



House Bill 49

Environment - Building Energy Performance Standards - Compliance and Reporting

MACo Position: **SUPPORT**

To: Environment & Transportation Committee

WITH AMENDMENTS

Date: February 12, 2025

From: Sarah Sample and Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS HB 49 WITH AMENDMENTS**. This bill requires counties to comply with energy use intensity standards that will be set by the Maryland Department of the Environment or pay alternative compliance and administration fees.

Maryland is implementing Building Energy Performance Standards (BEPS) as required under the Climate Solutions Now Act of 2022. The goal is for covered buildings to efficiently achieve net-zero direct greenhouse gas emissions and comply with energy use intensity targets by 2040. With some narrow exceptions, county buildings that are larger than 35,000 square feet are mandated to reach these targets or pay a fee based on the degree to which they are out of compliance. While counties appreciate the interest in exploring energy efficiency and alternative energy sources, the bill is very unclear on what will be required.

From a cost perspective, there are three unknown variables present in the bill. Without the energy use intensity targets explicitly stated, it is impossible for each jurisdiction to know what it will take to get all eligible buildings into compliance. Additionally, for buildings that are unable to meet the eventual standards, a fee will be assessed along with an administrative surcharge for the processing of the fee. Both of these costs are unclear in the bill. This leaves counties with no way to forecast what is anticipated to be substantial costs to comply with the new mandates.

Counties appreciate the State's commitment to reducing greenhouse emissions and air pollution as well as promoting responsible energy use tracking and consumption, but with no clear benchmarks, it is not possible to anticipate the impact on county governments and taxpayer dollars. Similar to the existing greenhouse gas emission standards, HB 49 should be amended to make clear what the standards are for energy use intensity as well as both penalties associated with alternative compliance.

With more clarity, counties will be able to plan for the costs associated with this mandate, and for those reasons MACo urges a **FAVORABLE WITH AMENDMENTS** report for HB 49