

Testimony HB 210 Marland Bldy Performance Standard

Uploaded by: Barbara Matheson

Position: FAV



HB 210

Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards

Testimony before Economic Matters

February 14, 2024

Position: FAVORABLE

Dear Chair Wilson, Vice Chair Crosby, Sponsor Acevedo, and members of the committee, my name is Barbara Matheson. I represent the 700+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). I am providing written testimony today in **support of HB 0210.** The purpose of the bill is to require new government buildings to be fossil free and electric ready.

The Climate Solutions Now Act of 2022 positioned the state of Maryland as a leader in clean energy. However, the original requirements for building performance standards were removed from CSNA pending study of the electric grid capacity to support high electrification. The just-completed *Assessment of Electrification Impacts on the Maryland Electric Grid* resolves the concern. The findings indicate that a “highly electrified building sector” is well within the capacity of the state’s electric distribution system.

The electrification of new buildings is urgent and necessary to meet the state’s climate goals and to lessen the climate crisis. Severe weather patterns – droughts, heat, floods are too obvious to ignore. In addition to reducing greenhouse gas emissions, a strong electric building code will reduce energy costs, remove health hazards, create good jobs and stabilize the economy. Furthermore, money is available. The 2021 federal *Infrastructure Investment and Jobs Act* will provide \$225 million to help states revamp energy codes.

It makes no sense to continue to burn fossil fuels and disregard future impacts upon the state, the country, and the globe. The re-alignment of the Maryland Buildings code is essential.

Thank you for your consideration of this important legislation.

We respectfully urge a favorable report.

Barbara Matheson, Columbia, Maryland

HB 210_LWVMD_FAV.pdf

Uploaded by: Casey Hunter

Position: FAV



TESTIMONY TO THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

HB 210 - Maryland Building Performance Standards - Fossil Fuel Use and Electric-Ready Standards

POSITION: Support

By: Linda T. Kohn, President

Date: February 14, 2024

Since the emergence of the environment movement in the 1970's, the League of Women Voters has advocated for policies that protect our planet and promote public health. The League of Women Voters of Maryland believes that moving away from fossil fuel use and accelerating the renewable energy transition are critical steps towards mitigating climate change.

The League of Women Voters of Maryland **supports HB 210**, which would require new buildings to meet all energy demands without the use of fossil fuels. In 2020, buildings in Maryland contributed nearly a third of greenhouse gas emissions statewide.¹ This makes building electrification a top priority for Maryland to reach its goals of reducing emissions 60% by 2031 and achieving net-zero emissions by 2045.

In addition to reducing climate pollution, **HB 210** will lower building costs for developers, save consumers money by increasing energy efficiency, and improve indoor air quality. This legislation will most directly benefit low-income Marylanders and communities of color, who disproportionately feel the burdens of high energy costs and bear the brunt of climate pollution.

HB 210 would align Maryland's Building Performance Standards with its goal of mitigating climate change, and address one of the state's largest sources of climate pollution.

The League of Women Voters of Maryland **strongly urges a favorable report on HB 210**.

¹ *Building Energy Performance Standards: What You Need to Know*, Maryland Department of the Environment, 31 Oct. 2023, mde.maryland.gov/programs/air/ClimateChange/BEPS/Maryland%20BEPS%20Fact%20Sheet.pdf.

HB0210_Building_Performance_Standards_MLC_FAV.pdf

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR HB0210

Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards

Bill Sponsor: Delegate Acevero

Committee: Economic Matters

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB0210 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

As a percentage of the total population of Maryland, the number of people who want to continue to use fossil fuels is very low. The majority of all Marylanders are fully behind the elimination of fossil fuels from our lives and especially from our homes and buildings. This is policy that the General Assembly should be strongly supporting. However, although the number of people who want to continue to use fossil fuels is small, they are very powerful. So, the right policy does not get enacted and short-term profits are more important than long-term health and prosperity.

This bill attempts to get the right policy enacted and make our buildings fossil fuel free by 2026 for buildings less than seven stories, and by 2030 for buildings greater than seven stories, unless the building owner gets a waiver. Waivers cannot be granted for financial reasons.

This is policy we desperately need, for ourselves and our own health, and for our children who will have to live in the world that we leave behind.

We strongly support this bill and recommend a **FAVORABLE** report in committee.

HB0210 OPC Testimony.pdf

Uploaded by: David Lapp

Position: FAV

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PEOPLE'S COUNSEL

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BRANDI NIELAND
DIRECTOR, CONSUMER
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BILL NO.: House Bill 0210
Maryland Building Performance Standards –
Fossil Fuel Use and Electric-Ready Standards

COMMITTEE: Environment & Transportation Committee

HEARING DATE: February 14, 2023

SPONSOR: Delegate Acevero

POSITION: Defer consideration and consider in conjunction
with HB 1279

The Office of People’s Counsel (“OPC”) supports the substance of House Bill 210. However, OPC recommends that the Committee defer consideration of HB 210 so that it can be considered at the same time as House Bill 1279, the “Better Buildings Act.”

HB 210 requires most new buildings in Maryland to meet all energy demands without fossil fuels (i.e., to be fully electric) and requires new construction that cannot feasibly be built without fossil systems and appliances to meet a separate “electric-ready standard.” OPC supports the substance of HB 210 because fully electrifying new buildings is in the economic interest of Maryland residential utility customers, as well as a critical step for Maryland’s achievement of its greenhouse gas (“GHG”) reduction goals.

Direct fossil fuel use in buildings for space heating, water heating, and cooking accounts for approximately 14 percent of Maryland’s GHG emissions. For Maryland to achieve net zero emissions by 2045 in accordance with the Climate Solutions Now Act (“CSNA”), both new and existing buildings must generally electrify these energy loads. This makes economic sense as well as climate sense, because as a 2021 building decarbonization analysis for the Maryland Commission on Climate Change found, all-

electric new residential and small commercial buildings are more economical in Maryland than mixed-fuel new construction.¹

In light of this conclusion, in 2021, the Maryland Commission on Climate Change recommended that the General Assembly “require the Maryland Building Code Administration to adopt a code that ensures that new buildings meet all water and space heating demand without the use of fossil fuels,” along with a process whereby buildings that cannot electrify cost-effectively may obtain variances if they meet electric-ready standards.² These requirements were included in the initial drafts of the CSNA but removed from the bill before it was passed, in part due to the concern that Maryland’s electricity grid would be unable to handle the increased demand from a highly electrified building sector. Instead, the CSNA stated that the State’s intent was to move toward electrification of the building sector and directed the Public Service Commission (“PSC”) to conduct a study “assessing the capacity of each company’s gas and electric distribution systems to successfully serve customers under a managed transition to a highly electrified building sector.”

The PSC submitted its analysis to the General Assembly on December 29, 2023.³ It concludes that across three “high electrification” scenarios modeled to reduce statewide GHG emissions 60 percent by 2030—including a scenario where buildings electrify mainly by using less efficient heat pumps with electric resistance backup—electricity load growth would range from 0.6 percent to 2.1 percent through 2030.⁴ Moreover, each scenario assumed minimal levels of “demand-side management” strategies like energy efficiency and load flexibility (e.g., time-varying rates that shift electricity consumption to times of non-peak demand).⁵ The study found that load growth could be reduced by 0.2 to 1.2% per year with additional demand-side management programs.⁶

¹ Energy + Environmental Economics (“E3”), *Maryland Building Decarbonization Study: Final Report*,” (Oct. 20, 2021) at 37. More recently, RMI’s 2022 report, *The Economics of Electrifying Buildings*, found that in nine U.S. cities representing a range of climate zones, all-electric single-family new construction is more economical to build and operate than a home with gas appliances and has lower lifetime emissions. Available at <https://rmi.org/economics-of-electrifying-buildings/>.

² Maryland Commission on Climate Change, *Building Energy Transition Report: a Roadmap for Decarbonizing the Residential and Commercial Sectors in Maryland* (November, 2021), at 5, available at [https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/2021%20Annual%20Report%20FINAL%20\(2\).pdf](https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/2021%20Annual%20Report%20FINAL%20(2).pdf).

³ Serigici, Ramakrishnan, et al., *An Assessment of Electrification Impacts on the Maryland Electric Grid*, prepared by the Brattle Group for the Maryland Public Service Commission with support from Applied Energy Group and Mondre Energy (Dec. 19, 2023), available at <https://www.psc.state.md.us/wp-content/uploads/MD-PSC-Electrification-Study-Report.pdf>.

⁴ *Id.* at 2-3.

⁵ *Id.* at 3.

