



Date: February 12, 2025

Bill: HB 49 Environment – Building Energy Performance Standards – Compliance and Reporting

Position: Support with amendments

Dear Chair Korman and Members of the Committee:

The National Aquarium respectfully requests a favorable report with amendments for HB 49, which relates to compliance and reporting for Building Energy Performance Standards and would alter the alternative compliance fee under certain circumstances.

The National Aquarium is a nonprofit organization that connects people with nature to inspire compassion and care for our ocean planet. The Aquarium welcomes 1.2 million guests a year, generates \$430 million in statewide annual economic impact, \$36 million in state and local tax revenue, and supports 3,400 jobs statewide. Combating climate change is one of our three strategic conservation priorities. Since 2010, the National Aquarium has reduced our greenhouse gas emissions by 31%. In 2022, we announced our commitment to achieve net-zero scope 1 and scope 2 greenhouse gas emissions by 2035, a commitment which exceeds the state's emissions reduction goal both in scope and in timeline. One of the final and most expensive projects remaining is electrifying our natural gas-powered boilers.

The National Aquarium unequivocally applauds Maryland's necessary and ambitious climate goals and appreciates the work of the Maryland Department of Environment (MDE) to establish and implement Building Energy Performance Standards (BEPS) as required by the Climate Solutions Now Act of 2022. Unfortunately, the current law lacks the necessary flexibility to account for unique building needs across the state. Under current law and regulations, the National Aquarium could be responsible for \$2.8 million in cumulative alternative compliance fees from 2030-2035. We do not believe it aligns with the state's climate goals to impose financial penalties on an organization who is committed to exceeding the state's emissions reductions goals. We also do not think it is in the interest of the state to penalize a nonprofit who has been at the forefront of educating the public about climate change and a leader in reducing greenhouse gas emissions from our own operations while helping Maryland communities build resilience to climate impacts.

The current law assumes that buildings can gradually reduce their emissions beginning in 2025 to reach net-zero in 2040. This may be true for some buildings, but a gradual reduction is challenging for organizations like the National Aquarium who have already been working on decarbonization for years and whose remaining emissions are primarily tied up in a single system. More than 95% of the Aquarium's remaining direct emissions are attributable to our high efficiency natural gas-powered boilers, installed in 2015 with support from the Maryland Clean Energy Center. It is not possible to partially replace or partially electrify a boiler system to gradually reduce emissions, and it is not feasible for the National Aquarium to replace the system before fees would be levied in 2030. Furthermore, alternative compliance fees would prohibitively interfere with replacing the boilers and achieving net-zero emissions by 2035.

The National Aquarium supports adding an alternative compliance mechanism that allows flexibility for building owners who need it without creating loopholes that defeat the need for and purpose of the program. The National Aquarium recommends MDE have clear authority

to establish additional alternative compliance pathways that allow building owners to align reasonable equipment replacement plans with meeting the state's goals, as is the practice in other jurisdictions¹. MDE should adopt by regulation a process for building owners to apply for and receive a waiver of fees provided there is an approved plan and requirement that building owners report regularly on their progress. The National Aquarium applauds MDE for their written comments in response to the October 9 hearing on the proposed BEPS regulations in which they acknowledged the need for authority from the General Assembly to provide additional alternative compliance pathways.

As we work to meet our own ambitious organizational commitment to achieve net-zero emissions by 2035, the National Aquarium recognizes and actively supports Building Emissions Performance Standards. MDE must be able to implement this critical program in a way that does not inadvertently or overly penalize building owners. We urge the Committee issue a favorable report with amendments that reflect these changes.

Contact:

Ryan Fredriksson

Vice President, Government Affairs

410-385-8276

rfredriksson@aqua.org

Maggie Ostdahl

Sr. Conservation Policy Manager

410-385-8275

mostdahl@aqua.org

¹ Ordinance Amending City of Boston Code, Ordinances, Chapter VII, Sections 7-2.1 and 7-2.2, Building Energy Reporting and Disclosure (2021).
https://www.boston.gov/sites/default/files/file/2021/12/Final%20Amended%20Docket%200775%20BERDO%202_0.pdf