



GORDON·FEINBLATT<sub>LLC</sub>  
ATTORNEYS AT LAW

# BUILDING ENERGY PERFORMANCE STANDARDS - THE BIG PICTURE

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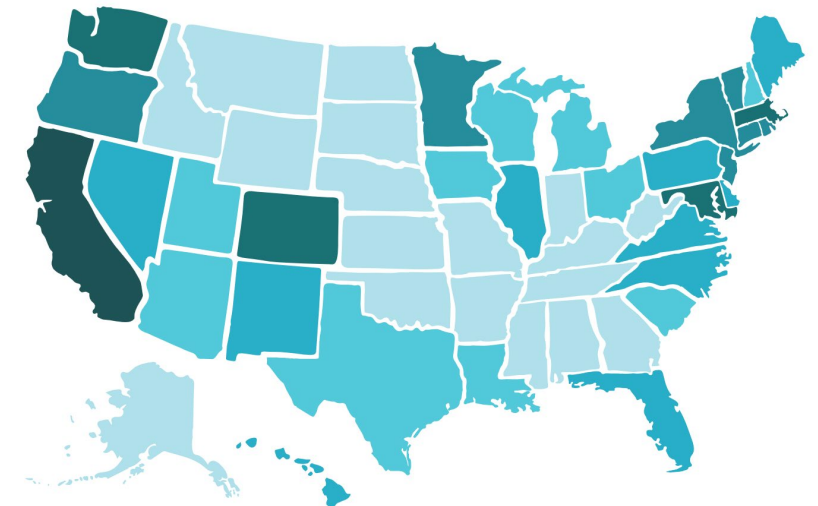
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# MARYLAND'S MANDATE IS THE MOST AGGRESSIVE IN THE UNITED STATES

Maryland –	60% reduction by 2031; Net zero emission by 2045
California –	40% reduction by 2030; Carbon neutral by 2045
New York –	40% by 2030; 85% by 2050
Mass. –	50% by 2030; 75% by 2040; Net zero by 2050
Virginia –	No 2030 target; Net Zero by 2045
Penn. –	26% by 2025; 80% by 2050
Delaware –	26-28% by 2025; no other targets.
West Va. –	no targets.



Information based on Climate Xchange dashboard. [www.climate-xchange.org](http://www.climate-xchange.org)

This map shows the occurrence of climate policies passed at the state-level. Higher numbers represent more climate policies implemented.

Last Updated July 2023

# CLIMATE SOLUTIONS NOW ACT

## 60% REDUCTION BY 2031, NET ZERO BY 2045

Figure 1. Maryland's historic GHG and sinks (bars), and CSNA goals (lines)