⁶ *Id.*

As the PSC noted in transmitting the analysis to the General Assembly, these load growth rates are significantly lower than the rates that Maryland experienced in the 1980s (4.9 percent average annual growth) and comparable to those experienced from 1990 to 2010 (1.2 percent to 1.5 percent). Thus, the Commission concluded that “[t]hese results show that peak load growth through 2031 with high electrification of the building sector will be comparable to or less than the growth rate that the Maryland system has seen over the past 40 years.”⁷ In other words, the PSC’s analysis satisfies concerns about electricity load growth expressed during passage of the CSNA, especially if the General Assembly and the Commission require electric utilities to maximize energy efficiency savings and load flexibility.

Finally, OPC supports the electrification of new buildings because it will reduce the build-out of new gas infrastructure—and thereby insulate the owners and inhabitants of those buildings—and gas customers as a whole—from rising gas system costs. As OPC has explained,⁸ increasing electrification—which will happen even without HB 210, only to a lesser extent—will lead to fewer gas utility customers and sales. If sales decline faster than gas utilities’ asset bases depreciate and faster than utilities can lower their operating and maintenance costs, the utilities will seek approval for higher gas rates to recover their costs over fewer unit sales. Higher rates will in turn spur more customers to electrify, and those left on the gas system will be required to pay even higher rates. This vicious cycle will have the greatest impact on low- and moderate-income households who lack access to the upfront capital needed to electrify or rent from building owners that lack incentive to electrify.

This trend, which has already begun, was the impetus for a petition that OPC filed with the Public Service Commission in February, 2023 to require long-term gas utility planning and certain immediate actions by the utilities.⁹

House Bill 1279, the “Better Buildings Act,” includes similar requirements to fully electrify new buildings, but also: (1) applies those requirements to existing buildings when they are significantly improved, (2) establishes a solar-ready standard for new buildings that are less than 20 stories tall and have 20,000 square feet or more of continuous roof space; (3) establishes an electric-vehicle-ready standard for all new

⁷ Fredrick H. Hoover, Chair, cover letter to President Ferguson and Speaker Jones accompanying *An Assessment of Electrification Impacts* (Dec. 29, 2023), available at <https://www.psc.state.md.us/wp-content/uploads/MD-PSC-Electrification-Study-Report.pdf>.

⁸ Office of People’s Counsel, *Maryland Gas Utility Spending: Projections and Analysis* (Oct., 2022), with 2023 update, *Maryland Gas Utility Spending: Updated Revenue Projections and Bill Impact Analysis* (Nov, 2023), available at <https://opc.maryland.gov/Publications>.

⁹ The Commission docketed OPC’s petition to Case No. 9707 and issued a notice on June 14, 2023 requesting public comments through October 10, 2023.

buildings;¹⁰ and (4) establishes energy conservation standards for new buildings that have 25,000 square feet or more of floor space.

HB 210 and HB 1279 represent different approaches to building electrification—essentially, “all new buildings should be electric” v. “all new buildings should be electric and also be built to maximize energy efficiency, the expansion of distributed solar, and the charging of electric vehicles.” In the absence of HB1279, OPC would support a favorable report of HB 210. But OPC conceptually supports the “electrification plus” requirements in HB 1279 and so expects¹¹ to recommend a favorable report of that bill as well. Because of the overlap between the two bills, OPC recommends that the Committee defer consideration of HB 210 until it can be considered together with HB 1279.

Recommendation: OPC recommends that the Committee defer consideration of HB 210 and consider it in conjunction with HB 1279, the Better Buildings Act.

¹⁰ HB 830 of 2023, codified at Md. Code Ann. Pub. Safety 12-205, establishes an EV-readiness standard for new single-family detached houses; duplexes; and certain town houses, but does not establish an EV standard for multifamily residential buildings.

¹¹ OPC is currently reviewing HB 1279, which contains significantly more detail than HB 210.

HB 0210 AIA Maryland - Maryland BPS.pdf

Uploaded by: Jaclyn Faulkner

Position: FAV

12 February 2024

Delegate Marc Korman
Chair, Environment and Transportation Committee
Room 251
House Office Building
Annapolis, Maryland 21401

Re: Recommendations for House Bill 0210
Maryland Building Performance Standards – Fossil Fuel Use and 3 Electric-Ready Standards

Dear Chairman, Korman and members of the Environment and Transportation Committee:

On behalf of AIA Maryland and the nearly 2,000 Architects we represent, we as an organization support the HB0210 moving the requirement for all new buildings to move toward all electric-ready standards. To make good on the goals set by the Climate Solutions Now Act set in 2022, we cannot get to the point of reducing carbon emissions by 60 percent of 2006 levels by 2031 and down to net zero emissions by 2045 without a move toward electrification of buildings in a way this bill has established. The Climate Solutions bill passed in 2022 set a size threshold of 35,000 sf to require electrification, this legislation simple dials the building size down to be more inclusive.

In most commercial and residential structures, the choice of a building heating/cooling system is one that is a 20 year or longer commitment, making the right choice now, allows us to make progress toward achieving our climate solutions goals and reduce greenhouse gas emissions from a sector that accounts for about 13% of Maryland's emissions. In some instances, main pieces of mechanical equipment can be in place for 40+ years with good maintenance and a bit of luck. If choices are made today to design for a system that relies on a carbon-based fuel, a building owner would likely need to replace their equipment before the end of its anticipated useful life, To move their building toward net zero emissions by 2045. An owner's choice to proceed with fossil fuel-based equipment today would make it very challenging to meet the 2031 climate change target of 60% emissions reduction from buildings. Most commercial water heaters have a shorter lifecycle of 10-15 years, which is still beyond the first target of the Climate Solutions legislation and heat pump water heaters. We do not think it is wise to ask owners to replace equipment before it's useful life, so this legislation sets them on a path that drives that decision to be at the right time in planning a new building. Setting clear expectations as established in this legislation provides objectives that will drive owner decisions that enable them to reach emission reduction goals in a fashion that aligns with new construction or replacement of aging existing equipment.

The efficiency of equipment, including air-source and ground-source heat pumps has improved significantly to reduce power required to operate the equipment. Additionally, the efficiency of the equipment to operate in low temperatures has also expanded. In the past 4 years, well more than 50,000 air-source heat pumps have been installed in residential properties in Massachusetts. The extreme cold temperatures the 2022 winter in the

Boston area were below temperatures ever recorded in Maryland and almost all residents in Massachusetts indicated that they were able to maintain their comfortable indoor temperatures despite the cold.

This legislation sets energy and carbon reduction goals where they need to be. There are exceptions outlined that enable unique uses and other exceptions to continue to use carbon-based fuel sources, however there should be a continued focus on reducing carbon emissions from the fossil fuel sources. Let's help Maryland achieve its climate goals. We ask for your support of HB 0210 to help us meet our state climate goals and to help owners make choices that align with those goals at the right time.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. R.' with a horizontal line extending to the right.

Chris Parts, AIA
AIA Maryland, Director, and Past President

hb210- building performance standards- E&T 2-14-20

Uploaded by: Lee Hudson

Position: FAV



Delaware-Maryland Synod
Evangelical Lutheran Church in America
God's work. Our hands.

Testimony Prepared for the
Appropriations Committee
on
House Bill 210
February 14, 2024
Position: **Favorable**

Mr. Chairman and members of the Committee, thank you for this opportunity to support advancing a net-zero energy regime in Maryland's building inventory. I am Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod, Evangelical Lutheran Church in America. We are a faith community with three synods in every part of our State.

Our community has supported green energy since 1993. We have advocated energy regime change in Maryland since 2004.

House Bill 210 would add, *as part of the Maryland Building Performance Standards, a requirement that new buildings meet all energy demands of the building without the use of fossil fuels and an electric-ready standard for certain buildings.*

We assert that the public interest in reducing greenhouse gas emissions arrived at least in the aughts and that public policy is tardy and deficient in the task of GGR. **House Bill 210** comes nearer fulfilling the spirit and letter of the Climate Solutions Now Act of 2022, which we supported, than doing too little or nothing about mitigating climate catastrophes.

Adding an environmental objective to regulation of Maryland's prospective building inventory will assist scaling technologies and constructing a greener energy future. The human activities that keep us from being green are identified to be industrial production, utility services (which this bill will influence), and transportation. We need better public policies for all three segments. **House Bill 210** presents one rational way to address at least one of them.

We urge your favorable report.

