



## House Bill 1273

Date: March 26, 2025

Committee: Senate Education, Energy and the Environment

**Position: Information**

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Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 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 1273 (HB 1273) expands the allowable uses of the Maryland Strategic Energy Investment Fund (SEIF) by authorizing grants and loans for building electrification and transportation electrification. It also modifies the distribution of Regional Greenhouse Gas Initiative (RGGI) auction revenue and compliance fee revenue to support clean energy initiatives, including customer-sited solar programs. Additionally, the bill updates reporting requirements for fund expenditures and revises the definition of “low-to-moderate income”.

While we do not oppose directing compliance fee revenue into SEIF, we are mindful of the significant financial burden the state’s Building Energy Performance Standards (BEPS) regulation places on the broader building industry, particularly given the estimated \$15 billion in compliance costs. Although this bill appears to work in tandem with the Maryland Department of the Environment’s approach in HB 49, which directs alternative compliance fees that building owners pay for failing to meet BPES standards into SEIF, it remains unclear how building owners who pay these fees will receive financial support to assist them in complying.

We believe that any fees paid by building owners for failing to comply with BEPS and future standards that may place further stringent requirements on building owners should be reinvested into supporting those same building owners to help offset the significant cost of compliance. As introduced, this bill (along with HB 49) does not specify how the funds will be used once deposited into SEIF, or what percentage of the compliance fees will go back to those building owners for compliance assistance.

We appreciate your consideration of these comments on **HB 1273**.