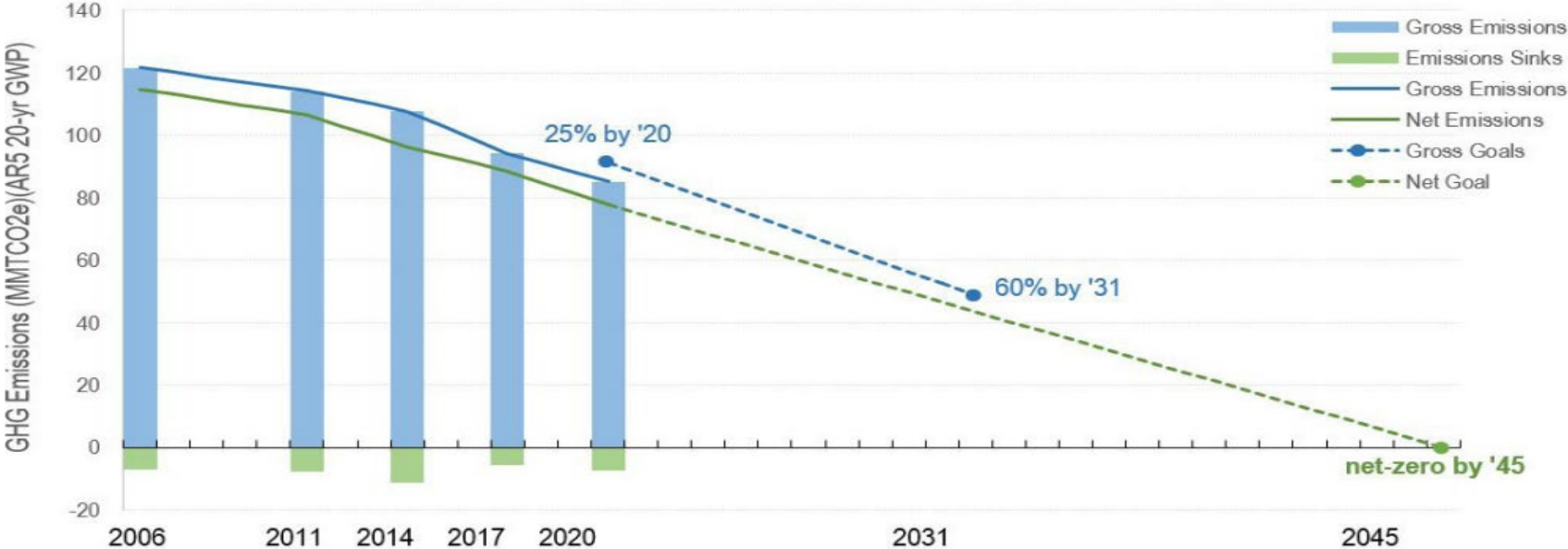