Lee Hudson

2024- HB210- OPP- PHI.pdf

Uploaded by: Anne Klase

Position: UNF



February 14, 2024

112 West Street
Annapolis, MD 21401

Oppose- House Bill 210 – Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) respectfully oppose *House Bill 210- Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards*. House Bill 210 would modify the Maryland Building Performance Standards to require that new buildings meet all energy demands without the use of fossil fuels and adopt an electric-ready standard for buildings that receive a waiver allowing the use of fossil fuels.

Pepco and Delmarva Power are committed to electrification and decarbonization and we continue to work to align our operations, grid investments, and customer product offerings and services with Maryland's climate change and clean energy goals. The companies have demonstrated support for other key aspects of the suite of policies aimed at reducing emissions in the transportation sector, which makes up for about 45% of Maryland's greenhouse gas emissions, relative to buildings, which account for 13% of greenhouse gas emissions. Additionally, we continue to support our customers and the larger community by providing the tools, programs and resources needed to enable the transition to a more equitable and inclusive clean energy future and greater resilience in the face of a changing climate.

In December 2023, the Department of the Environment (MDE) proposed regulations published in the Maryland Register to implement the building performance standards (BEPS) as outlined in the Climate Solutions Now Act . MDE is reviewing the many stakeholder feedback they received during the regulations comment period. Pepco and Delmarva Power participated in that process and submitted comments for consideration. Given the ongoing review of the regulations, House Bill 210 does not allow for MDE's current work on BEPS regulations to conclude and for the implementation process to begin. Additionally, the details and timeline set forth in House Bill 210 would be difficult to implement and likely cost customers more money than would a longer-term, deliberate plan to decarbonize, accounting for equity and affordability.

Pepco and Delmarva Power oppose House Bill 210 as it forces a rapid and significant shift in the state's future construction without considering the impacts of that change on all energy customers in Maryland and without considering the upcoming implementation of MDE's BEPS regulations. While Pepco and Delmarva Power support efforts to reduce GHG emissions, Pepco and Delmarva Power respectfully request that the Committee issue an unfavorable committee report on this legislation.

Contact:

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HB 210 UNF.pdf

Uploaded by: Bernie Marczyk

Position: UNF



February 14, 2024

Environment and Transportation Committee
House Office Building
Room 251
Annapolis, Maryland 21401

IN RE: HB 210 Concerning Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards

Dear Chair Korman, Vice Chair Boyce, and Members of the Committee:

The American Petroleum Institute (API)¹ opposes a ban on the use of natural gas in new building construction and encourages the legislature to preserve consumer choice with respect to heating and cooking options. Policymakers should appreciate the value natural gas has demonstrated in reducing emissions as well as the pivotal role this fuel can play in ensuring a diverse and reliable fuel mix while facilitating the state's energy transition. API believes legislative and regulatory efforts to ban natural gas use are premature and not prudent. While API understands the desire to act, we believe that effective and equitable environmental policy must be flexible and technology neutral, allowing residents to choose the solution which works best for them.

Consumers Should Have Right to Choose

A prudent public policy provides consumers with options. Competition is imperative to protect consumers while driving innovation, ingenuity, and progress. Policymakers should not pick winners and losers but should allow resources and technologies to compete. Free market policies provide the consumer with options to select what best fits their unique requirements.

An all-electrification requirement would remove natural gas from the heating and cooking markets, stripping the consumer of the right to select the heating fuel that best suits their needs. A ban on natural gas represents the worst type of policy because it effectively affords consumers only one option – electricity – with respect to heating and cooking. The state should not develop a policy which allows for just one option and instead should embrace a diverse portfolio of resources, fuels, and technologies.

The Role of Natural Gas in Balancing the Grid and Reducing Emissions

A move to all-electric heating and cooking will leave Maryland residents at the mercy of a power grid that is increasingly reliant on intermittent resources. The state should strive for a diversified portfolio of energy resources, and lawmakers should thoroughly assess the grid impacts that could result from comprehensive economy-wide electrification efforts.

¹ The American Petroleum Institute represents all segments of America's natural gas and oil industry, which supports more than 11 million U.S. jobs. Our nearly 600 members produce, process, and distribute the majority of the nation's energy. API members participate in API Energy Excellence, through which they commit to a systematic approach to safeguard our employees, environment, and the communities in which they operate. Formed in 1919 as a standards-setting organization, API has developed more than 700 standards to enhance operational and environmental safety, efficiency, and sustainability.



Broad electrification could negatively impact the power grid. Policymakers should fully and carefully consider the grid impacts that could result from the changing magnitude and pattern of load associated with electrification. In recent years the state has forwarded policies and incentives to advance electrification in the transportation and building sectors by encouraging electric vehicles as well as home appliance and heating conversions. These policies can increase the demand for electricity significantly with no corresponding assurances that there will be sufficient resources in place to meet this incremental demand. This means that the state may be forced to rely on the use of older and less efficient power plants and import electricity from other regional power systems that may also utilize less efficient power plants.

Building new and efficient gas-fired power plants can provide a pivotal solution that is currently being challenged by plant retirements and growing demand for electricity. The PJM Interconnection (PJM), which operates the wholesale electric grid serving Maryland (and all or parts of 12 other states plus Washington, D.C.), wrote in a recent letter that the deactivation of certain power plant units in the state “will adversely affect the reliability” of the power grid.² Furthermore, PJM has approved \$5 billion in new substations and power lines in order to avoid the violation of transmission standards and a recognition of potential increased demands for electricity.³ PJM also specifically cited electricity demand growth from electrification as a key trend that could increase reliability risks in the coming years, and noted that “if more natural gas capacity achieved commercial operation, it could help avoid reliability issues.”⁴

Additionally, moving to all-electric heating and cooking requirements without any new baseload power plants could result in more emissions rather than less.⁵ It would be prudent for the state to encourage the construction of new highly efficient gas-fired power plants as these facilities would reduce the use (and likely hasten the retirement) of older, higher-emitting and more expensive power plants. The dispatchability and flexibility of natural gas-fired power plants allow them to complement the sometimes-variable output of wind and solar facilities. The state should not pass any bill that stigmatizes or bans the use of natural gas. Rather, policymakers should encourage the use of natural gas as a means to facilitate the integration of renewables.⁶ Additionally, natural gas has long been valuable in reducing emissions from the power sector and ensuring a reliable system while providing reserve and regulation support.⁷

A Ban Inappropriately Closes Door on Prospect of Renewable Natural Gas and Emerging Technologies

API and its members are committed to delivering solutions that reduce the risks of climate change while meeting society’s growing energy and electricity needs. The industry is investing in the development of cleaner fuels including

² See <https://www.pjm.com/-/media/planning/gen-retire/deactivation-notices/pjm-response-letter-wagner.ashx>.

³ See <https://pjm.com/-/media/committees-groups/committees/teac/2023/20231205/20231205-pjm-teac-board-whitepaper-december-2023.ashx>.

⁴ See <https://www.pjm.com/-/media/library/reports-notices/special-reports/2023/energy-transition-in-pjm-resource-retirements-replacements-and-risks.ashx>.

⁵ As a point of reference, technological improvements over the past decade have reduced the carbon emission rate of new gas plants by 12 percent, which means that over the course of a year, a typical baseload gas plant built in 2020 emits 170,000 tons less carbon than one built in 2009.

⁶ Natural gas combusted on-site is currently cleaner per unit of energy than electricity from the grid because of the energy losses occurring during the generation, transmission, and distribution of electricity. See City of New York Mayor’s Office of Sustainability, *One City Built to Last: Transforming New York City Buildings for a Low-Carbon Future*, 34 (2016).

⁷ The electric generation sector has significantly decreased greenhouse gas emissions. Emission reductions in this sector are greater than any other sector of the economy. Using data from the U.S. Energy Information Administration, API estimates that carbon emissions from New York’s power generation sector have plummeted 56 percent since 2000. Most of this decline can be attributed to the switch from coal and oil to natural gas. See also The North American Electric Reliability Corporation, the standard bearer for reliability of the continent’s bulk power systems, concluded that flexible, fast-ramping natural gas generators will be needed to maintain reliability as intermittent renewable resources become more prevalent.



renewable natural gas and hydrogen. A fossil-fuel free building requirement creates a disincentive for investment in these promising technologies.

Unintended Consequences

Legislators should also recognize that moving the state to electric heat and heat pumps can have the unintended consequence of incentivizing customers to purchase and use backup generators that run on fossil fuels. The state must first understand and appreciate the potential economic and environmental consequences of additional backup generators before pursuing a future of only electric heat in new construction.

