

Committee: House Environment & Transportation

Legislation: HB 0831 Reducing Greenhouse Gas Emissions-Commercial and Residential Buildings

Organization: Environmental Justice Ministry Cedar Lane Unitarian Universalist Church

Position: FAVORABLE WITH AMENDMENTS

Hearing: February 25, 2022

Cedar Lane's Environmental Justice Ministry supports HB0831 that requires the Department of the Environment to establish building emissions standards for certain commercial and residential buildings; establishing the Building Energy Transition Implementation Task Force to study certain matters and develop a plan for funding the retrofit of certain buildings; and requiring the Maryland Department of Labor to update the Maryland Building Performance Standards. Reduction of greenhouse gases is a practical implementation of our faith's holding the inherent worth and dignity of every person to have a clean and healthful environment.

We have attached strengthening amendments to the bill.

The proposed legislation would require all new commercial and residential buildings to be built to a modified all-electric standard (water and space heating only). It would also require Building Emissions Standards to be developed to monitor emissions from commercial and residential buildings greater than 25,000 sq. ft., with a plan to achieve net zero emissions by 2040. Additionally, a Building Energy Transition Implementation Task Force will be established to help building owners manage the upfront costs of the transition to all-electric and to develop a plan to retrofit existing buildings.

We support the all-electric building code specified in the bill. Starting in 2023, it would require new residential and commercial construction to have water and space heating provided without the use of fossil fuels. Additionally, it would require new buildings to be solar ready and have electric vehicle charging infrastructure.

We also agree with the need to develop Building Emissions Standards to understand and measure the emissions that each residence or business is producing. Not only do we need standards developed, but there should be requirements for building owners to report the emissions, as well as requirements to decrease the emissions in a decisive manner. Building Emissions Standards should be designed to achieve reductions in direct emissions (those produced in heating and cooling the building) starting at a 20% reduction by 2030 and net zero by 2040. Additionally, reporting by building owners under the Standards would start in 2025.

We also support the creation of a Building Energy Transition Implementation Task Force. This Task Force will be charged with recommending complementary policies, programs, and incentives to support this transition, including the creation of tax credits and direct subsidies; new financial incentives that will help low- and moderate- income residents through the EmPOWER program; and on-bill, low-interest financing to spread out the upfront

costs. Additionally, the Task Force will recommend a plan to fund the retrofit of existing buildings.

For all of these reasons, we support this bill and we urge a favorable vote from the Committee with the inclusion of the following amendments to conform with SB 0528:

Necessary Amendments:

Energy Efficiency

It is equally critical to increase the energy efficiency of our buildings. One key reason buildings constitute 40% of Maryland's greenhouse gas emissions is because of their outsize draw on the grid, which is not yet clean. Also, as we transition to a fossil free economy, we need to reduce the buildings sector's draw on the grid in order to maintain the integrity of the grid. We therefore ask that HB831 require an energy use reduction pathway.

Interim Targets: There should be an additional interim target to encourage and ensure that buildings are steadily reducing their emissions and energy use.

Benchmarking: The beginning date for benchmarking buildings should begin in 2023. Not only is it an easy requirement to implement, but the data from benchmarking is foundational to the success of building emissions standards.

All-Electric New Construction: Should be a requirement for all buildings, to conform with SB528, Climate Solutions Now.

Climate Catalytic Capital Fund (C3 Fund): SB528 gives additional funding to the MCEC (Maryland's Green Bank) to create a special fund to achieve the objectives of the Senate and House Climate bills, including creating a green bonds program. Green Banks leverage public monies with private funds. For every \$1 of public investment, the C3 fund would generate \$4 to \$10 of private capital.

Holistic Goal of 100% Retrofits of Low Income Households by 2030, Including Weatherization and Heat Pumps: The Building Energy Transition Implementation Task Force should have an explicit requirement that it develop and recommend an implementation plan to carry out the goal.

Affordable Housing/Low Income Households: It is also important to address the particular needs of Affordable Housing by:

- Providing flexibility to affordable housing owners by allowing for alternative compliance pathways to accommodate their refinancing and recapitalization timelines;
- Ensure that the Building Energy Transition Implementation Task force includes a tenant representative and directs the Task Force to prioritize identifying policies and programs that provide tenant protections and funding for Affordable Housing; and
- Create a role for the Task Force in advising the Department on the development of regulations to ensure that input from community members is considered.

Authority to Enact Local Standards: The bill should be clarified that it does not affect the authority of a county, municipality, or other local government to enact building emissions or energy standards that are at least as stringent as the standards established in the bill. For these reasons, we urge you to adopt our proposed amendments and vote favorably for HB 0831.

Thank you.

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