

TO: The Honorable Kumar Barve, Chair
House Environment and Transportation Committee

FROM: Jeanne Hitchcock, Interim Vice President
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Johns Hopkins is very supportive of the State's efforts to reduce greenhouse gas emissions as a method for fighting climate change and is supportive of SB528 as amended. The version passed by the Senate addresses our primary concerns described below and we are hopeful the bill will pass the House. If the bill advances through the House, we strongly support that the Senate amendments remain on SB528.

Johns Hopkins owns and operates many buildings (over 20 million square feet in total) throughout the State that would be required to comply with the building emissions standards established in this bill. While Johns Hopkins supports the bill's intent and a majority of its strategies, we believe there are opportunities to meet the outlined objectives of the legislation while providing responsible compliance pathways for different categories of building owners and operators to achieve the desired results, and be easier for industries to implement.

Requested Amendment: Replace Emissions Requirement with Building Performance Standards (BEPS)

Johns Hopkins recognizes that interim targets are important to holding building owners accountable and achieving long-term net zero emissions goals. However, other states and localities with similar climate change legislation, have addressed climate mitigation in the building sector by setting escalating performance efficiency requirements by building types rather than requiring an across-the-board greenhouse gas emissions reduction as written in the current bill. BEPS would establish performance thresholds, such as Energy Use Intensity (EUI) or related standards, for respective building types through which building owners would be required to increase their efficiency incrementally towards an overall net zero target. Using a BEPS policy, energy and/or emissions efficiency requirements for a traditional office building would not be the same as the required performance expectations for labs, residence halls, health care facilities, etc., as these buildings vary significantly in terms of their equipment, operations, and utility use. Additionally, these policies are effective in requiring building owners to improve their overall efficiency and reduce greenhouse gas emissions, while allowing for greater flexibility in the types of strategies employed, including

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electrification as highlighted in the current bill, but also other methods such as energy efficiency. We believe this approach will support the intent of the bill while giving greater flexibility to building owners and operators, so they can plan accordingly and have more options in meeting the set 2030, 2035, and 2040 targets.

Additionally, owners such as Johns Hopkins, have a number of older research facilities that due to their age and use, will be challenged to meet established BEPS standards within a short-time frame. It is likely that an alternate compliance path for these buildings will be required, one that allows an institution to demonstrate meaningful steps to improve efficiency and steps to net zero, while acknowledging the limits on making a 40-year-old, energy-intensive lab building significantly reduce its emissions in a short period of time.

Requested Amendment: Compliance Pathways for District Energy System Operators

Johns Hopkins has invested significantly in developing district energy systems that ensure critical reliability and redundancy for healthcare facilities, laboratories, offices and classrooms through the delivery of heating and power. While there is a variance for buildings whose electrification costs would exceed the social cost of carbon, the bill does not offer any additional variance pathways for building owners to fully study and propose solutions for the decarbonization of large district energy systems. District energy systems require a longer time horizon to decarbonize, new buildings cannot easily be constructed separately from an existing district energy loop, and it is more effective to allow for planning at the campus level than taking a building-by-building approach. An amendment that allows district energy system operators to submit a campus-level plan to achieve net zero targets is requested.

Requested Amendment: Inclusion of Indirect Emissions

Moreover, for institutions with central plants and district energy systems, it is unclear how individual buildings will be required to report their greenhouse gas emissions. Currently, using common approaches in EnergyStar Portfolio Manager, campuses can report a large number of buildings as a single entity encapsulating a central plant as direct emissions or as a set of individual buildings whereby emissions from a central plant are considered indirect and would not be counted under the current legislation. Additionally, by excluding greenhouse gas emissions from electricity, the bill does not incentivize institutions to address onsite or offsite renewable energy solutions. It would be helpful if the reporting requirements called for in the bill included all Scope 1 and 2 greenhouse gas emissions sources and the subsequent targets took all scopes into account including incentives for sourcing renewable electricity, improving energy efficiency and decarbonizing heating.

Requested Amendment: Establish Baseline Year for Existing Buildings

While the current bill requires owners to report greenhouse gas emissions for all covered buildings by 2025, it does not specify a baseline year for reporting of emissions reductions. For owners of existing buildings that have been tracking emissions and investing in energy efficiency improvements over the course of many years, there should be a set year by which baseline reporting would be allowed.

Requested Amendment: Reliability and Redundancy Power Backup Standards

Many of the facilities that Johns Hopkins operates, including hospitals, animal care facilities, and research laboratories must be protected from power supply interruptions in order to operate 24/7 and protect patient care, research, and animal welfare. These facilities often require backup generation capacity in the case of power outages, which are currently reliant on fossil fuels. Although Johns Hopkins is committed to limiting the use of fossil fuels on our campuses in the coming years, this will require a phased in approach that could not be met through the immediate electrification of new facilities and would not be in compliance with federal standards for reliability and redundancy of power systems. As written, the bill does not provide for this important contingent need.

Requested Amendment: Initial Exemption for Hospitals per the Maryland Hospital Association

Johns Hopkins is also supportive of the amendment we expect will be suggested by the Maryland Hospital Association to exempt hospitals from the definition of covered buildings in this bill for a period of one year during which time a workgroup will be established and to establish a workgroup that will make recommendations on the most appropriate path to compliance by hospitals to the State's goals to reduce greenhouse gases emissions.

In summary, Johns Hopkins is appreciative of the sponsor and legislators who have introduced this bill as a means to address the urgency of climate change both locally and globally. Our institution is deeply committed to the important goal of reducing greenhouse gas emissions and fighting climate change and requests considerations of the issues raised herein to ensure this legislation works for building owners of all types, especially those with complex healthcare and research facilities and those connected through district energy systems. We respectfully request that there would be more time to work with the State to develop standards that meet all the needs of building owners under this bill and look forward to collaborating towards impactful legislative outcomes.