Cost

Good public policy considers cost impacts on consumers, especially those in overburdened communities. All-electric legislation will likely increase costs. According to research conducted for the National Association of Home Builders, all-electric homes cost more upfront in comparison to gas homes.⁸ Specifically, for new construction the estimated electrification costs for an electric reference house in Baltimore compared to a baseline gas reference house ranges from just under \$4,000 (low-reference case) to over \$14,000 (high-reference case).

Bill is Premature

API believes that the bill is premature, and the very language of the bill validates this assertion. Section 2 of the bill requires state agencies to report back to ensure that the changes required by it “do not diminish the availability of affordable housing or the affordability of electricity for customers in all-electric buildings.” Section 2 is an admission that the exact impacts of the legislation are unknown. API recommends that before passing this legislation that lawmakers should be certain that the bill will not impose costs on the consumer and have an adverse impact on grid reliability.

Conclusion

For the reasons outlined above, API respectfully ***opposes HB 210***, which removes consumer choice and bans the use of all fossil fuels in new building construction. Thank you for considering these comments, and please feel free to follow up with Michael Giaimo (giaimom@api.org or 603.777.0467) should you have any questions.

⁸ See <https://www.nahb.org/-/media/NAHB/nahb-community/docs/committees/construction-codes-and-standards-committee/home-innovation-electrification-report-2021.pdf>.

BGE-ET-OPP_House Bill 210- Maryland Building Perfo

Uploaded by: Dytonia Reed

Position: UNF



AN EXELON COMPANY

Position Statement

Oppose
Environment and Transportation
Economic Matters
2/14/2024

House Bill 210- Maryland Building Performance Standards – Fossil Fuels Use and Electricity – Ready Standards

Baltimore Gas and Electric Company (BGE) opposes *House Bill 210 – Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards*. House Bill 210 would modify the Maryland Building Performance Standards to require by January 1, 2025, that new buildings meet all energy demands without using fossil fuels and adopt an electric-ready standard for buildings that receive a waiver allowing the use of fossil fuels.

Currently, the Department of Environment (MDE) is promulgating regulations to implement the building performance standards (BEPS) for buildings of a specific size as required by the 2022 Climate Solutions Now Act (CSNA). MDE is still reviewing feedback received during the comment period ending on January 18 and making necessary revisions to the proposed regulations based on the numerous stakeholder responses received. MDE indicated that the BEPS regulations would not be finalized until May of this year. But once finalized and implemented, building owners must benchmark energy data and meet interim net direct GHG emissions reductions by 2030. BGE supports the deliberate approach currently undertaken by the State to implement building performance standards to align with Maryland's ambitious climate goals.

There are ongoing processes holistically addressing this topic, which House Bill 210 does not consider and, if passed, could delay the progress of existing efforts, including:

- The CSNA required that the Maryland Department of Labor's Building Codes Administration to study options for developing an all-electric building code and that Maryland adopt the 2018 International Green Construction Code (IGCC). State building codes were updated in May 2023 based on the 2021 International Energy Conservation Code (IECC). Model energy and building codes may aid in reaching the State's goals of adopting low or zero-carbon construction standards by 2031.
- The Green and Healthy Task Force of 2023-2026 is tasked with and will recommend how to deliver green housing for limited-income households throughout the State.
- The Maryland Green Building Council guides Maryland's High-Performance Building Program, which applies to new and renovated State-funded buildings.
- The Air Quality Control Advisory Council advises on draft air quality rules and regulations proposed by MDE, including BEPS.

BGE supports building decarbonization in our service territory in a way that takes customer choice and costs to our customers seriously and helps ensure the safe, reliable, and resilient provision of

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC).

Brittany Jones | Guy Andes | Dytonia Reed | 410.269.5281



AN EXELON COMPANY

Position Statement

energy to them. Electrification will require significant incremental investments in our electric infrastructure to serve the resulting load reliably and with resilience in mind. However, such a meaningful shift to the State's building standards as the one contemplated in House Bill 210 requires time for planning and implementation. The BGE territory serves 54% of Maryland's residential gas customers and 55% of commercial and industrial gas customers. These customers represent nearly half of statewide natural gas use in Maryland's buildings and industry. Of this natural gas use, approximately 25% is associated with harder-to-electrify large commercial and industrial users. House Bill 210 does not provide the tools necessary to expedite the planning, siting, permitting, and construction of such electric system infrastructure, and fails to address the significant potential costs associated with electrification. Without the required time and tools, the grid may be unable to serve new loads during times of peak energy usage.

Further, BGE engaged Energy + Environmental Economics (E3) to analyze viable pathways that achieve the State's net zero goals and identify potential implications for BGE's customers and service area. E3 analyzed three key decarbonization scenario pathways that built on prior work E3 performed for the State: 1) Limited Gas; 2) Hybrid; and 3) Diverse. Each of the pathways could achieve Maryland's net-zero GHG emission targets and all require significant electrification – including building and transportation electrification. The most important finding by E3 is that the Hybrid and Diverse pathways, both of which leverage the combined capabilities of electric and gas delivery systems, achieve Maryland's goals at lower cost and less risk for customers and the State's economy. These Integrated Energy System (IES) pathways also deliver greater resiliency, fuel diversity, more realistic constructability and less disruption to customers and the State's economy¹. And again, the Integrated Energy System pathways meet Maryland's goal of achieving net zero greenhouse gas emissions by 2045.

BGE opposes House Bill 210 as it forces a rapid shift without appreciating the current ongoing work, costs, and the impacts of such a rapid change on all energy customers in Maryland. BGE respectfully requests that the Committee issue an unfavorable committee report.

¹ [BGE_PathToClean_Final_090623.pdf \(contentstack.com\)](#)

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC).

Brittany Jones | Guy Andes | Dytonia Reed | 410.269.5281

HB210ICSCUNF.pdf

Uploaded by: Eric McWilliams

Position: UNF

February 14th, 2024

Environment and Transportation Committee
Room 131, House Office Building
Annapolis, Maryland 21401



House Bill 210 – Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards – OPPOSE

Chair Korman, Vice Chair Boyce, and Members of the Environment and Transportation Committee

The ICSC Maryland Government Relations Committee respectfully opposes House Bill 210: *Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards*. ICSC is the marketplaces industry association supporting more than 45,000 members. In Maryland our industry supports 500,000 jobs and is responsible for nearly \$7.1 Billion in state sales and use tax revenue.

House Bill 210 would require that new buildings meet all energy demands without the use of fossil fuels by October 1st, 2026 for a building that is less than seven stories tall, and by October 1st, 2030 for a building that is more than seven stories tall.

ICSC is concerned with the large change in policy that this bill would mandate. In recent months, PJM has placed a strong emphasis on ensuring the grid's reliability in the face of electrification challenges. This potential policy's change in electrification may further strain the grid before its capacity is adequately addressed. In addition, the economic burden falls heavily on utility payers, and this transition could impact not just new building owners but the broader community due to an increased electricity demand.

We respectfully ask for an unfavorable report for this legislation.

Sincerely,
Eric McWilliams
ICSC Maryland Government Relations Chair

If you have any questions regarding this document or ICSC please contact Sushant Sidh (Sushant.Sidh@capitol-strategies.com)

HB 210_MDCC_Maryland Building Performance Standard

Uploaded by: Hannah Allen

Position: UNF



LEGISLATIVE POSITION:

Unfavorable

House Bill 210 – Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards

House Environment and Transportation

Wednesday, February 14, 2024

Dear Chairman Korman and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 6,800 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

House Bill 210 requires Maryland’s Department of Labor to adopt new requirements, as a part of the Maryland Building Performance Standards, that new buildings meet all energy demands without the use of fossil fuels and requires an electric-ready standard for certain buildings that qualify for a waiver allowing the use of fossil fuels. The adoption of these new standards would be required on or before January 1, 2025.

This legislation creates significant challenges for existing businesses and future economic development in Maryland. House Bill 210 would severely restrict the availability of affordable energy options for all new buildings in the state. This legislation also places Maryland at a significant regional economic competitiveness disadvantage by ultimately phasing out the use of other affordable energy sources for commercial buildings that are critical to every jurisdiction in our state.

Electrifying buildings alone does not ensure decarbonization due to the use of fossil fuels for electricity generation. Mandating building electrification may shift emissions from individual buildings to centralized power plants. There remains uncertainties about fully abandoning natural gas for widespread electrification and whether the grid can handle increased demand. The U.S. Department of Energy’s 2023 Transmission Needs Study highlights the need for substantial transmission capacity increases, which can take over a decade to implement. Additionally, the legislation restricts the use of innovative technologies like renewable natural gas and hydrogen, which could offer cost-effective and environmentally friendly alternatives.