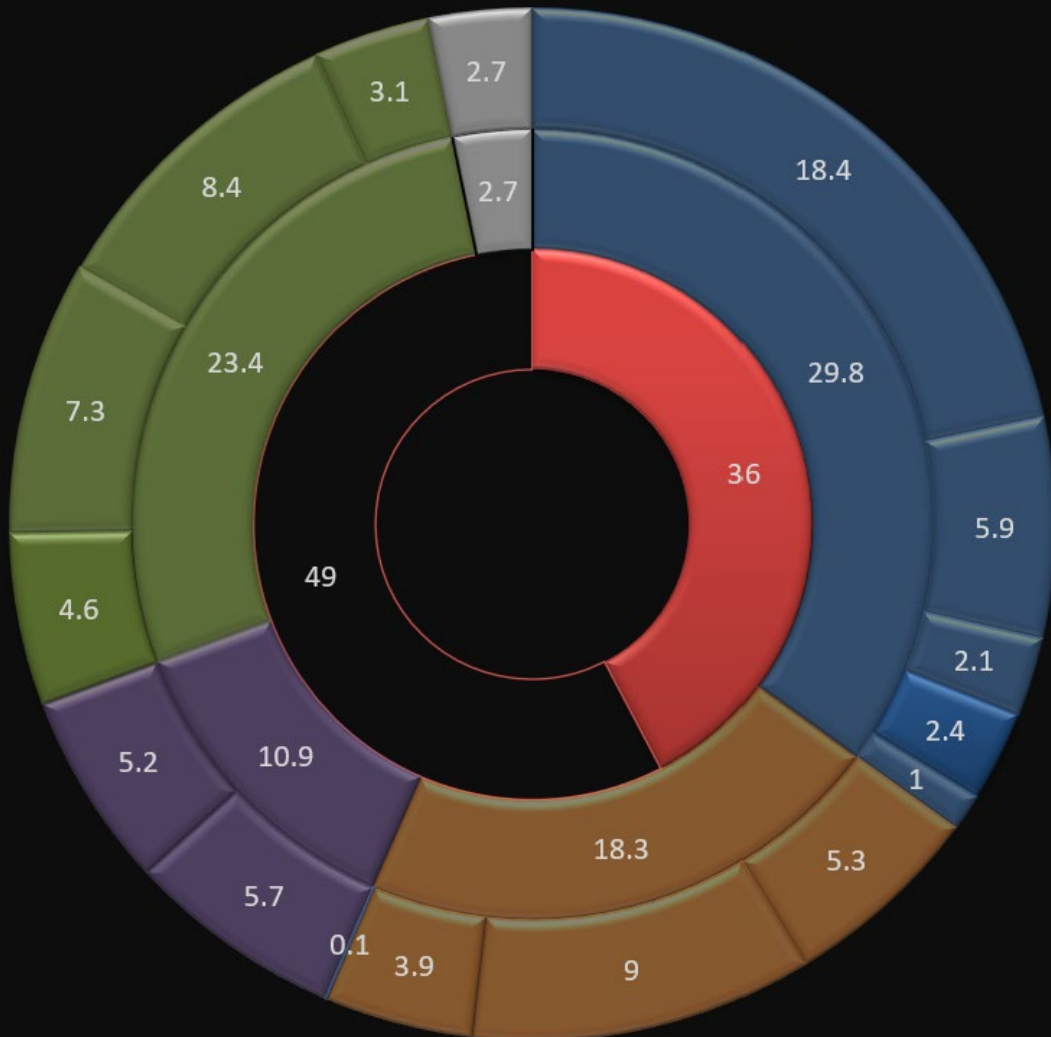


