



The Maryland Department of the Environment
Secretary Serena McIlwain

House Bill 988

Environment - Building Energy Performance Standards - Repeal

Position: Oppose
Committee: Environment and Transportation
Date: February 27, 2026
From: Jeremy D. Baker, Director of Government Relations

The Maryland Department of the Environment (MDE or the Department) **OPPOSES** HB 988.

Bill Summary

House Bill 988 would delete 2-1601 and 2-1602 from the Environment Article, which currently includes all the definitions for the Building Energy Performance Standards (BEPS) Program and the Department's authority to develop standards for the relevant covered buildings. The bill would also insert a definition of a "covered building" in the Housing and Community Development article to ensure properties housing low- to moderate-income residents can still receive financial assistance for energy conservation under DHCD despite the BEPS program being repealed.

Position Rationale

HB 988 would eliminate the BEPS Program, which was established to address greenhouse gas (GHG) emissions from the building sector. This sector is the second-largest source of GHG emissions in Maryland. Emissions from this sector are primarily caused by on-site fossil fuel combustion for heating and water heating, in addition to electricity consumption. The BEPS Program is a key strategy to achieving Maryland's statutory climate goals - 60% reduction in GHG emissions below 2006 levels by 2031, with a requirement to reach net-zero by 2045. Furthermore, BEPS facilitates energy savings and the strengthening of Maryland's electrical grid by promoting the adoption of energy-efficient systems.. From 2025-2050, due to the BEPS program, the average covered building owner is expected to save \$4.25/square foot of space, even after counting the cost of installing pollution-reducing and energy-saving measures.

Maryland's BEPS program is currently in its second year of implementation, with over 6,500 covered buildings already participating through benchmarking of energy use data (~65% overall compliance rate). MDE has expended significant resources during the past several years to develop and implement BEPS. These resources include the hiring and training of staff, developing databases and guidance documents, and conducting outreach and providing technical support to building owners. MDE has also leveraged technical support from the U.S. Department of Energy, as well as expertise from other states that have implemented BEPS programs. The repeal of this authority would require MDE to reassess its GHG reduction strategies and seek alternative solutions to meet the state's statutory mandated climate goals. This reset would have unknown costs and impacts to both the industry and MDE.

Accordingly, MDE asks for an **UNFAVORABLE** report for **HB 988**.

Contact: Jeremy Baker, Director of Government Relations
Cell: 443-931-0937, Email: jeremy.baker@maryland.gov