



Senate Bill 528 -- *Climate Solutions Now Act of 2022*
Senate Education, Health, and Environmental Affairs Committee and
Senate Budget and Taxation Committee
February 15, 2022
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes Senate Bill 528 -- *Climate Solutions Now Act of 2022*.

MCCC appreciates the broad vision offered in Senate Bill 528, but contends an incremental path, like first mandating the electrification of the state vehicle fleet and local school buses, is a more prudent approach. MCCC is concerned that implementing all of Senate Bill 528's climate policies and reaching net zero emissions over such a short timeline is unrealistic and costly to business owners still struggling from the effects of the COVID-19 pandemic. Priorities should first be set to electrify, or use "cleaner" energy for those items controlled at the state and county level rather than targeting the private sector. In addition, an incremental roll out will provide additional time for necessary infrastructure improvements as discussed below.

The requirement that buildings meet net zero requirements would represent a substantial cost that would be passed along to businesses and consumers. The provisions of Senate Bill 528 are not only expensive, but the bill as written provides little or no guidance on how to meet emissions reduction targets. Paired with other legislation that would authorize charter counties to provide for the enforcement of local building energy performance laws by imposing civil fines of up to \$10 per square foot, Senate Bill 528 could have significant financial implications which are punitive and cost prohibitive for commercial buildings and real estate.

Senate Bill 528's language that requires privately-owned buildings to reduce emissions by a seemingly arbitrary percentage and cut emissions to net zero does not adequately consider high performing buildings, or buildings currently in construction or planned for construction that may already be meeting, or planning to meet, rigorous environmental standards. Requiring newer "green buildings", outfitted with costly upgrades, to retrofit and further reduce their environmental footprint will be expensive or even impossible to achieve. Senate Bill 528 needs to provide grandfathering of existing "green buildings" that were built or have been designed to meet or exceed current rigorous environmental standards. We should not look at net zero as a light switch, but rather as a continuum.

Senate Bill 528 also creates a tremendous amount of uncertainty about whether there is sufficient electric generation capacity within the timeline of this bill's requirements. This is one outcome of banning natural gas, which creates many more problems than it would purportedly solve and would add billions of dollars of additional costs to businesses and consumers. Delivering significantly more electricity into Maryland will require expensive upgrades and improvements to the electric grid that are, at this time, unrealistic to achieve for

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a variety of reasons. Delivering the power required in Maryland will force risky and expensive upgrades to the electric grid and these costs will be passed through to all Maryland ratepayers at a time when the economy is still suffering from the effects of the COVID-19 pandemic.

MCCC is also concerned about the very limited ability of building owners to seek a waiver of the strict emission standards contained in Senate Bill 528. The availability of natural gas service is a critical factor considered by businesses when seeking to locate in a particular area. Maryland should consider other options that are more practical and less expensive for lowering greenhouse gas emissions.

For these reasons, the Montgomery County Chamber of Commerce opposes Senate Bill 528 and respectfully requests an unfavorable report.

The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.

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