Image courtesy of Matt Stewart at MDE

# 2022 INVENTORY AND REDUCTIONS NEEDED BY 2031 (APPROXIMATE MILLION METRIC TONS)



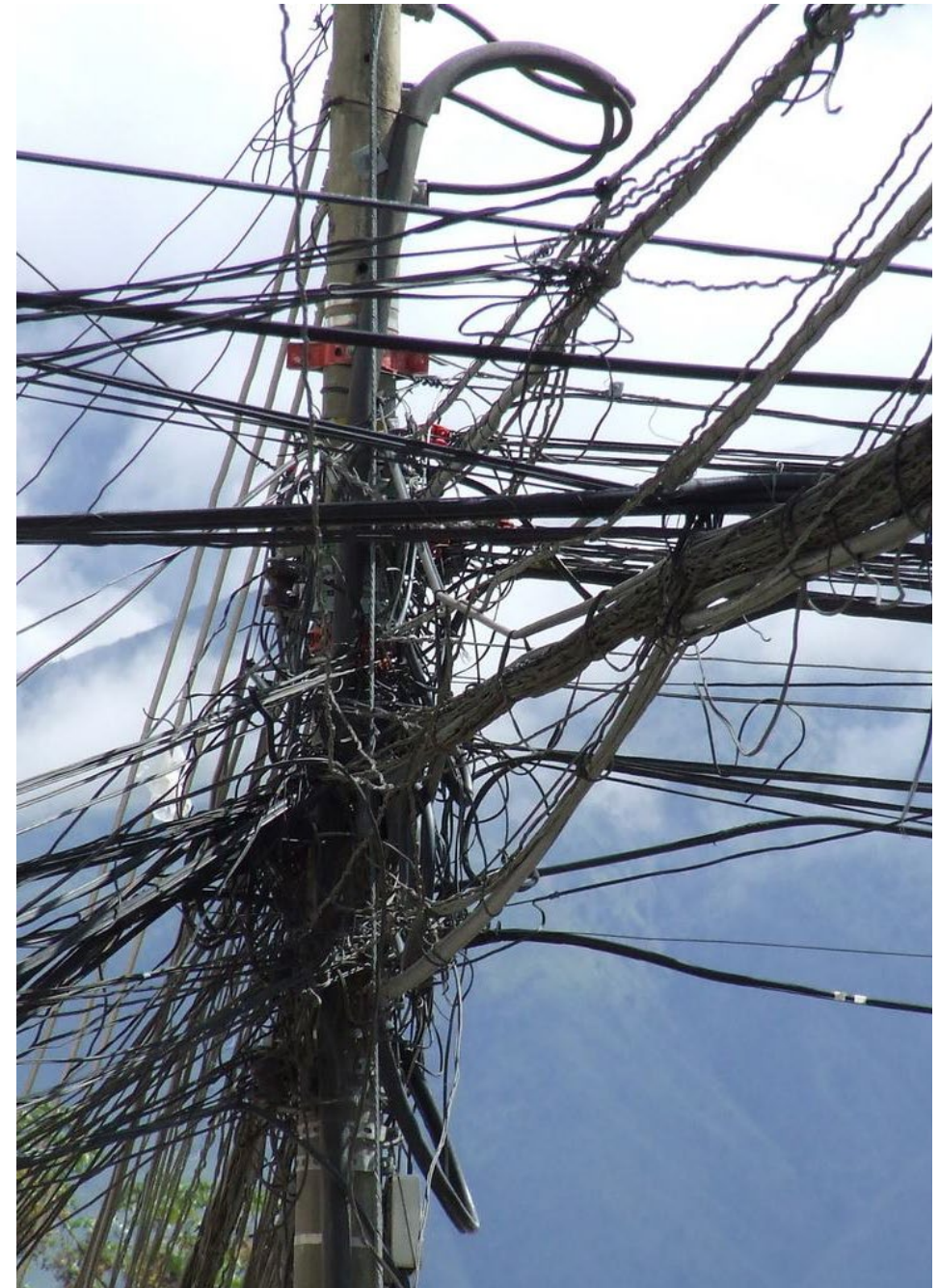
- *By 2031, need to cut 36 MMT out of 85 MMT*
- 2031 Allowance 49
- **TRANSPORTATION 29.8**
- Onroad Gasoline 18.4
- Onroad Diesel 5.9
- Nonroad 2.1
- Aviation 2.4
- Other 1
- **ELECTRICITY GEN. 18.3**
- Natural Gas 5.3
- Imports 9.0
- Coal 3.9
- Oil .1
- **BUILDINGS 10.9**
- Residential 5.7
- Commerical 5.2
- **NON COMBUSTION 23.4**
- Fossil Fuel Industry 4.6
- Industrial Processes and Product Use 7.3
- Waste Management 8.4
- Agriculture 3.1
- **INDUSTRY 2.7**

