

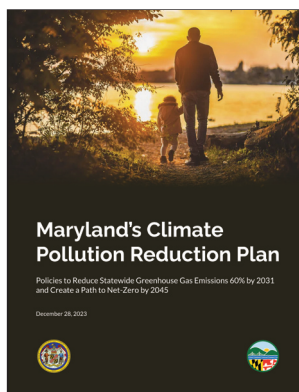
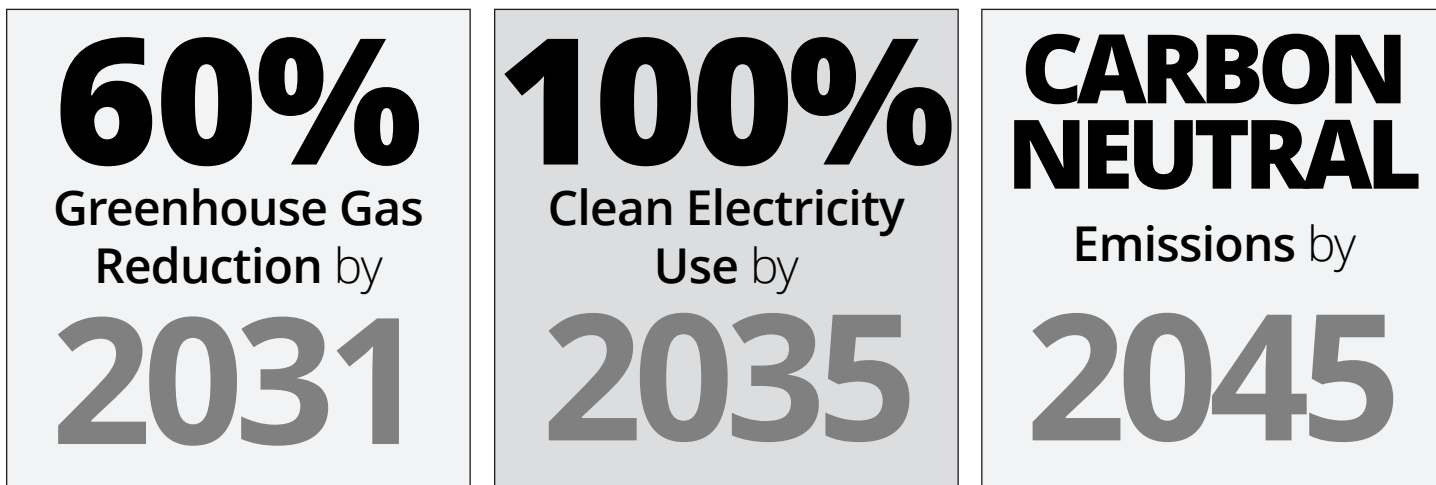
UNFUNDED MANDATES AND HOW THEY IMPACT YOUR ORGANIZATION

Working Document

May 23, 2024

Climate Solutions Now Act (SB528)

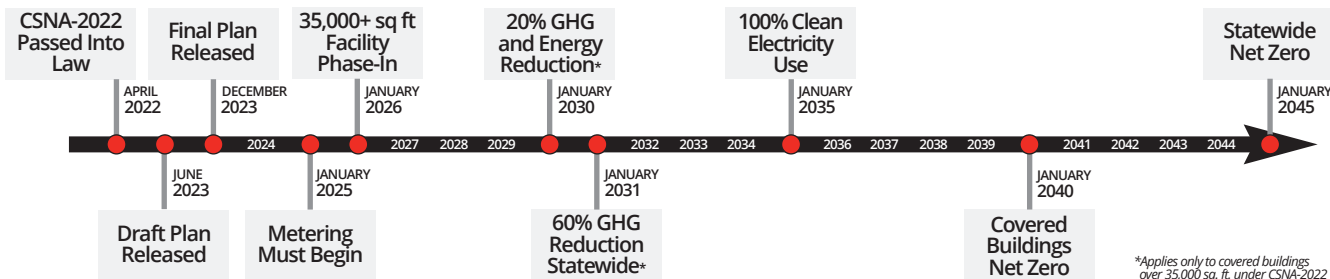
“America’s most innovative and ambitious carbon-reduction initiative.”



CSNA QuickFacts

- ✓ Maryland targets net-zero carbon by 2045 with interim requirements.
- ✓ Maryland Department of the Environment (MDE) delivered Maryland’s Climate Pollution Reduction Plan on time on December 28, 2023.
- ✓ Primary objective is to drive Greenhouse Gas reduction.
- ✓ Focus is on electrifying infrastructure, reducing building emissions, promoting renewables, and encouraging electric vehicles.
- ✓ Targets four sectors: **Buildings**, Transportation, Utilities, & Social Justice.

Implementation Schedule and Objectives



A PROGRAM STILL UNDER DEVELOPMENT

Ultimately, these regulations will impact everyone, but currently, building owners and developers will bear the brunt. Non-compliance could incur significant fines, making proactive adherence imperative!

If you own a building of a certain size, you need to plan for mandates.

What We Currently Know

- If you own a building **35,000 square feet** or larger, you will be impacted.
- Some building types are exempt, including: Historic, manufacturing, commercial kitchens, K-12 schools, and agricultural buildings. (K-12 buildings that achieve net zero will receive +5% in state funding).
- You will need to **meter and report all energy utilities** in use at your location.
- **Reporting is required starting in 2025.**
- You must use **ENERGY STAR Portfolio Manager** tool to report energy use.
- Buildings under 35,000 square feet are not yet required to comply, but will be phased-in at a later date.
- Currently, 33% of Maryland's GHG Emissions are from buildings.



What We Don't Yet Know

- Optimize continues to closely monitor how policies will actually be implemented.
- **Program penalties will likely be tied to the social cost of carbon.**
- The EPA currently lists the social cost of carbon at \$51 per ton. There is a proposal to raise this cost to \$200 per ton.
- This cost will fluctuate, most likely in a continuously upward direction.
- Building Energy Performance Standard (BEPS) proposals have both Energy Usage Intensity (EUI) and carbon (GHG) metrics, which **incentivize electrification.**

9,000 **35,000 sq ft**
Buildings

There are 9,000 buildings of 35,000 square feet or more across Maryland. Estimates are that 90% of these will need to take some action to achieve compliance.

Creating a new balance of power
for Resilient Communities.

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