

# MARYLAND RETAILERS ALLIANCE

*The Voice of Retailing in Maryland*



## **HB988 Environment - Building Energy Performance Standards – Repeal** **Environment and Transportation Committee** **February 27, 2026**

**Position:** Favorable

**Background:** HB988 would repeal the existing building energy performance standards in Maryland.

**Comments:** The Maryland Retailers Alliance (MRA) strongly supports HB988 **Environment - Building Energy Performance Standards - Repeal**, which would repeal the Building Energy Performance Standards (BEPS) established as a result of the Climate Solutions Now Act as passed in 2022. The standards set by the State are unattainable and have dramatically increased costs for businesses.

Retail business owners are making efforts to upgrade their stores to meet the standards set by the State but are hampered by the availability and cost of equipment. Not only does it cost millions of dollars to remodel, for example, a large-scale grocery store, but the lighting and refrigeration equipment that is available for businesses today cannot achieve the long-term greenhouse gas emissions reductions required by BEPS. In addition to the costs of upgrading in-store equipment in an attempt to achieve compliance, businesses are also facing continually increasing energy costs and competing demands from other regulatory policies; the heat stress standards promulgated by the Department of Labor in 2025 set strict standards for temperature moderation and cooling in all indoor business settings in Maryland. Businesses are struggling to comply with both these cooling needs and energy efficiency requirements.

The Climate Solutions Now Act and BEPS regulations include an “alternative compliance pathway” consisting of a fee schedule based on the amount of greenhouse gas emissions that a business continues to produce over the reduction requirements set by the law. “Alternative compliance” implies that businesses are voluntarily choosing to pay to offset their emissions rather than change any aspect of their operations. This does not take into account the fact that a business owner may have already taken every possible step to comply with BEPS but has still failed because the reductions standards set by the State are not achievable. The standards set by Climate Solutions Now and BEPS are simply unattainable.

For these reasons, MRA would urge a favorable vote on HB988. Thank you for your consideration.