



OFFICE OF THE GOVERNOR
Wes Moore

May 20, 2025

The Honorable Adrienne A. Jones
Speaker of the House of Delegates
H-101 State House
Annapolis, MD 21401

Dear Speaker Jones,

Pursuant to Article II, Section 17(c) of the Maryland Constitution, I will allow House Bill 49 - *Environment - Building Energy Performance Standards - Alterations and Analysis* to be enacted without my signature.

As leaders and communities across Maryland address the climate crisis, this bill will help to clarify key provisions of the Building Energy Performance Standards (BEPS) program and provide additional tools to the Maryland Department of the Environment (MDE) to support implementation. Building on the ambitious program from the Climate Solutions Now Act (Chapter 38 of 2022), House Bill 49 allows the Department to credit building owners with innovative efforts to address energy use on-site, including generating renewable energy and using biomethane. In addition, House Bill 49 provides exemptions for certain building types.

However, my administration is concerned with the study requirement included in the bill. As written, the provision introduces uncertainty into an already complex regulatory effort and directs the Department to conduct a broad, resource-intensive study. This requires the Department to evaluate three regulatory options: directly reducing greenhouse gas emissions, adopting energy use intensity standards, or combining both. This study adds a layer of uncertainty that is challenging for building owners to comply with or make necessary investments. Furthermore, this study imposes significant financial and administrative burdens on the agency at a time when fiscal constraints require careful prioritization of state resources. It is

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not clear that the expectations of this study can be met by the department, given the fiscal constraints and timeline challenges the law has put in place.

This legislation presents significant operational challenges for the department at a time of constrained resources. According to the Department of Legislative Services (DLS), the legislation creates new administrative responsibilities and increases workload. While the legislation includes authority to collect revenue through an annual reporting fee, DLS's analysis indicates these funds will be insufficient to fully support the implementation and will not be collected in time to provide support for the implementation of the study. As a result, the Department would be required to absorb unfunded costs, placing additional strain on agency operations amid an already challenging budgetary environment.

To accommodate the legislation's exemptions and other alterations, the Department is required to revise the BEPS regulations in 2025, two years earlier than planned, while simultaneously conducting a complex study that could result in more statutory changes and subsequent rulemakings that require significant staff time and resources.

And overall, this bill, as amended by the General Assembly, undermines the Department's regulatory flexibility to meet the climate goals set out in the Climate Solutions Now Act.

Given these considerations, House Bill 49 will take effect without my signature. My administration remains committed to working collaboratively with the General Assembly to ensure effective, equitable implementation of Maryland's climate goals.

Sincerely,

A handwritten signature in blue ink, appearing to read "Wes Moore".

Wes Moore
Governor