



**Bill: SB 256/HB 49-** Environment- Building Energy Performance Standards – Compliance and Reporting

**Position:** Oppose

The Maryland Coalition for Inclusive Energy Solutions, Inc. (MCIES), a coalition of diverse stakeholders, including representatives from organized labor, manufacturing, energy production, transportation, and public utilities, advocating for the inclusivity of all energy types, including natural gas, renewable natural gas, hydrogen, propane, and nuclear power, opposes Senate Bill 256 and House Bill 49.

HB 49 gives MDE unlimited authority to set alternative compliance and annual data reporting fees. This is concerning, as it gives MDE broad discretion in assigning fees, potentially resulting in excessive costs for Marylanders, particularly for building owners and operators of properties 35,000 square feet or larger. These financial burdens and compliance challenges exceed the original intent of the Climate Solutions Now Act (CSNA).

While the lack of language limiting MDE’s authority to set compliance and annual data reporting fees is considerable, the bill also has broader negative implications on covered building owners. During an October 9, 2024, public hearing held by the MDE, many commenters raised concerns about the high upfront costs of BEPS compliance, citing their building’s unique needs and deferred maintenance.<sup>1</sup> They emphasized that these costs made compliance difficult. In response, MDE stated it was collaborating with the Commission on Climate Change and nonprofits to address the financial needs necessary to meet BEPS standards and other policies. However, these efforts have yet to be implemented.

Although the bill includes “special provisions or exceptions to account for building age and the need of particular buildings or occupancy type<sup>2</sup>,” it creates an uneven playing field for older buildings not designed with modern energy efficiency standards in mind. Therefore, HB 49 ultimately results in costly building renovations to comply with the BEPS standards, which may not be financially feasible for Marylanders, especially commercial building owners, and could deter investors from renting or purchasing these properties. Thus, the financial strain could be significant.<sup>3</sup>

MCIES is also concerned about the compliance fees. While these fees are directed to the Maryland Strategic Energy Investment Fund, there is no guarantee that the funds will directly

---

<sup>1</sup> Department of the Environment Air and Radiation Administration, Response to Comments, On the Proposed Regulations under COMAR 26.28, pertaining to Building Energy Performance Standards (BEPS) Public Hearing Held Virtually on October 9, 2024. <https://mde.maryland.gov/programs/regulations/air/Documents/Hearings/BEPS>.

<sup>2</sup> H.B. 49, 2025 Gen. Assemb., Reg. Sess. (Md. 2025).

<sup>3</sup> Williams, Matthew RT, Michael Reynolds, Chris Parker, Jianli Chen, and Kody Powell. "The impact of the electrification of buildings on the environment, economics, and housing affordability: A grid-response and life cycle assessment approach." *Digital Chemical Engineering* 7 (2023): 100086.

benefit building owners or improve energy efficiency. Tying fees to the social cost of greenhouse gases could result in steep penalties, depending on how they are calculated. HB 49 is unclear on how compliance and reporting fees will be calculated or how exceptions will be applied to different building types, leaving uncertainty about how to comply. Moreover, covered building owners will also not have the support needed to help them navigate the BEPS regulations. As a result, HB 49 fails to assist covered building owners, ultimately placing them at a disadvantage.

Lastly, CSNA does not exclude the use of RNG, hydrogen, and emissions offsets to meet its greenhouse gas emissions goals, yet BEPS regulations impose stiff changes to current building standards, creating substantial financial burdens for Marylanders without providing incentives. MCIES respectfully urges MDE to develop BEPS regulations that reduce emissions through an “all-of-the-above” energy approach, embracing new and emerging technologies while minimizing financial strain on Marylanders.

The reality is that there needs to be practical solutions for this issue and for those reasons, MCIES strongly opposes HB 49 and respectfully requests an unfavorable report.

Sincerely,

Sarah Peters

Executive Director