# CLIMATE SOLUTIONS NOW ACT OF 2022

## ELECTRIFY EVERYTHING

The Act sets out an overall plan that can be summarized simply:

- Substitute electricity for fossil fuel consumption.
- Replace fossil fuel electric generation with “clean” energy (solar, wind, nuclear, hydro).
- Meet a very difficult transition milestone in eight years (by 2031).
- Eliminate (or offset) *all* fossil fuel use and, instead, generate all energy by renewable electricity within 33 years (by 2045).

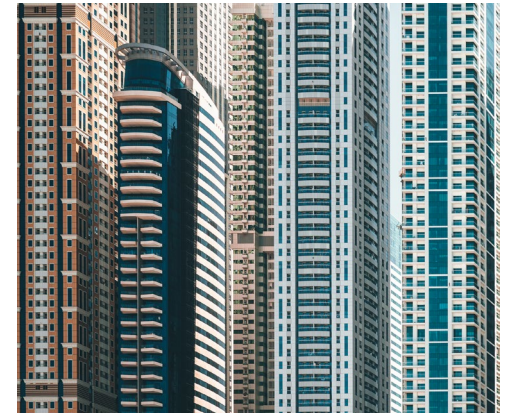


# MULTIPLE APPROACHES TO BUILDINGS

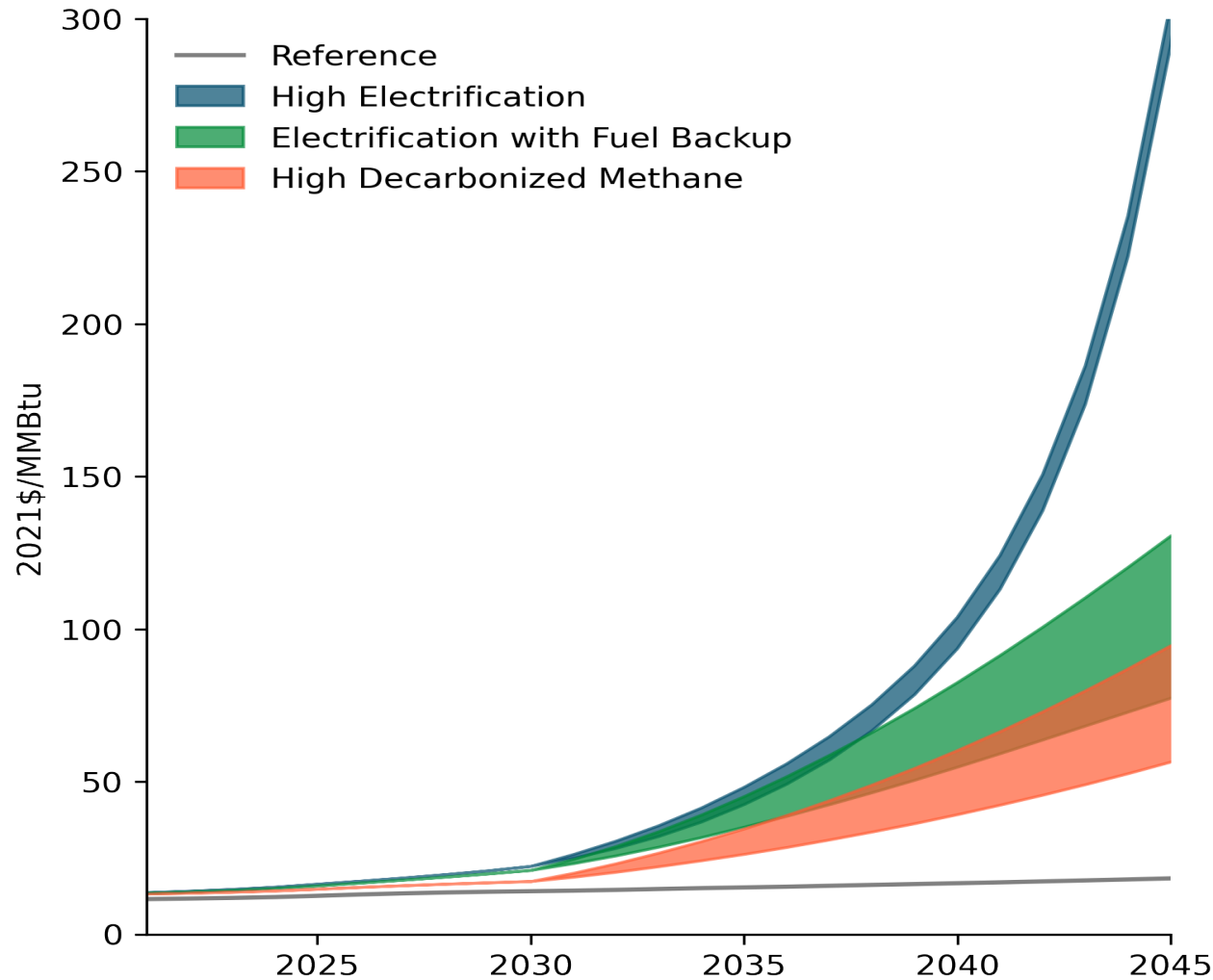
## MEASURES IN STATUTES AND PROPOSED REGULATIONS

- Changes to Building Codes
  - Require more efficient buildings
  - Phase out fossil fuel for heating and water heating in new buildings.
- Mandate reductions in “direct greenhouse gas emissions” in covered buildings
  - 20% reduction by 2030
  - Net zero by 2040
- Mandate improvements in Site Energy Use Intensity (CO<sub>2</sub> per sq ft)
  - Mandatory targets by 2030
  - Zero SEUI by 2040

