



Maryland Energy Administration

TO: Chair Korman, Vice Chair Guyton, and Members of the Environment & Transportation Committee
FROM: MEA
SUBJECT: HB 988 - Environment - Building Energy Performance Standards - Repeal
DATE: February 27, 2026

MEA Position: LETTER OF OPPOSITION

The Maryland Energy Administration (MEA) respectfully submits this letter of opposition to House Bill 988.

HB 988 would repeal Maryland's Building Energy Performance Standards (BEPS) program. The bill removes the Maryland Department of the Environment's authority to establish energy use intensity targets and direct greenhouse gas emission reduction requirements for large commercial, multifamily residential, and State-owned buildings.

Energy use intensity targets ensure that covered buildings become more efficient, ensuring that buildings reduce emissions while reducing energy costs and grid impacts.

Maryland's building sector is the second-largest source of greenhouse gas emissions, driven primarily by on-site combustion of fossil fuels for heating, hot water, and other building operations. Addressing emissions from large buildings is therefore not optional, it is essential to meeting the State's statutory climate commitments.

The Building Energy Performance Standards program is a cornerstone strategy for achieving Maryland's greenhouse gas reduction requirements under the Climate Solutions Now Act. BEPS establishes clear, phased targets, including a 20% reduction in net direct greenhouse gas emissions by 2030 and net-zero direct emissions by 2040 for covered buildings. Repealing BEPS would eliminate:

- Direct greenhouse gas emissions reduction targets for covered buildings;
- Annual emissions reporting requirements that support data-driven policy and planning;
- Alternative compliance pathways that allow flexibility, including fee-based options tied to the social cost of greenhouse gases;
- Financial incentive coordination recommended by the Building Energy Transition Implementation Task Force; and
- A statewide framework that provides consistency while allowing certified local programs to operate.

Importantly, the BEPS framework was intentionally designed to provide flexibility and account for real-world building conditions. The regulations allow for special provisions addressing building age, regional differences, tenant control limitations, district energy systems, on-site renewable energy generation, biomethane use, emergency backup power, and the unique operational needs of hospitals, laboratories, military facilities, life sciences buildings, and other critical infrastructure.

The program also includes alternative compliance pathways and administrative safeguards to ensure building owners have multiple tools to meet performance targets while maintaining operational continuity.

Repealing BEPS at this stage would create regulatory uncertainty for building owners who have already begun benchmarking emissions, planning capital investments, and preparing compliance strategies. It would also significantly impair Maryland's ability to meet its 2030 and long-term climate goals, potentially shifting greater compliance burdens onto other sectors of the economy.

Energy efficiency and building modernization remain among the most cost-effective methods to reduce emissions, lower operating expenses, enhance resilience, and support grid reliability. BEPS provides the structured, data-driven framework necessary to advance these outcomes at scale.

For the reasons listed above, MEA urges the committee to issue an **unfavorable report**. Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy manager, at megan.outten@maryland.gov or 443.842.1780.