



CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration
Environmental Education*

House Bill 49

Environment – Building Energy Performance Standards – Compliance and Reporting

Date: February 12, 2025

To: Environment & Transportation Committee

Position: **FAVORABLE**

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Chesapeake Bay Foundation (CBF) **SUPPORTS** HB 49 which improves upon the Building Energy Performance Standards established in the 2022 Climate Solutions Now Act. Buildings subject to the bill provisions include commercial, multifamily residential, and state-owned buildings over 35,000 square feet, excluding historic properties, schools, and manufacturing and agricultural buildings. The initial Act targeted greenhouse gas emissions; HB 49 includes energy use intensity targets.

Maryland must continue to work towards electrification to reduce fossil fuel emissions, but not all electrified solutions also reduce energy demand. An apartment building owner could replace all gas heat with inexpensive electric baseboard heaters, but because baseboard heaters are relatively inefficient, the building will use more energy overall- and as not all electricity in Maryland comes from clean renewable sources, increased demand may be supplied from fossil fuel-burning power plants. Setting energy use intensity requirements ensures that electrification proceeds in a sustainable fashion.

The bill further provides a mechanism for MDE to assess and collect alternative compliance payments for buildings that cannot, for whatever reason, meet the energy use intensity requirements the department may set. Payments collected are to be deposited in the Strategic Energy Investment Fund (SEIF). The SEIF has been the primary source of funding for major State climate resiliency and clean energy infrastructure projects. In the Governor's proposed FY 2026 budget plan, SEIF funds are used to maintain vital environmental programs in several agencies. The alternative compliance payments called for in the bill are a win-win, providing a strong incentive for property owners to do everything reasonable to meet energy use intensity standards while providing resources for the initiatives supported by SEIF when they fall short.

CBF urges the Committee's FAVORABLE report on HB 49.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at mstegman@cbf.org.

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The Chesapeake Bay Foundation (CBF) is a non-profit environmental education and advocacy organization dedicated to the restoration and protection of the Chesapeake Bay. With over 200,000 members and e-subscribers, including 71,000 in Maryland alone, CBF works to educate the public and to protect the interest of the Chesapeake and its resources.