



February 27, 2026

**HOUSE ENVIRONMENT & TRANSPORTATION COMMITTEE
HB 988 – Environment – Building Energy Performance Standards - Repeal**

Statement in Support

Chesapeake Utilities of Maryland, Inc. (“Chesapeake”) provides natural gas local distribution service to approximately 33,000 customers across Maryland’s Eastern Shore (including Cecil, Dorchester, Caroline, Wicomico, Worcester, and Somerset counties). Chesapeake is strongly in **SUPPORT** of HB 988, legislation that repeals Maryland’s Building Energy Performance Standards (“BEPS”), regulatory requirements that were enacted to mandate energy-use and emissions performance in certain buildings over 35,000 square feet.

HB 988 removes excessive costs. While the energy efficiency goals behind BEPS were well-intentioned, the requirements carry significant compliance costs, pressure large building owners to electrify to meet emissions targets, and contribute to policy uncertainty for utilities and customers. Removing these requirements removes excessive costs for building owners and helps ensure a more balanced and market-based approach to energy policy. BEPS requires customers to replace efficient natural gas systems with electric alternatives to meet emissions benchmarks. HB 988 would repeal these standards, protect customer fuel choice and ensure that Maryland's commercial building owners are not forced toward costly conversions purely through regulatory requirements. Additionally, the BEPS impose administrative, reporting, and equipment-upgrade obligations on building owners. Eliminating these requirements helps avoid unnecessary cost burdens that ultimately flow to Marylanders and repealing the BEPS supports affordability, a priority for Maryland families and businesses.

HB 988 removes forced electrification. No Maryland resident or business is required to choose natural gas as a fuel option. Moreover, Maryland natural gas companies are experiencing consistent customer growth year after year. Nevertheless, BEPS essentially requires building electrification. Forced electrification artificially increases electricity demand, at a time when Maryland is already struggling to meet both current and future electricity needs. HB 988, in effect, removes forced electrification for large, commercial buildings. Just last year the Maryland General Assembly passed the Next Generation Act (Chapter 625), a clear acknowledgment that Maryland needs more generation of electricity to meet its current needs. Forcing electrification of large buildings contradicts the state's current energy needs and simply violates the established principles of economic supply and demand. Maryland is best served by energy policies that consider affordability, reliability, and customer choice. Repealing BEPS prevents the state from adopting a de facto electrification-only approach for large commercial buildings and instead reinforces a balanced pathway in which natural gas continues to play an important role in heating, reliability, and resilience.

On behalf of Chesapeake, and our thousands of employees and their families who contribute every day to the communities where they live, work and serve, we respectfully request an favorable report on HB 988.

Chesapeake Utilities Corporation
Steve Baccino, Governmental Affairs Director
Contact: sbaccino@chpk.com