Lastly, HB 210 brings forward legal concerns. In April of 2023, the U.S. Court of Appeals for the Ninth Circuit held that the Energy Policy and Conservation Act (EPCA) preempts state and local building codes concerning the energy use of natural gas appliances, including Berkeley’s building

MDCHAMBER.ORG

60 West Street, Suite 100, Annapolis 21401 | 410-269-0642

code which prohibits natural gas piping into new buildings, preventing the use of natural gas. In January 2024, the Ninth Circuit denied Berkeley's request for review and the panel's decision, which struck down Berkeley's ordinance, was reaffirmed.

While the Chamber has been supportive of efforts to responsibly reduce emissions, House Bill 210 sets for an unrealistic implementation timeline that would drastically change the permitting process for future construction in the state. A sole source energy policy poses risks, high costs and challenges. A balance should be struck between reducing emissions, promoting technological innovation, and ensuring affordability, accessibility and choice for consumers.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report** on **HB 210**.

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60 West Street, Suite 100, Annapolis 21401 | 410-269-0642



HB 210 testimony.pdf

Uploaded by: Kirk McCauley

Position: UNF



WMDA/CAR Service Station
and Automotive Repair Association

Chair: Marc Korman and Members of Environment and Transportation and Economic Matters Committees.

RE: HB 210 Maryland Building Performance Standards – Fossil Fuel Use and - Electric-Ready Standard

Position: Oppose

My name is Kirk McCauley, my employer is WMDA/CAR, we represent service stations , convenience stores and repair facilities across the state.

Requiring new building to be 100% electric with exceptions and requiring a waiver to get a fossil fuel backup, which counties do not have to grant, is recipe for failure until our electric grid:

- Has the capacity and security to accommodate these requirements.
- Has storage for electricity generated by solar, wind and other non-fossil fuels.

So far Maryland has none of the above, natural gas, propane and fuel oil have improved efficiency and should not be left out in the cold.

Please give HB 210 an unfavorable report

Kirk McCauley, WMDA/CAR – kmccauley@wmda.net 301-775-0221

MBIA Letter of Opposition HB 210.pdf

Uploaded by: Lori Graf

Position: UNF

February 12, 2024

The Honorable Marc Korman
Environment & Transportation Committee
House Office Building, Room 251,
6 Bladen St., Annapolis, MD, 21401

RE: MBIA Letter of Opposition HB 210 Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards

Dear Chairman Korman:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 210 Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards**. MBIA **Opposes** the Act in its current version.

This bill requires the Department of Labor to adopt a new electric energy standard for new buildings and eliminate the use of fossil fuels in new buildings by 2026 and 2030 size dependent. MBIA respectfully opposes this measure. While we recognize the importance of addressing the ongoing and systemic risk of climate change this bill places full electrification of new buildings on an unrealistic and accelerated timeline. Many electrification technologies are not yet sufficient to meet our current needs. Heating technology, such as a heat pump, is sufficient in climate with very little relative temperature change during the year but does not work sufficiently in the Maryland climate without expensive emergency heat during extreme cold events like we experienced in December. Gas heating, including hybrid systems, is essential for this climate and a fully electrified building code does not allow for that. BGE recommends hybrid heating systems as the best way to dramatically reduce carbon emissions while still meeting consumer needs. This bill currently prohibits this kind of system and instead requires local governments to grant waivers to specifically allow them. This creates intense political pressure to prohibit a carbon reducing system that can easily meet consumer heating demands.

Lastly, Maryland currently faces a housing shortage of approximately 96,000 housing units. If nothing changes, that number will increase by 5600 units per year. The National Association of Homebuilders reports that the estimated rent of a Maryland Housing Units is more than 30% of household incomes state wide with 25% of people spending more than 50% of their income on housing. In order to address this problem, we need a concerted effort to make housing available, and affordable to the residents of this state. We need to be finding ways to incentivize housing, not make it more challenging to constructs. MBIA supports taking efforts to protect the environment, however we need to balance that with the housing needs of the state.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee

MARYLAND IN CRISIS

Maryland is experiencing an unprecedented housing shortage

A limited supply of land, a shortage of skilled labor, increased regulation, increasing material costs and rising interest rates are all contributing to higher home prices and rents. The result? Marylanders are struggling to afford one of the most basic human needs — shelter.



"Maryland is the 8th least affordable state in the US for housing costs"

Jake Day, the Maryland secretary of Housing and Community Development



FACTS



Maryland is short at least 96,000 housing units.

This will increase by 5600 units a year if no action is taken

Restricting housing supply in high-productivity cities leads to an increase in property values, and it is therefore in the rational self-interest of current property owners to seek such restrictions. However, the social costs of these private gains are immense, particularly when one considers higher-income neighborhoods have greater access to a range of benefits, including quality public schools, better government services, healthier environments, and more green spaces. Restricting the ability of people to move into these communities also exacerbates the defacto racial and class segregation created and reinforced by 20th-century urban development and housing policies.



An acre increase in minimum lot size = **36 % reduction** in the number of new housing units



The price of rental housing increases 2.3% for every new regulation



A residential parking spot costing \$24,000-\$34,000 **increases rent by 17 %**

"We must address the housing crisis at its source: Withering supply"

Maryland Governor, Wes Moore

Home prices have risen nationally, since 2019. Both the Forbes Advisor Index and Missouri Economic Research and Information Center Index place Maryland among the states with the highest cost of living. The median home price in Maryland was \$411,200 compared to the national median home price of \$348,600 in 2022. The cost of housing is impacted by housing inventory. Between 2019 and 2022, the housing inventory dropped between 40% and 75% in every county (57% on average, statewide) while median home prices increased 27% statewide

HOUSING IN CRISIS

Regulations imposed by all levels of government account for \$93,870, or 23.8% of the current average sales price of a new single-family home

Visit marylandbuilders.org for more information

WG Written Testimony - HOUSE BILL 210 Opposition_F

Uploaded by: Manuel Geraldo

Position: UNF



1000 Maine Avenue, SW | Suite 700 | Washington, DC 20024 | www.washingtongas.com

COMMITTEE: ENVIRONMENT AND TRANSPORTATION

TESTIMONY ON: HB210 MARYLAND BUILDING PERFORMANCE STANDARDS – FOSSIL FUEL USE AND ELECTRIC-READY STANDARDS

POSITION: OPPOSE

HEARING DATE: FEBRUARY 14, 2024

Washington Gas respectfully submits this statement in **OPPOSITION** to **House Bill 210 - Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards**.

Washington Gas provides safe, reliable natural gas service to more than 1.2 million customers in Maryland, Virginia, and the District of Columbia. We have been providing energy to residential, commercial, government, and industrial customers for more than 175 years. Washington Gas strives to be one of the safest and most innovative energy companies in the region, and the United States. We work daily on fulfilling our longstanding commitment to ensure we deliver energy safely, reliably and affordably to our customers. We embrace our role in helping the communities we serve and are supportive of efforts to reduce greenhouse gas emissions.

Washington Gas is focused on innovation to identify emerging technologies that may create new pathways for efficiency and reduced emissions and to implement the best solutions in a way that achieves greenhouse gas emissions at the least cost while enhancing the resilience of energy supply. This requires a multi-pronged approach. Helping customers use less energy to deliver the same comfort and convenience is a major contributor. We are also exploring opportunities to reduce the carbon content of our fuel supply, by securing commitments from our natural gas suppliers, integrating locally produced renewable natural gas, and preparing for a hydrogen future. Natural gas distribution systems provide a potential solution to utilize fugitive sources of methane – food waste, wastewater, landfills and agriculture operations - by converting these sources to energy and preventing their release into the atmosphere.

Climate change is a defining challenge across Maryland, and natural gas, natural gas utilities, and the existing delivery infrastructure are essential to meeting the state's greenhouse gas emissions reduction goals in an affordable manner. Maryland can continue to achieve significant emissions reductions by accelerating the use of tools available today, including high-efficiency natural gas applications, renewable gases, combined heat-and-power, and enhanced energy efficiency initiatives. House Bill 210 would limit Maryland residents and businesses from saving money and impede the state's ability to optimize all available resources towards reducing emissions.

House Bill 210 does not allow for the wide variety of low-cost decarbonization methods and technologies beyond electrification. While Washington Gas strongly support efforts to decarbonize and combat climate change, by requiring all new buildings meet all energy demands without natural gas, House Bill 210 is not an appropriate, realistic, or efficient way to advance emissions reductions for customers in Maryland. It will require substantial investments by Maryland's residents and businesses, increase utility bills, and reduce the diversity, reliability, and resilience of Maryland's supply of energy.