Electric Vehicles Charging Requirements

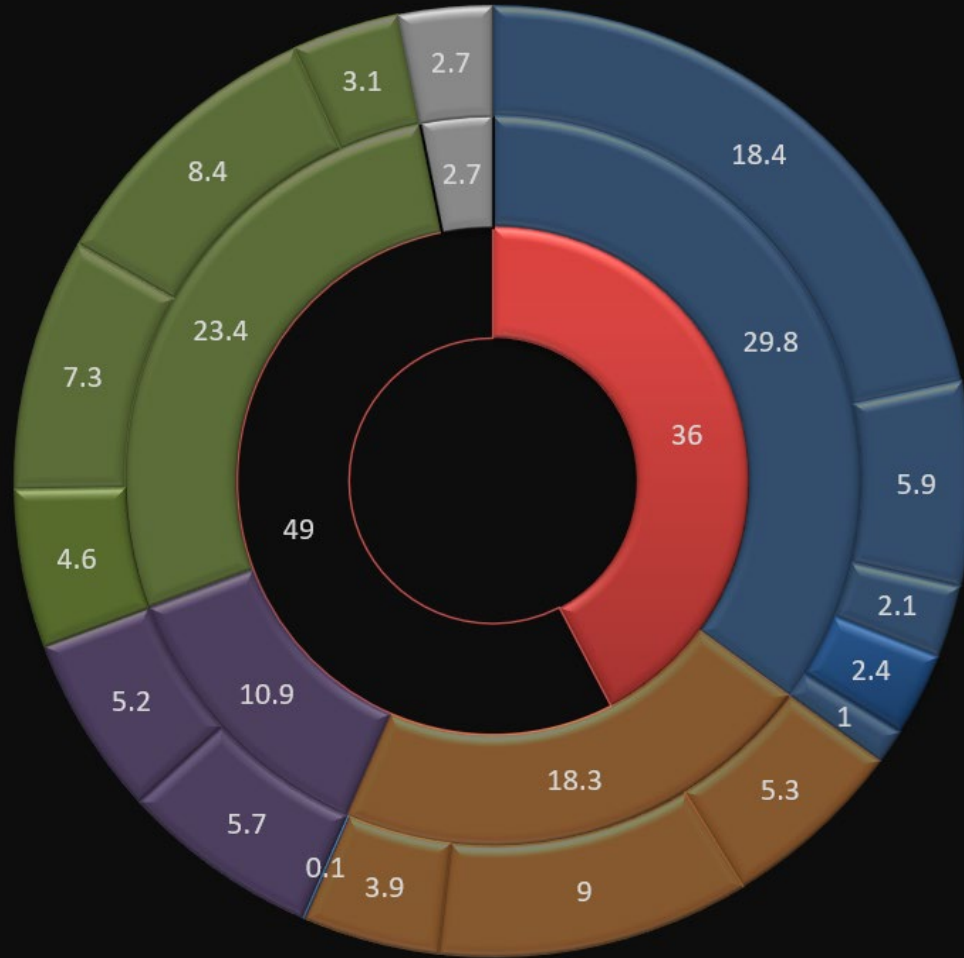


# WHAT WILL THIS DO TO NATURAL GAS PRICES?



- Chart models Residential natural gas rates (in 2021 equivalent dollars per MMBtu) for Commission recommendations.
- Gas prices soar in high electrification scenario as a result of limited customers.
- Gas prices increase even in decarbonized methane scenario because of production cost increases.
- Limiting customers while maintaining distribution systems will increase delivery costs.
- Electricity cost impacts depend on whether significant additional (renewable) capacity and storage can be built as well as the cost of grid upgrades.

# WAIT! THERE IS MORE! STILL SHORT FOR 2031 AND NEED NET ZERO BY 2045!



■ **REDUCTION NEEDED: NET 85 OUT OF 85!**

□ 2045 Allowance ZERO

■ **TRANSPORTATION 29.8**

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# PATHWAY CALLS FOR ADDITIONAL CUTS

## PATHWAY SEEKS TO *NEARLY DOUBLE* THE REDUCTIONS FROM BUILDINGS

The Pathway Model predicts that emissions will fall by 20% under current building policies. New policies will reduce emissions by an additional 15%.

