

Larry Hogan
Governor

Boyd K. Rutherford
Lt Governor



Ellington E. Churchill, Jr.
Secretary

Nelson E. Reichart
Deputy Secretary

OFFICE OF THE SECRETARY

BILL: House Bill 831
Reducing Greenhouse Gas Emissions – Commercial and Residential Buildings
COMMITTEE: House Environment and Transportation
DATE: February 25, 2022
POSITION: Letter of Information

Upon review of House Bill 831 - Reducing Greenhouse Gas Emissions – Commercial and Residential Buildings, the Maryland Department of General Services (DGS), provides these comments for your consideration.

The bill aims to reduce greenhouse gas emissions from commercial and residential buildings through the provisions outlined in this legislation. This impacts on DGS are:

- All buildings over 25,000 square feet will be required to reduce direct building emissions by 20% before 2030 and achieve net zero by 2040. The first requirement can potentially be met by replacing end-of-life fossil-fueled HVAC and water heating equipment with electric units. Alternatively, replacing this equipment with electric equipment before its end-of-life would increase capital costs and require building occupants to temporarily relocate, which poses a logistical and operational cost. The burden of relocation could be mitigated by utilizing telework policies. Additionally, owners of these buildings would be responsible to measure and report these emissions to the Maryland Department of the Environment (MDE), which would require two (2) additional staff for DGS to achieve this.
- All new commercial buildings would be required to meet all water and space heating demands without the use of fossil fuels, forcing these demands to be met by electric systems. New buildings constructed by the State would need to be designed and constructed with electric systems which has far-reaching implications for State facilities.
- New commercial buildings would also be required to be ready for the installation of solar energy systems and electric vehicle (EV) charging equipment, increasing Capital construction costs. DGS is already pursuing the requirements as it pertains to EV charging equipment, however, is it not mandatory for newly designed and constructed buildings. To have all buildings be EV charging ready would require an additional cost increase of 0.02-0.04%. Designing new buildings to be solar ready would require an additional cost increase of 0.05-0.08%.
- New commercial buildings would be required to be ready for building-grid interaction, which newly constructed buildings by DGS are ready to participate in utility demand-side management programs.

For additional information, contact Ellen Robertson at 410-260-2908.

