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**Air Quality Control Advisory Council Meeting Minutes
July 29, 2024 @ 9:00 am
Hybrid meeting held by MDE**

AQCAC MEMBERS PRESENT

Ben Hobbs, PhD, Vice Chair
Anne Klase
Larry Schoen, PE
Ross Salawitch, PhD
Sania Amr, M.D.
Weston Young, PE (arrived late)
Anna Marshall, AICP
Tom Dernoga, JD (left early)
Nicole Cook, JD
Adrienne Hollis, PhD, JD
Arielle Wharton

MDE

Chris Hoagland
Kelsey Sisko
Scott Zacharko
Tim Shepherd
Allison Tjaden
Chris Mentzer
Steve Lang
Kara Dorr
Gabrielle Leach
Scott Thompson

VISITORS

Joshua Kace
Chris Pendley
Joelle Novey
Scott Waitlevertch
James Wagner
Mariah Shriner
Emily Curley
Jason Mathias
Jennifer Goodrum
Aaron Greenfield
Louisa Rettew
Chelsea Steffes
Lindsey Mendelson
Sarah Peters
Kevin Carey
Diana Conway
3 telephone callers

AQCAC MEMBERS ABSENT

Todd Chason, Esq, Chair
Sunhee Park, PE, BCEE
Thomas Killeen
Megan Latshaw, PhD

Carolyn A. Jones
Randy Mosier
Justin Mabrey
Zach Berzolla
Mark Stewart
Sam Furio
John Artes
Jenny Roelke
Eddie DuRant
Doris Lange

Tad Aburn
Michael C. Powell
Hannah Allen
Ashita Gona
Sari Amiel
Todd
Lindsey Shaw
Brittany Baker
Louisa Sharrow
Lisa Post
Mike Dietz
Rebecca Rehr
Tom Ballentine
Matt Pipkin
Jamie DeMarco
Kevin Walton

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This is a summary of the July 29, 2024, Air Quality Control Advisory Council Meeting and serves as a record of the Council's vote on regulatory action items. The meeting is recorded and the digital file is maintained by MDE/ARA. This digital file is considered public information and may be reviewed in its entirety by anyone who is interested in the details of the discussions.

MDE website: <http://mde.maryland.gov/programs/workwithmde/Pages/AQCACmeetingminutes.aspx>

Mr. Chris Hoagland, Director of the Air and Radiation Administration, MDE, began the meeting with general updates, which included MDE being awarded grants for \$130 million for Climate Pollution Reduction Implementation in Maryland that will go towards a charging corridor on I-95 for heavy-duty vehicles in partnership with New Jersey, Connecticut, and Delaware, as well as natural and working lands projects within the State that will be in partnership with North Carolina, South Carolina, and Virginia.

Mr. Hoagland mentioned the heat wave Maryland recently had, and thus it is a reminder as to why we need to make these climate investments with critical urgency. Mr. Hoagland introduced the two action items for the meeting: an amendment to the Advanced Clean Trucks rule to provide early action credit and the Building Energy Performance Standards 2024 proposal in light of new requirements put in MDE's budget by the General Assembly. Mr. Hoagland expected engagement on this presentation and that there were letters provided to the Council and asked the Council to keep in mind that this proposal deferred a component of this program for a few years: the energy use intensity (EUI) standards. MDE is required to gather benchmarking data in 2025 and based on this data, in June 2026, MDE will reevaluate the standards and repropose them. The regulation presented today does not have EUI standards.

Mr. Hoagland stated that Governor Wes Moore signed an Executive Order on climate change that directed MDE to take regulatory actions, which will be brought to the Council in briefing form in the next few months, and as action items next year. These include a Clean Heat Standard and a Zero-Emission Heating Equipment Standard, as well as updates to the Regional Greenhouse Gas Initiative (RGGI) regulation.

