

Testimony on SB528 - Climate Solutions Now Act of 2022

Hearing Date: February 15, 2022 Bill Sponsor: Senator Pinsky

Committee: Education, Health, and Environmental Affairs Submitting: Ruth White for Howard County Climate Action

Position: Favorable with amendment

<u>HoCo Climate Action</u> -- a <u>350.org</u> local chapter and a grassroots organization representing more than 1,450 subscribers, and a local chapter of the international organization <u>350.org</u> -- supports SB528, Climate Solutions Now Act of 2022, with strengthening amendments (attached below).

We are in a time of climate crisis with many parts of our state barely above sea level, and experiencing continual local flooding. Even if the world meets the IPCC Paris Agreement, the University of Maryland's Center for Environmental Services estimates MD sea level rise of .8 to 1.6 ft. by 2050 and 1.2 to 3 ft. by 2100, and some estimates are higher. But we don't have to wait for 2050 or 2100 to see climate crisis results, we see extreme weather events already and we know that the cause is greenhouse gas (GHG) emissions. Here in Howard County, we have seen two deadly "thousand-year" flooding events in Ellicott City occur in the span of 2 years.

Our largest GHG emissions nationwide and in Maryland are buildings and transportation. The Climate Solutions Now Act of 2022 (SB528) is a strong bill which gives us a path forward to address reducing emissions in the transportation and buildings sectors as well as improving energy efficiency as we move to electrify everything.

Transportation is important. We support the SB528 time-specific goals to transition school buses, state vehicles and large trucks to electric and other important transportation bills.

Our group in Howard County is particularly excited about supporting the buildings provisions in SB528. We closely followed the work of the Maryland Commission on Climate Change's Building Transition Report (here) and are delighted that their findings and recommendations are reflected in this bill.

Since buildings emit 40% of Maryland's greenhouse gases (13% of which are direct emissions) and account for 90% of Maryland's electricity use, improving building energy performance and transitioning buildings off of fossil fuels is crucial to reaching Maryland's climate commitments. Although this bill is very strong, we join with the Climate Platform partners in recommending amendments to make it even better. See the suggested amendments below.

HoCo Climate Action has additional suggested improvements to building electrification provisions. The bill requires electrification of space and water heating for new construction. However, the current provisions allow for gas stoves/cooktops which are responsible for a high degree of indoor air pollution and illness, especially if the space is not well ventilated. See RMI article here. The bill should mandate that building codes require venting to the outdoors. In addition, if gas stoves are installed in new buildings, builders should be required to

also install electrical outlets designed for electric and induction stoves, to provide choice in the future when appliances are replaced.

We share the concern of the National Housing Trust and others that electrification of new buildings and changes to existing building codes do not unduly burden low income and make housing less or unaffordable for vulnerable populations. So we endorse consideration of the testimony of the National Housing Trust here and the effort to find reasonable flexibility to assure housing remains affordable,

We encourage a FAVORABLE report for this important legislation with the strengthening amendments above and below.

HoCo Climate Action

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AMENDMENTS

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".
 - o Explicitly state that funds cannot be used for installation of new equipment that uses fossil fuels
 - o 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 RENOVATIONS – Energy Conservation
 - 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:

- o A 25-year period for all buildings funded at least 25% by the State.
- o 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
 - o 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.
 - o The language in the Boyce/Watson all agency climate, equity and labor test should be incorporated on page 22, lines 12-15 as well
 - o 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;
 - 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

 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.

OR

• 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.
 - o 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.