The physical characteristics of the natural gas system make it incredibly resilient and reliable, a key asset to keep in mind during the energy evolution. Less than 1% of customers are expected to experience a natural gas outage in any given year, while electric distribution systems see an average of one (1) outage per year per customer.¹ The high reliability of the natural gas system provides significant cost savings on peak demand days. For example, Oregon utility Northwest Natural Gas conducted an analysis of its winter peak demand days and found that the amount of new renewables and storage required to replace the use of natural gas on such days (in terms of exajoules of energy) would cost approximately \$20 billion, not including any grid upgrades required to reliably integrate and deliver energy from these renewables.²

Questions remain about the legality of banning fossil fuel use in buildings, with Berkely, California's proposed ban on natural gas hookups in new construction being struck down in federal court.³ There are further uncertainties around the feasibility of abandoning natural gas for widespread electrification and if the grid will be able to accommodate the increased load. The United States Department of Energy's 2023 Transmission Needs Study found that PJM must increase within-region transmission by 61% by 2035 and interregional transfer capacity with the Midwest region by 474% by 2035, both relative to 2020 to accommodate high load and high clean energy growth.⁴ Major transmission lines can take more than a decade to obtain permits.⁵ This does not account for the planning, purchasing of land, construction, and other subsequent activities that go into making new transmission operational on the grid.

Electrification by itself is not decarbonization. The majority of the electricity available on Maryland's grid today is supplied by fossil fuels so electrification could be just shifting the point source of the emissions particularly on the coldest days of the year when the gas distribution system is relied on the most. There are also significant workforce development, supply chain, and land use issues that would need to be addressed before undertaking the requirements in House Bill 210. Furthermore, House Bill 210 fails to address the need for a diverse and robust energy portfolio, necessary to maintain stability in the grid and rates in the commercial and residential sectors across Maryland. Maryland has a safe and reliable natural gas infrastructure system that is critical to delivering cleaner fuel today, and the state should leverage it to deliver new low and no-carbon

¹ AGA. [Natural Gas is Reliable](#)

² NW Natural. [Understanding Peak Demand](#) (2023).

³ SmartCitiesDive. [Federal court won't reconsider decision to overturn Berkeley, California, natural gas ban](#) (Jan. 2, 2024).

⁴ DOE. Transmission Needs Study [Mid-Atlantic Region](#) (Oct. 30, 2023).

⁵ Bloomberg Law. [States Balk at Permitting Plan's 'National Interest' Power Lines](#) (Sep. 2022).

fuels in the future. House Bill 210, by prohibiting natural gas, eliminates an affordable way for Maryland customers to heat their home, cook their meals and operate their business.

For the above reasons Washington Gas respectfully requests an unfavorable vote on House Bill 210. Thank you for your consideration of this information.

Contact:

Manny Geraldo, State Government Relations and Public Policy Manager
M 202.924.4511 | manuel.geraldo@washgas.com

Suburban Propane - House Bill 210.pdf

Uploaded by: Paul Rozenberg

Position: UNF



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Paul M. Rozenberg
Senior Manager, Government Affairs
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(c) 862.217.9643

February 12, 2024

VIA ELECTRONIC SUBMISSION

Delegate Marc Korman
Chair, House Environment and Transportation Committee
Maryland General Assembly
Room 251
House Office Building
Annapolis, Maryland 21401

RE: House Bill 210

Dear Chair Korman:

Suburban Propane writes in regards to House Bill 210, which requires new buildings less than seven stories tall meet all energy demands without the use of fossil fuels beginning October 1, 2026 and all new buildings seven or more stories tall beginning October 1, 2030. Suburban Propane has been serving customers for more than 95 years and is the nation’s third-largest propane retailer with operations in 42 states. In Maryland, we currently have 135 employees at 19 locations serving more than 40,000 customers.

Suburban Propane supports Maryland’s overall goal of reducing the carbon footprint of buildings. However, pushing all building construction towards electricity as the only energy source comes with significant costs and is not an effective way to achieve the State’s goal. Combatting the impacts of climate change will require a technology-neutral approach that uses all available fuel sources, including: low carbon intensity (CI) traditional propane, lower-CI renewable propane, zero- or negative- CI blends of traditional propane, renewable propane, and/or renewable dimethyl ether (rDME); and renewable natural gas (RNG). Therefore, we ask that House Bill 210 be amended to promote a technology-neutral approach encouraging the use of all low-CI energy sources to achieve Maryland’s emissions reduction target.

House Bill 210 clearly prioritizes electricity under the inaccurate assumption that electricity is the energy source with the lowest carbon intensity. Electricity can be a tool in reducing the carbon footprint of buildings, but rapid electrification is detrimental to decarbonization. If buildings move to all-electric too quickly, it further taxes an already overburdened electrical grid. More power must be generated, which



will most likely come from increased electric generation at existing power plants using fossil fuels, negating any benefit electrification may provide, and increasing electricity costs for residents.

Meanwhile, other low-, zero, and negative-CI fuels, including those previously mentioned, are already available to consumers and can be used in existing infrastructure, allowing for immediate reductions in carbon emissions and saving residents thousands of dollars in conversion costs. For example, our subsidiary, Suburban Renewable Energy (Suburban Renewables), owns and operates RNG production facilities in Arizona, New York, and Ohio. This RNG is a drop-in replacement for natural gas and can use the existing natural gas transmission and distribution system.

Instead of relying solely on electricity, we encourage the State to adopt a technology-neutral approach in reducing carbon emissions, similar to the clean fuel standards adopted in California, Oregon, and Washington for transportation emissions, and permit the use of other energy sources that are low-carbon, including traditional and renewable propane. Propane is a reliable and abundant energy source that millions of households and businesses use for heating, cooking, and other purposes. Rural communities, like many of the communities in Maryland, rely on propane as they do not have access to natural gas lines.

Suburban Propane is proud to be leading the propane industry in the energy transition to a low-carbon world. Through our Suburban Renewables platform, we are also committed to investing in the next generation of even cleaner, less carbon-intensive energy sources, such as rDME, biogas, renewable natural gas, and hydrogen. However, it will take time to bring these new products to widespread commercial scale and the use of propane will be important in reducing emissions in the short term.

We urge the House Environment and Transportation Committee to amend House Bill 210 by adopting a technology-neutral approach that incentivizes buildings to use low-carbon, carbon-neutral, or carbon-negative fuels. We would appreciate the opportunity to discuss with you how propane, renewable propane, and other low-carbon fuels can play a role in lowering the carbon footprint of buildings in Maryland. Thank you for your consideration.

Sincerely,

/s/ Paul M. Rozenberg

Paul M. Rozenberg
Senior Manager, Government Affairs &
Corporate Communications
Suburban Propane

MD 2024 HB 210 Columbia Gas Testimony Final.pdf

Uploaded by: Peter Trufahnestock

Position: UNF



OPPOSE – House Bill 210
Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards
Act of 2024
House Environment and Transportation Committee
House Economic Matters Committee

Columbia Gas of Maryland, Inc. opposes House Bill 210, which requires the Department of Labor to adopt as part of the Maryland Building Performance Standards, a requirement that new buildings under seven stories tall meet all energy demands of the building without the use of fossil fuels.

Electrifying buildings does not necessarily lead to decarbonization. A significant percentage of electricity provided to Maryland today is supplied by fossil fuels. Mandated building electrification now would just shift the point source of emissions from a new building to a base load electric generation facility. House Bill 210 fails to address the need for a diverse and robust energy portfolio, necessary to maintain grid stability and reasonable, affordable utility rates for residential homes and commercial buildings in Maryland.

The legislation prevents the use of new technologies like renewable natural gas and hydrogen which is expected to provide cost-effective heat and energy to homes and businesses. In addition to the cost-effectiveness, these technologies can produce meaningful greenhouse emission reductions over other conventional energy sources in the short and long term, and thus should not be barred from use.

While the proposed legislation allows a local jurisdiction to grant a waiver from the requirement for emergency back-up power systems and buildings designated for use by five types of business, it ultimately prevents customer choice for those building their own homes or building commercial business space in the future. Under the bill, financial considerations are not a sufficient basis to pursue a local waiver of the requirement. To the contrary, Columbia Gas respectfully submits that financial considerations are the major consideration when building a new home or business.