Mr. Hoagland also informed the Council that the State will be bumped-up from moderate to serious nonattainment for the 2015 Ozone standard due to the 2023 smoke events from the Canadian wildfires. MDE submitted Exceptional Event demonstrations to the EPA showing high levels of ozone were due to the smoke events, but EPA has yet to act upon MDE's submissions and MDE has hit the deadline to bump-up, so MDE may need to work on a State Implementation Plan (SIP) and other ozone related actions.

Mr. Larry Schoen asked for an update on interstate air pollution transport. Mr. Hoagland informed Mr. Schoen that EPA proposed a Good Neighbor Plan, which was supported by MDE, but it is tied up in the Courts. This plan would have been very helpful for the state of Maryland, and now after the bump-up, MDE may need to seek more ozone pollution reduction strategies. MDE has already taken almost every action a state can take on ozone actions, and the focus is on the upwind states who are responsible for the bulk of the ozone pollution. Mr. Hoagland stated he could not state the final fate of the Good Neighbor Plan.

Dr. Ben Hobbs thanked Mr. Hoagland for his opening remarks and stated this was his first meeting as acting Chair. Dr. Hobbs added a clarification to the agenda in regards to public comments. Dr. Hobbs stated that public comments on a particular agenda item are subsequent to Council discussion, however

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general public comments on responsibilities and challenges MDE, AQCAC, and the State face shall be after the agenda items.

MEETING MINUTES

Dr. Hobbs asked if there were any comments or corrections for the January 8, 2024 meeting minutes.

The acting Chairman motioned for approval of the meeting minutes. A motion to approve the meeting minutes as presented was made by Dr. Sania Amr and seconded by Ms. Anna Marshall. All members voted in favor to approve the meeting minutes from January 8, 2024 at approximately 9:21 a.m. Mr. Weston Young was not present for the voting of the meeting minutes.

ACTION ON REGULATIONS

Amendment to COMAR 26.11.43.04 Advanced Clean Trucks

Mr. Justin Mabrey presented to the Council an amendment to the Advanced Clean Trucks Program, which was fully adopted last year (2023) as required by the passing of the Clean Trucks Act of 2023 by the Maryland General Assembly requiring the Department to adopt California's Advanced Clean Trucks (ACT) Program, which is a zero-emission truck delivery mandate. California is the only state allowed to set emission standards, and Section 177 of the Clean Air Act (CAA) allows other states to adopt California's standards if they are identical. Maryland's ACT Program is set to take effect in the 2027 Model Year (MY). MDE is required to give a two-year lead time before adopting any vehicle emissions programs. This program was adopted by Incorporation by Reference, meaning MDE is adopting California's adopted regulations.

ACT regulations require a growing percentage of medium- and heavy-duty vehicles (vehicles with a GVWR over 8,500 lbs (Class 2b-Class 8 vehicles)) placed for sale in Maryland to be zero emission. In Maryland, zero emission vehicle (ZEV) medium- and heavy-duty truck requirements are being phased in beginning in MY 2027 and increase through MY 2035, remaining constant thereafter. There is a similar credit, banking, and trading program as light-duty manufacturers have under the Advanced Clean Cars Program to help facilitate the program and allow for flexibility. Starting in 2027, the annual percentage sales requirements for Class 2b-3 (pickup trucks and vans) and Class 7-8 (tractor trucks) is 15% and for Class 4-8 (rigid trucks, i.e. non-tractor) is 20% and percentages increase each year. Mr. Mabrey showed a graphic of the type of trucks.

As adopted, the ACT regulations provided manufacturers the opportunity to earn early action credits one year prior to implementation, beginning with the 2026 MY. The Department received comments expressing a desire for more lead-time to earn early action credits, which would allow manufacturers to better ease into the program. The California Air Resources Board (CARB) has also expressed a desire for adopting states to have additional lead-times beyond one year (most other Section 177 ACT states allow manufacturers to earn credits at least two years prior to implementation).