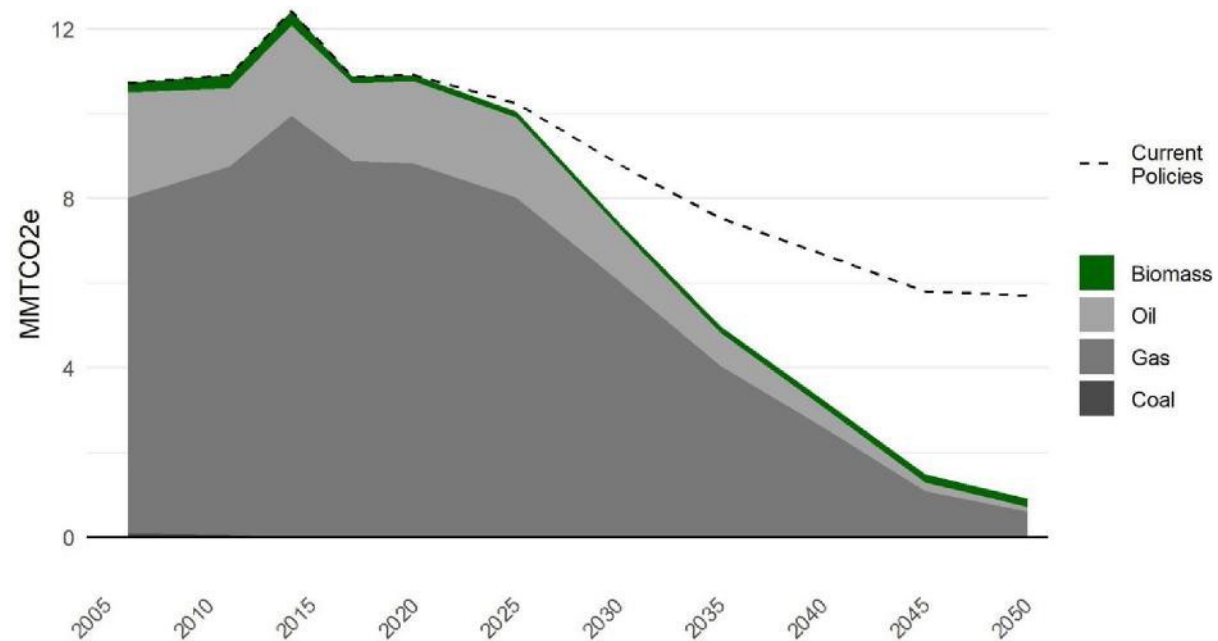


Chart from page 52  
of Pathway Report

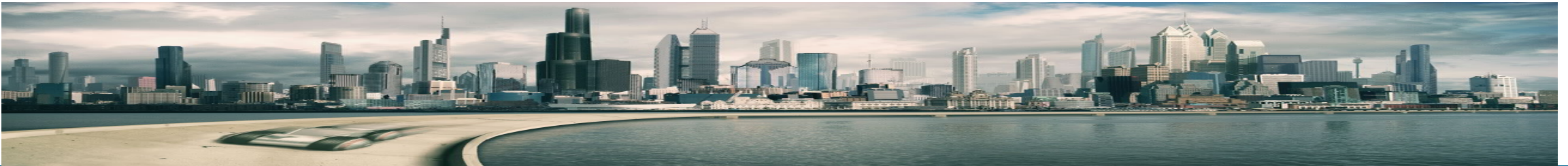
# PROPOSED ADDITIONAL BUILDING MEASURES

- Clean Heat Standards (banning fossil fuel appliances)
- Public Service Commission restrictions on new natural gas hookups
- Local Building Codes banning new gas hookups.
  - New York banning new hookups in most buildings starting in 2026.
  - DC bans most new hookups starting 2026.
  - At least 20 Cities (mostly in California) have banned new gas hookups.
  - Maryland counties considering or enacting all-electric building codes.
  - However, there are legal challenges based on preemption arguments (CRA v. Berkley, 9<sup>th</sup> Circuit)
  - At least 20 states have passed state laws forbidding local bans on gas stoves.
- Air pollution rules restricting new gas stoves.
- Extension of BEPS to buildings smaller than 25,000 square feet.



