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TESTIMONY IN SUPPORT OF HB58 INCOME TAX- CREDIT FOR ENERGY EFFICIENCY UPGRADES PASSIVE HOUSES

Ways & Means Committee January 13, 2022

Chair Atterbeary, Vice-Chair Washington and Members of the Committee,

Thank you for the opportunity to testify before you on HB58, Income Tax- Credit for Energy Efficiency Upgrades- Passive House. The purpose of this bill is to provide a tax credit for the installation of energy efficiency products in residential properties, which would bring those residences in compliance with the Passive House Standard, as set by by the Passive House Institute. Qualifying residential properties include the taxpayer's residence or a single or multifamily residential rental unit. The tax credit may not exceed the lesser of 10% of the total costs paid or incurred by the owner for an energy efficiency upgrade or \$2,000.

An "energy efficiency upgrade measure" is defined as energy efficiency improvement to the building envelope or duct system. Such upgrade measures include the following: additional insulation; triple pane argon or krypton gas filled windows; storm windows; weather stripping and caulking; and duct sealing and insulation.

<u>Passive House</u> is not a brand name but rather a building standard that is energy efficient, comfortable, affordable and ecological. It is built on 5 principles:

- 1. Continuous insulation;
- 2. Airtight construction;
- 3. Optimized windows;
- 4. Balanced ventilation; and
- 5. Minimal mechanical.

The Passive House envelope minimizes heat losses by separating the interior from the exterior. Upgrading low-rise multifamily buildings to Passive House criteria can result in overall energy savings. Passive Houses use up to 90% less energy than a conventional house. It harnesses natural energy sources to generate and capture heat reducing the need for bought-in energy; leaving a smaller carbon footprint.

The Clean Energy Job Acts (CEJA), set a goal of 50% renewable energy by 2030. Energy efficiency is vital in meeting that renewable and clean energy goal. HB58 provides incentive to Maryland homeowners to move their homes to more energy efficiency thus getting Maryland one step closer to our 2030 goal.

For these reasons, I am requesting a favorable report.

With kindest regards,

Benjamin Brooks