This regulatory amendment will allow manufacturers to earn ZEV Credits under ACT for an additional year, starting with MY 2025. Stakeholders asked for this change, and it would give them the opportunity to build up credit banks before the program begins and will encourage manufacturers to sell more ZEV trucks in Maryland starting with the 2025 MY instead of diverting to states that have the additional lead

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time. This amendment does not reduce the number of EV trucks required under the ACT Program since the manufacturers needed the credits regardless of the MY.

Ms. Carolyn Jones announced there were general support comments coming in through the webinar chat.

Dr. Hobbs asked Mr. Mabrey to summarize what the Council is being asked to consider. Mr. Mabrey responded that the request to the Council would be to allow MDE to add one additional year lead-time for manufacturers to earn credits under the ACT Program. Dr. Hobbs asked if this would presently be through MY 2026. Mr. Mabrey stated that yes, presently credits are earned in MY 2026, the Program starts in MY 2027, and this proposal is to allow manufacturers to earn credits in both MY 2025 and 2026.

Mr. Schoen made a comment asking for clarification, stating that the Council does not have much of a choice since this is in the California Rule. Mr. Mabrey responded that there is a choice here since this is a flexibility being added by MDE, California and other States support this but it is not in the actual rule. Mr. Schoen responded back asking if CA would like Maryland to do this or are they already doing it? Mr. Mabrey responded yes, CA is already doing this themselves, they already had the 2 year lead time. Mr. Schoen noted if MDE is different than California or what other states are doing, it could be a problem. Mr. Hoagland reiterated that the requirements come into effect in Maryland in MY 2027 but early action credit could be achieved in 2025

Dr. Hobbs asked if there was any anticipation for these trucks to be sold in Maryland in MY 2025, and Mr. Mabrey stated there are currently zero emission trucks being sold in Maryland now and anticipates trucks will still be sold in MY 2025, 2026, and 2027 and this will help manufacturers deploy their vehicles in Maryland rather than in California, New York, New Jersey because they would get credit in Maryland. There is a small provision between some vehicles that qualify under Advanced Clean Cars II (ACC II) and ACT, so manufacturers would have to make a decision on where they would want their credits to go. If we do not allow credits under ACT, the credits will go under ACC II Program, this will allow some of the vehicles to be pulled into ACT, and light-duty vehicles will need to sell more zero emissions as well, allowing for a benefit as well. Dr. Hobbs asked if this would add an air quality benefit or is this just shuffling where the credits end up. Mr. Mabrey stated this could potentially have an air quality benefit. If credits earned from F-150 Lightnings or Rivians, that can qualify to the Class 2b section, are diverted to the ACT Program, that could require more light-duty ZEVs to be sold which could result in a small air quality benefit.

Mr. James Wagner asked if there are any incentives to reduce vehicle miles traveled (VMT) of the trucks – Mr. Mabrey stated not with this action. Dr. Hobbs stated that it is an interesting idea and if a fleet owner has both an electric and non-electric truck such an incentive might be to use the diesel fuel more and electric less, which would be problematic or at least unclear in terms of implications.

A motion to approve the regulation as presented was made by Dr. Ross Salawitch and seconded by Mr. Schoen. All members present voted in favor of the amendment at approximately 9:35 a.m. Mr. Young was not present for the final vote.

The **chat items** that are relevant to this topic are provided here:

Lindsey Mendelson

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Great job on securing the \$80 million in electric charging for medium and heavy duty zero emission trucks through the CRPG program!

James Wagner

Are there any incentives to reduce VMT of the trucks. I understand that this is for sales, but how about rebates for low mileage at different time points. i.e, buy at this price, get rebate if stay under certain mileage after 1, 2, 3 years, etc.

NEW 2024 Building Energy Performance Standards (BEPS) Regulations

Dr. Zach Berzolla presented to the Council the new 2024 Maryland Building Energy Performance Standards (BEPS) draft. Below is the timeline for BEPS.

