

MARYLAND RETAILERS ALLIANCE

The Voice of Retailing in Maryland



SB807 Environment - Local Building Energy Performance Standards - Authorization Committee on Education, Energy, and the Environment February 27th, 2025

Position: Unfavorable

Background: SB807 would authorize local governments to impose additional building energy performance standards on covered buildings.

Comments: The Maryland Retailers Alliance (MRA) strongly opposes **SB807 Environment – Local Building Energy Performance Standards – Authorization** which would authorize local governments to establish building energy performance standards (BEPS) that are at least as stringent, if not more so, as the BEPS targets established by the Climate Solutions Now Act as passed in 2022. Testimony provided on that bill and throughout the regulatory process for BEPS cautioned repeatedly that the standards set by the State are unattainable and will dramatically increase costs for businesses.

Retail business owners are making efforts to upgrade their stores to meet the standards set by the State but are hampered by the availability and cost of equipment. Not only does it cost millions of dollars to remodel, for example, a large-scale grocery store, but the lighting and refrigeration equipment that is available for businesses today cannot achieve the long-term greenhouse gas emissions reductions required by BEPS. One MRA member operating nine family-owned grocery stores in Maryland has reported that despite spending \$7 million to renovate one location in 2024 and upgrading all lighting and refrigeration equipment in the store, they were only able to achieve a reduction in their emissions of about 15%. In addition to the costs of upgrading in-store equipment in an attempt to achieve compliance, businesses are also facing the highest energy costs in five years as a result of both rate increases which were authorized by the State and the passage of SB1 in 2024 which has resulted in many competitive energy suppliers ceasing to operate in Maryland.

The greenhouse gas emissions reduction targets currently in effect in the state are already unattainable; authorizing local governments to impose even higher targets would directly impact businesses' ability to continue operating in the state. Allowing the continued expansion of a patchwork of BEPS regulations will complicate administrative operations and renovation plans for multijurisdictional operators and will increase costs for all businesses located in covered buildings.

MRA would strongly urge the Committee to reject this proposal and instead preempt local jurisdictions from legislating in this space, ensuring that owners of covered buildings need only follow one set of regulations. Thank you for your consideration.