

Building Energy Performance Standards: A Critical Tool for Reducing Greenhouse Gas Pollution From Large Buildings

Building Energy Performance Standards Help Maryland Meet its Climate Goals

Buildings emit 40% of Maryland's greenhouse gas pollution and account for 90% of Maryland's electricity usage. Fully 13% of our greenhouse gas pollution comes from fossil fuels burned inside our buildings. **Like an idling car inside the home, fossil fuel use in buildings results in deadly air pollution that harms the lungs and increases asthma attacks for children and the most vulnerable.**

For these reasons, **creating Building Energy Performance Standards is a core recommendation of the Maryland Commission on Climate Change to help the state reach its current climate goals.** Building Energy Performance Standards are a critical tool that provides a flexible pathway for building owners to reduce or eliminate GHG pollution from existing buildings by setting **energy usage or greenhouse gas reduction targets that transition buildings to be energy efficient** with improved air sealing, insulation, and all electric heating, ventilation, and cooling (HVAC) and water heating systems.

Basic Provisions:

- Performance standards should cover commercial, state-funded, and multi-family buildings that are **25,000 square feet or greater**.
- Require these large commercial and multifamily buildings to be net-zero by 2040.
- Include an interim target of 50% reduction of direct greenhouse gas pollution by 2030.
- Require state owned and funded buildings to be net-zero by 2035.
- Align local, state, and national resources to allow large multifamily low and moderate income housing to be fully weatherized and all electric by 2030, with flexibility for designated affordable housing to meet targets that align with their recapitalization and refinancing timelines.
- Create a building performance improvement board to advise the state on setting building performance standards, both technically and equitably, while achieving greenhouse gas reduction goals.



Other Necessary Elements:

Success in energy savings or GHG pollution reduction depends on the:

- Percent, type, and size of building stock to which the standards apply;
- Stringency of the requirements;
- Benchmarking of current building energy usage;
- Timeline of implementation; and
- Monitoring and enforcement, including alternative compliance payments charged to building owners who do not meet standards.

Labor Equity And Contract Preferences: New construction and major renovation of state-owned buildings and projects with concessional funding from the state must provide contract preferences for women and minority-owned businesses and pay prevailing wages.

Important provisions to help owners comply with Performance Standards

Incentives and Financing: The legislation should create a package of incentives to encourage building owners to adopt performance standards early, transition to all electric, and have onsite solar and battery storage. Expand funding to Green Banks and expand financing options available through the Green Banks to leverage private and public capital.

Special Provisions for Low and Moderate Income Households: The legislation should provide for an **Equitable Emission Reduction Fund** — a dedicated funding account for the support, implementation, and administration of Green Buildings and clean energy projects prioritizing Environmental and Social Justice households and communities; and a **Retrofit Accelerator** — to create a one stop shop modeled on D.C.'s Retrofit Accelerator that marries state energy assistance programs, technical assistance, and Green Bank financing options.

Technical Assistance Through a Building Innovation Hub — modeled on the Hub in Washington D.C. Building Energy Performance Standards program, to provide technical assistance and guidance to the private sector in how to comply with the standards and to provide training programs for contractors on installation of zero-emission alternatives.