It should be noted, the federal Energy Policy and Conservation Act (EPCA) preempts state regulations or laws that effectively ban EPCA-regulated products from accessing necessary energy sources. See, e.g., 42 U.S.C. § 6297(c). HB 210 is expressly intended to reduce greenhouse gas emissions by mandating electric only buildings and preventing the use of fossil fuel appliances. In most buildings, appliances like natural gas furnaces and water heaters are “covered products” under EPCA and EPCA preempts efforts by states to establish “energy conservation standards” relevant to these products, particularly where state legislation functionally ban the use of the products. Accordingly, Columbia Gas believes this legislation is preempted by federal law.

Columbia Gas wishes to make clear that its company leadership believes climate change is real, and we are committed to reduce the greenhouse gas emissions of our operations and pursue opportunities to reduce customer emissions. However, that change must happen within the confines of the reality with which our energy is produced and consumed. Columbia Gas supports appropriately crafted policy on emission reductions that:

- Targets deep greenhouse gas reductions consistent with affordability and reliability
- Preserves customer energy choice
- Addresses customer equity issues and supports an equitable energy transition
- Expands utility energy efficiency and renewable energy programs
- Incentivizes market demand for low carbon gas and advanced technologies
- Recognizes the mitigation, adaptation, affordability and reliability benefits of gas infrastructure
- Promotes modernization of gas infrastructure, which is key to reducing emissions and ensuring a safe, reliable and climate-resilient energy system
- Promotes an environment of innovation, research, development and deployment needed for deep emissions reductions; and
- Supports utility rate mechanisms and cost recovery processes that support a lower carbon future.

The requirements of HB 210 are not in line with the above parameters, and consequently Columbia Gas cannot support HB 210 as appropriately crafted policy on greenhouse gas emission reductions, and therefore urges an unfavorable report.

February 14, 2024

Contact:
Carville Collins
(410) 580-4125
carville.collins@dlapiper.com

Contact:
Pete Trufahnestock
(717) 903-8674
ptrufahnestock@nisource.com

MCIES OPPOSE HB 210.pdf

Uploaded by: Sarah Peters

Position: UNF



Bill: Maryland Building Performance Standards - Fossil Fuel Use and Electric Ready Standards

Position: OPPOSE

Dear Chair, Vice Chair, and Members of the Committee:

On behalf of the Maryland Coalition for Inclusive Energy Solutions (MCIES), a trade association promoting the inclusivity of all energy sources to meet the state's energy needs, I am writing to oppose HB 210.

This bill fails to address several critical issues and could have detrimental effects on our state's energy landscape.

Firstly, electrifying buildings does not guarantee decarbonization, as a significant portion of Maryland's electricity is still generated from fossil fuels. Mandating building electrification under these circumstances merely shifts emissions from individual buildings to centralized electric generation facilities through increased electricity use, exacerbating rather than mitigating the problem. There are also uncertainties around the feasibility of abandoning natural gas for widespread electrification and if the grid will be able to accommodate the increased load. The United States Department of Energy's 2023 Transmission Needs Study found that PJM must increase within-region transmission by 61% by 2035 and interregional transfer capacity with the Midwest region by 474% by 2035, both relative to 2020 to accommodate high load and high clean energy growth. Major transmission lines can take more than a decade to obtain permits. This does not account for the planning, purchasing of land, construction, and other subsequent activities that go into making new transmission operational on the grid.

Moreover, the legislation prohibits the use of innovative technologies such as renewable natural gas and hydrogen, which offer cost-effective and environmentally friendly alternatives for heating and energy provision. By limiting options and innovation, the bill stifles progress towards true decarbonization and sustainability.

Furthermore, while the bill allows for waivers under certain circumstances, it restricts customer choice for those constructing new homes or commercial spaces. Financial considerations, which are often paramount in such decisions, are disregarded.

House Bill 210 may also face legal challenges, as it could be preempted by federal law, specifically the Energy Policy and Conservation Act. This raises serious questions about the enforceability of the proposed legislation, as well as the legality following the Ninth Circuit



Court's decision striking down the Berkely, California ban of natural gas hookups in new construction.

We urge policymakers to consider the adoption of low-carbon technologies and modernization of our energy infrastructure as it considers emission reductions. For these reasons, we respectfully request an unfavorable report.

Sincerely,

A handwritten signature in blue ink, appearing to read "George K. Anas".

George K. Anas
President

HB 210_Chesapeake Utilities_Unfav (02-12-24) (Fina

Uploaded by: Steve Baccino

Position: UNF



February 12, 2024

**HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE
HB 210 – Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready
Standards**

Statement in Opposition

Chesapeake Utilities Corporation (“Chesapeake Utilities”) respectfully **OPPOSES** certain provisions contained in HB 210. Among other things, HB 210 seeks to ban a proven, affordable, reliable and domestic energy supply for all new buildings on or before October 1, 2026, for all new buildings less than seven stories tall and on or before October 1, 2030, for all new buildings seven or more stories tall. In addition, HB 210 requires the Department of Labor to adopt the ban on fossil fuel use in new buildings by January 1, 2025.

Chesapeake Utilities operates natural gas local distribution companies that serve approximately 32,000 customers on Maryland’s Eastern Shore in Caroline, Cecil, Dorchester, Somerset, Wicomico, and Worcester Counties. These public utilities are regulated by the Maryland Public Service Commission and have provided in the coldest months of the year safe, reliable, resilient, and affordable service in the State for decades. As a company, Chesapeake Utilities serves as a positive and informed resource in the ongoing energy and climate change discussions. Moreover, Chesapeake Utilities is committed to continuing being part of the solution as Maryland addresses greenhouse gas emissions.

HB 210 is expressly designed to artificially increase costs for existing gas customers. When gas companies add new customers, their fixed costs are spread over a larger customer base (keeping costs down for all customers). HB 210 intends to cut-off the ability of gas companies to add new customers, causing existing customers to pay more and more for their service. This unprecedented and unchecked rate inflation will continue until existing customers can no longer afford to maintain their service. Of course, remaining natural gas customers especially those who happen to be low and middle-income will be the most adversely impacted due to these artificially created costs increases.

HB 210 will significantly increase costs for owners of new buildings and existing gas customers. According to the Maryland Commission on Climate Change (“MCCC”), direct use emissions from all current buildings account for only 13% of economy-wide greenhouse gas (“GHG”) emissions in Maryland.¹ These current emissions have decreased (and will continue to decrease) from historical levels because of natural gas. HB 210 would impose significant costs on the construction of all new buildings to be built to be electric ready. In addition, regardless of whether the new building will be permitted to use fossil fuels or not, as the buildings eligible for a waiver under the new Building Performance Standards (the “Standards”), must still be

¹ See E3’s *Maryland Building Decarbonization Study*, September 16, 2021, at 5



constructed to be all electric ready. The types of buildings described in HB 210 that cannot feasibly use energy generated from a source other than fossil fuels such as commercial food establishments, laboratories, laundromats, hospitals, or crematoriums must still incur construction costs to be all electric ready under the proposed Standards.

HB 210 unnecessarily eliminates an energy option that Maryland customers want.

Approximately 1.3 million households and businesses in Maryland use gas. The number of gas customers (both the number of residential customers and the total number of customers from all rate classes) grew at approximately one percent per year from 2014 through 2022. In 2022, Maryland's customers purchased about 168 million dekatherms of gas. Between 2014 and 2022, the total amount of gas purchased by Maryland customers grew by an average of 0.52 percent per year. This increase in total gas purchases is consistent with the fact that the number of gas customers is growing. However, it is important to note gas purchases are rising more slowly than the number of customers. Accordingly, gas usage per gas customer is *declining* slightly. For example, for the three largest gas utilities in Maryland, Baltimore Gas & Electric, Washington Gas, and Columbia MD, average residential throughput has decreased by 4.15 percent since 2014. The fact that the number of gas customers is increasing, but their average gas usage is declining can be explained by energy efficiency (e.g., more efficient appliances or improved insulation in buildings) and conservation efforts by customers (e.g., using a programmable thermostat). The data is clear, an increased number of Maryland residents continue to choose natural gas, purchase energy efficient appliances and adjust behaviors to conserve energy. We respectfully suggest that the State should not prohibit the use a proven and affordable energy resource.

HB 210 compromises Maryland's electric grid and fails to recognize alternatives.

Today, Maryland building owners who live in areas served by fossil fuels, such as natural gas and propane, can choose to use the fuels or not. However, HB 210 assumes that forcing electrification on all new buildings is the right choice for Maryland to lower its GHG emissions. On the contrary, the fact that natural gas and propane have been replacing the use of dirtier fuels, such as fuel oils, is a primary driver of lower emissions from the residential and commercial building sector.

