE GAS EMISSIONS FOR THE PROJECT ARE LESS 14 THAN AN ALL–ELECTRIC ALTERNATIVE.”*

*Climate Justice Corps:*

Climate Solutions Now and Comprehensive Climate Solutions have excellent criteria for climate mitigation and climate justice projects to build the decade of the Green New Deal, but they do not guarantee good pay and wages - which would exclude folks who need the jobs the most, black and brown and working class communities. The other proposal, Maryland Corps' Climate Corps program, funds good paying jobs with good benefits, but funds parks staffing shortages instead of climate mitigation and climate justice. Neither of these policy measure up to what the climate crisis and economic and racial justice demand.

To ensure that SB528 and SB228 work together and meet the needs of the environmental justice movement, we request that Senator Pinsky and President Ferguson align their bills to create a program (in either vehicle) that promotes climate projects with well paid/benefitted jobs. (Suggested amendment language below).

### Unanswered questions

- Page 21, line 16-28, Should the IAC be added to be required to report annually in addition to state agencies?

### Potential Amendment Language

#### On schools:

- SB 528 Page 38, line 10-18, adds an “AND” to the definition of “High Performance” which requires all State-funded projects to be zero energy. And Page 8, line 9-18, excludes schools from this requirement (except for 1 school to be zero energy in each district by 2033.) There are 2 possible paths for suggested amendments and this is probably best with a conversation.
  - One suggestion to simplify would be to remove both of these sections, and require energy efficiency targets as noted above for all State buildings, and all buildings with 25% funding on a path to zero energy ready.
  - If Zero Energy stays in the High Performance definition section requiring state buildings to be zero energy now, then the energy efficiency targets as noted above could be revised to be for Public Schools and Community Colleges.

#### On Climate Justice Corps:

- Replace stipend criteria in CSNA with the more robust benefits guaranteed to corps members such **\$15/hr minimum wage, health insurance, wraparound services & education support \$6000 education bonus exactly as they appear in MD Corps (SB228).**
- Remove pg 29 line 25 - 29
- Replace in whatever format is legally or procedurally preferably so that the overseeing Board adopt regulations conforming to provisions from Maryland Corps (SB228) 24-1105 (B) sections 3 - 10
  - (3) PRIORITIZING THE PLACEMENT OF PROGRAM PARTICIPANTS WITH LARGE-SCALE EMPLOYERS BASED ON THE ORGANIZATION'S DEMONSTRATED NEED FOR PROGRAM PARTICIPANTS WHO WILL TRANSITION TO FULL-TIME EMPLOYMENT FOLLOWING COMPLETION OF THE PROGRAM;
  - (4) A CENTRALIZED PROCESS TO FACILITATE EFFICIENT SCREENING AND PLACEMENT OF PROGRAM PARTICIPANTS AS WELL AS EFFECTIVE MEASUREMENT AND EVALUATION OF THE PARTICIPANT'S SERVICE EXPERIENCE;
  - (5) STIPENDS FOR PARTICIPANTS, INCLUDING:
    - (I) MONETARY PAYMENT OF AT LEAST \$15 PER HOUR, HEALTH INSURANCE BENEFITS, AND THE POTENTIAL FOR WRAPAROUND SERVICES; AND
    - (II) FUNDS MATCHING REQUIREMENTS FOR LARGE-SCALE EMPLOYERS;
  - (6) AN EDUCATION AWARD OF \$6,000 FOR PARTICIPANTS THAT COMPLETE AT LEAST 9 MONTHS OF SERVICE, WHICH SHALL BE DEPOSITED INTO A TAX-EXEMPT MARYLAND 529 ACCOUNT ESTABLISHED UNDER TITLE 18, SUBTITLE



19 OF THIS ARTICLE AND MAY ONLY BE USED FOR QUALIFIED HIGHER EDUCATION EXPENSES, AS DEFINED IN § 18-1901 OF THIS ARTICLE;

- (7) WORKFORCE DEVELOPMENT TRAINING AND WRAPAROUND SERVICES PROVIDED TO PROGRAM PARTICIPANTS BY PARTICIPATING ORGANIZATIONS;
  - (8) ADDITIONAL TRAINING AND SUPPORT SERVICES PROVIDED TO PROGRAM PARTICIPANTS AFTER THE COMPLETION OF THE PARTICIPANT'S SERVICE;
  - (9) ONGOING EVALUATION OF OPPORTUNITIES TO EXPAND SERVICE IN THE STATE TO ADDRESS THE STATE'S WORKFORCE DEVELOPMENT NEEDS, INCLUDING OPPORTUNITIES WITHIN STATE AGENCIES FOR THE CREATION AND EXPANSION OF SERVICE OPPORTUNITIES WITHIN THE AGENCIES; AND
  - (10) ONGOING EVALUATION OF THE PROGRAM TO ENSURE ACCESS AND EFFECTIVENESS, INCLUDING:
    - (I) DEMOGRAPHICS OF CORPS PARTICIPANTS, INCLUDING RACE, ETHNICITY, AGE, EDUCATION, AND GEOGRAPHY; AND
    - (II) POST-PROGRAM TRAJECTORIES OF CORPS PARTICIPANTS
- Corps members should have the right to organize for collective bargaining and the right to strike, and should be protected from being discharged, disciplined, or permanently replaced for striking.
  - Consider removing the age range of corps members and prioritizing applicants under 35 years old.