Committee: Education, Energy, and the Environment Testimony on: SB 1023 - "Better Buildings Act Act" Organization: Climate Parents of Prince George's Person Submitting: Joseph Jakuta, Lead Volunteer

Position: Favorable

Hearing Date: March 1, 2024

Dear Mr. Chairman and Committee Members:



Thank you for considering our testimony to SB 1023, "Better Buildings Act." Climate Parents is a campaign to reduce climate change-causing pollution in our schools, and our group is active in Prince George's County. In particular, we recently worked directly with Prince George's County Public Schools (PGCPS) technical staff and other advocates to develop a first in the national School Climate Change Action Plan.

The Better Buildings Act is a particularly important piece of legislation that is necessary to mitigate climate emissions, lower, total cost of ownership for new buildings, and improve indoor air quality. It does this by requiring all new buildings, with a few important exemptions, to meet all water and space heating spaces without using fossil fuels and by phasing in stricter energy use standards until, eventually, new buildings are required to be net-zero by 2035. It will also ensure that buildings will be prepared for the growing number of electric vehicles on the market by requiring a certain number of spaces to include EV charging or be EV-ready. It also requires new buildings to be solar-ready.

While there are many types of buildings covered through this regulation, our testimony focuses on why this is a common-sense piece of legislation for new schools.

Right here in Prince George's County, PGCPS has been building new schools both through conventional and the Alternative Construction Financing (ACF) model. PGCPS and the private companies that are building through the ACF program are finding that ground-source heat pumps make the most financial sense. In fact, now fifteen schools in Prince George's County have geothermal heat pump systems rather than fossil-fuel systems.

One of the main reasons that this is the economical choice is that any building built in October 2025 that is built with gas, water and space heating will need to completely retrofit within twenty years. There is no scenario for the construction of any of the applicable buildings that would make financial sense if the heating system is only given a twenty-year operating time horizon and a completely new heating system needs to be installed. We can see the evidence for that in Prince George's since one of the requirements of the ACF program is that at the end of the period, the schools be retrofitted to the building standards at the time of turnover, and the private partners know they do not want to finance a complete heating system retrofit at that time.

There is other evidence economically of the benefits of modern fossil fuel free HVAC systems being used in schools. According to RMI and Undaunted K12's "HVAC Choices for Student Health and Learning," due to funding from the Inflation Reduction Act, the Investment Tax Credit alone reduces the upfront cost by 30% of ground source heat pumps, making them the least expensive option for new buildings. They also reviewed an analysis completed by Fairfax County Schools that found a 50% reduction in operating and maintenance costs, which can make a real impact on school operating budgets.

The requirements in SB 1023 also align with the <u>Climate Change Action Plan</u> adopted unanimously by the Prince George's Board of Education, which recommends:

- "All new buildings will be designed to be solar ready, and when grant funds are available or deemed cost-effective, have solar installed. (M2.Buildings.B)"
- "Beginning in 2024, eliminate consideration of HVAC and water heating systems powered by fossil fuels in new buildings. (M4.Buildings.E.d)"
- "Ensure all new buildings are, at a minimum, ready for light-duty EV charging, and preferably include 2 Level 2 EV chargers and 5 Level 1 EV chargers. (M5.Transportation.C)"

When it comes to Maryland's schools and other taxpayer-funded buildings, it is clear that SB 1023 is the correct path for responsible stewardship of our precious tax dollars. We also, as a state, should not place the financial burden of premature whole-building retrofits on future homeowners and businesses. SB 1023 does right by the taxpayer and future owners of new buildings.

We encourage a FAVORABLE report for this important legislation.