Also, banning and reducing the use of fossil fuels will significantly increase the amount of electricity required to be delivered to Maryland customers. Delivering this increased amount for electricity into Maryland will require billions of dollars of annual investments in the State's electric transmission and distribution system. Electric transmission and distribution system planning is a complicated and time-consuming process, as it should be. It can take years to obtain the regulatory and federal/state/local permit approvals necessary to construct electric transmission lines, substations, and related facilities. HB 210 would significantly increase the demand for electricity in Maryland, especially if multiple, large counties implement fossil fuel bans on all new buildings.



HB 210 may be preempted by federal law. The Energy Policy and Conservation Act (EPCA) preempts state regulations or laws that effectively ban EPCA-regulated products from accessing necessary energy sources. The State should reconsider its approach to ensure alignment with the Energy Policy and Conservation Act, foster consumer choice, and preserve access to today's cost-effective technologies and options and future emerging renewable technologies.

HB 210 will negatively impact emerging renewable technologies. The development of, and transition to, emerging renewable technologies such as renewable natural gas and hydrogen, to offset "traditional" natural gas, are a way to lower GHG emissions. Chesapeake Utilities currently owns a Maryland company, Planet Found Energy Development, that is developing a process to turn chicken litter into organic fertilizer and renewable natural gas (RNG), also referred to as biomethane or biogas. RNG is a fossil-free natural gas that is produced from naturally occurring sources such as food waste, manure, and other animal/plant-base materials to create biogas. The biogas is upgraded and cleaned to a quality similar to traditional natural gas and can be injected into a public utility's natural gas distribution system to offset the use of traditional natural gas. RNG can be used just like natural gas and is clean, reliable, and environmentally friendly and can also be used as a transportation fuel for vehicles. In addition, Chesapeake Utilities also recently completed a successful test that blended hydrogen with a gas supply to power a combined heat and power unit. The State should not discourage the use of these emerging renewable technologies that have been proven effective here and in other states to offset greenhouse gas emissions.

On behalf of Chesapeake Utilities Corporation, and our thousands of employees and their families who contribute every day in the communities where they live, work and serve, we respectfully request an unfavorable vote on HB 210.

Sincerely,

Chesapeake Utilities Corporation
Steve Baccino, Governmental Affairs Director
Contact: sbaccino@chpk.com

HB 210 - Building Performance Standard - Fossil Fuel

Uploaded by: Tom Ballentine

Position: UNF

February 12, 2024

The Honorable Marc Korman, Chair
House Environment and Transportation Committee
House Office Building, Room 251
6 Bladen St., Annapolis, MD 21401

Oppose – HB 210– Maryland Building Performance Standards – Fossil Fuel Use

Dear, Chair Korman and Committee Members:

The NAIOP Maryland Chapters representing more than 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate recommend your unfavorable report on HB 210.

This bill requires that the Maryland Codes Administration to amend the Maryland Building Performance Standards to require new buildings meet all energy demands without the use of fossil fuels beginning October 1, 2026, for buildings less than seven stories tall and October 1, 2030, for a building more than seven stories tall.

NAIOP's unfavorable position on HB 210 is based on the following considerations:

- The two governing bodies that write the mechanical, building and energy codes adopted by the state and local governments have accelerated the development of codes focused on eliminating carbon emissions from buildings. The code writing organizations are on a trajectory to issue low and no carbon codes by 2030. The process of developing these codes will produce decarbonization strategies that are technically feasible, commercially available, and cost-effective for all building types and supported by implementation tools. HB 210 would decouple Maryland from the deliberative approach taken by national building codes and present an abrupt arbitrary energy and building code revision.
- NAIOP's member companies support a managed, orderly energy transition for building owners and occupants. The Climate Solutions Now Act required specific reports and technical studies to inform the timing and the policies adopted to accelerate a coordinated energy transition in the building and utility sectors. The Maryland Codes Administration has not yet completed its final report on electrification of the building sector. HB 210 jumps ahead of that deliberate energy transition planning by selecting a calendar deadline and specifying requirements for newly constructed buildings.
- Even without HB 210 fewer fossil fuel buildings will be built because they will be subject to building emissions limits and the requirement that they achieve net zero direct emissions by 2040 as required by the Climate Solutions Now Act.
- HB 210 seems loosely based on New York City law, but it is missing important elements. New York City ordered a study of the use of heat pump technologies in large buildings and set a different adoption schedule for water heating systems in multifamily buildings – an acknowledgment that there are limited all-electric equipment options that can meet the energy efficiency, health and comfort needs of large multi-family buildings.

- In order to qualify for a waiver, the bill includes the installation of a second shadow mechanical system to make the building, “electric-ready.” This is a wasteful and impractical policy that was removed from the Climate Solutions Now Act by the House of Delegates during the 2022 Session.
- Buildings that initially qualify for the waiver provision in the bill are subject to review and reauthorization whenever a local government amends its local code which makes it subject to repeal at any time.

For these reasons, NAIOP respectfully requests your unfavorable report on HB 210.

Sincerely,



Tom Ballentine, Vice President for Policy
NAIOP Maryland Chapters - *The Association for Commercial Real Estate*

cc: Environment and Transportation Committee Members
Nick Manis – Manis, Canning Assoc.

Opposition - HB0210 Maryland Building Performance

Uploaded by: Tyler Hough

Position: UNF



Maryland Farm Bureau

3358 Davidsonville Road | Davidsonville, MD 21035
410-922-3426 | www.mdfarmbureau.com

February 12, 2024

To: House Environment and Transportation Committee

From: Maryland Farm Bureau, Inc

RE: **Opposition of HB0210 Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards**

On behalf of the nearly 9,500 Farm Bureau families in Maryland, I submit this written testimony in opposition to HB0210. This bill would require the Maryland Department of Labor to adopt, on or before January 1, 2025, and as part of the Maryland Building Performance Standards, a requirement that new buildings meet all energy demands of the building without the use of fossil fuels and an electric-ready standard for certain buildings.

HB0210 jeopardizes farm viability in Maryland. It looks to require all new buildings to be electric ready which is not economically feasible for our farmers. Electrification projects often involve significant upfront costs, including the installation of power lines, transformers, and other infrastructure. If these costs are passed on to new construction projects, it could increase the financial burden on farmers looking to build support structures. Higher construction and operational costs can strain the finances of farmers and construction projects. Small-scale farmers or those with limited resources may find it challenging to afford the increased expenses associated with electrification, potentially hindering their ability to build or upgrade support structures. If the electrification plans rely heavily on a centralized grid, disruptions or inefficiencies in the power supply could negatively impact the reliability of electricity for farmers. Dependence on a single source may increase vulnerability to power outages.

Farmers facing increased costs may find it harder to compete in the market. This could be particularly true with neighboring states having more favorable conditions for agricultural development, leading to a decline in the competitiveness of local farmers.

MDFB Policy: We strongly support a comprehensive, long-term energy policy that fully utilizes domestic energy resources and aggressively promotes the access, availability, and affordability for agriculture.

Maryland Farm Bureau Respectfully Opposes HB0210

A handwritten signature in black ink, appearing to read 'Tyler Hough', written over a horizontal line.

Tyler Hough
Director of Government Relations

Please contact Tyler Hough at (443) 878-4045 with any questions

HB 210_realtors_unf.pdf

Uploaded by: William Castelli

Position: UNF



House Bill 210 – Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards

Position: Unfavorable

Maryland REALTORS® opposes HB 210 which requires new buildings to meet all energy demands of the building without the use of fossil fuels. This legislation is inconsistent with the Climate Solutions Now Act (CSNA).

The Maryland General Assembly passed the most aggressive climate change legislation of any state in the country. Among the bills many provisions were several which targeted performance standards in buildings. Specifically, CSNA:

- Directs “covered buildings” which are commercial or multifamily residential properties with 35,000 square feet or more of gross floor area to achieve a 20% reduction in net direct greenhouse gas emissions on or before January 1, 2030 and net-zero emissions on or before January 1, 2040 (five years earlier than the state’s overall net-zero requirement).
- Directs covered buildings to measure and report emissions to MDE starting in 2025.
- Creates the Climate Transition and Clean Energy Hub to provide technical assistance to public and private entities complying with “state and local energy efficiency and electrification requirements.”
- Directs the Building Codes Administration to develop recommendations for an all-electric building code which decarbonizes buildings in the “fastest and most cost-efficient methods.”

Maryland is already moving aggressively in addressing Climate Change, and forcing additional costs on the building sector only undermines the equally important goal of providing affording housing.

For these reasons, the Maryland REALTORS® recommend an unfavorable report.

**For more information contact lisa.may@mdrealtor.org or
christa.mcgee@mdrealtor.org**