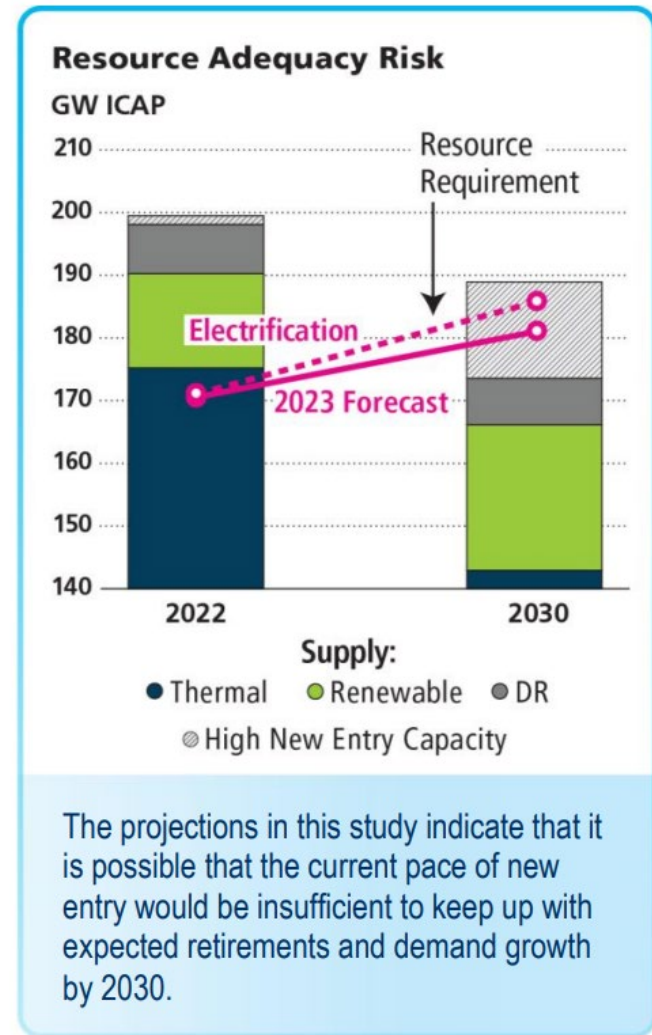
# NON-BUILDING PROPOSALS IN THE PATHWAY REPORT STILL IN DRAFT – BRIEFING / LISTENING SESSIONS UNDERWAY

- “Cap-and-Invest” – a Carbon tax with the proceeds spent on climate change and environmental justice projects.
- Expand Renewable Portfolio System to 100% clean electricity (including tax credits and payments for low-income communities).
- Shift the Regional Greenhouse Gas Initiative Target to net zero by 2040.
- Provide much larger incentives for electric vehicles and trucks as well as reductions in vehicle miles driven.
- Switch non-road use (lawnmowers, construction equipment, etc.) to electric alternatives.



# CAN THE GRID HANDLE THE LOAD?

- Eliminating fossil fuels will increase the transmission load as energy is transferred by electric lines instead of pipelines and propane/heating oil trucks. Electric Vehicles also increase the demand on the system. On average, demand will increase 1.4% each year.
- Maryland has always been a “summer peak” state for electricity consumption - greatest electricity demand was from air conditioning during summer months. Moving from heating oil, natural gas and propane to electric will make Maryland a “winter peak” state.
- The last coal plants are scheduled to close in 2025. Only about 5% of renewable energy projects in the queue get built and renewable projects are intermittent suppliers.
- PJM estimates that 80% of the Baltimore region’s power will be imported by 2025.
- Results of the study were due back to the General Assembly by September 30, 2023.
- *PJM predicts possible brownouts and rolling blackouts between 2025 and 2028 in Balt.*
- *Over \$700 million in transmission upgrades will be needed by 2028 to solve the shortfall.*





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**THANK YOU!**

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