- Summer 2022: Climate Solutions Now Act (CSNA) requires MDE to implement BEPS
- Winter 2023: MDE holds public hearing and commenting period on 2023 proposed BEPS regulation
- Spring 2024: Fiscal Year (FY) 2025 Budget Bill requires MDE to withdraw 2023 proposed site Energy Use Intensity (EUI) standards
- Summer 2024: MDE releases new 2024 draft BEPS regulation
- Fall 2024: MDE intends to propose the 2024 BEPS regulation
- Spring 2025: Covered buildings report 2024 energy use data to MDE by June 1, 2025
- Spring 2026: Covered buildings report 2025 energy use data by June 1, 2026 for the “BEPS Baseline Report Submission”
- Summer 2026: MDE conducts studies required by FY25 Budget
- Fall 2026: MDE submits report to the Maryland Legislature of covered buildings’ 2025 calendar year energy use data
- Spring 2027: MDE intends to re-introduce site EUI standards, satisfying CSNA requirement
- January 2030: BEPS interim standards begin to take effect
- Spring 2031: Covered buildings report 2030 energy use data by June 1, 2031 to demonstrate compliance with the interim standards

Dr. Berzolla informed the Council that the December 2023 proposal for BEPS has been withdrawn, and the revised version is advancing. The differences between the withdrawn and the revised version include:

- Removal of site EUI standards
- Modification of the agricultural building definition, manufacturing building definition, exemption procedure, public infrastructure property types, and the consumer price index for clarification

Things that stayed the same between the two versions of the regulation include:

- Reporting requirements, including the reporting of energy use and emissions data to MDE annually starting June 1, 2025, net direct emissions standards, and the rest of the previously proposed regulation

Dr. Berzolla stated that there will be site EUI guidance for the public, and MDE intends to establish site EUI standards in 2027, and building owners should refer to the site EUI standards proposed in the December 2023 BEPS regulation for directional guidance as they plan improvements to their buildings. The Department also advises building owners to not install electric resistance heating equipment without

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considering how the use of such equipment would influence the site EUI – MDE wants to ensure efficient electrification to meet net-direct emission standards.

Dr. Berzolla refreshed the Council on the overall BEPS regulations – this included the definition of a covered building and the locations of covered buildings (approximately 9,300 covered buildings that the Department knows of across the State), the covered building types (there are almost 90 different building types in the regulation), exempt buildings, and exemptions on energy use. Dr. Hobbs asked if Dr. Berzolla had a sense of the magnitude of the exemptions as a fraction of total square footage of all the buildings, energy use, or are most buildings exempt. Dr. Berzolla stated until building owners apply for the exemption, they do not know what the magnitude is. Mr. Hoagland stated that buildings under 35,000 square feet are not covered by the regulation and that is the vast majority of buildings in the State. There are around 9,300 buildings covered by this proposal, but there are perhaps a million more individual buildings across the state. Thus, in terms of its coverage of the entire building sector, the regulation covers a small share of the total number of buildings in the state. Dr. Hobbs followed up that of the larger, greater than 35,000 square foot buildings, we will find out what the portion of this is later. Dr. Berzolla added the Department will keep track of the number of exempt buildings.

Dr. Berzolla continued his presentation covering the additional exemptions and next steps for building owners (benchmarking, assessment, and achieving the standards/alternative compliance payment). He discussed the Performance Standard in the regulation noting Net Direct Greenhouse Gas Emission Standards and that site EUI was part of this Performance Standard and was taken out. Dr. Berzolla introduced Mr. Joshua Kace from Berkley National Labs who presented estimated emissions and economic modeling, which included energy use over time and total emissions charts, explaining how LBNL created their modeling and analysis. Mr. Kace shared state-wide results for the 2025 to 2050 timeframe for total costs born over this time period (including utility costs), which does not include incentives, as well as results for the average building over the 2025 through 2050 time frame. For the average BEPS-covered building in MD, the net cost is \$0.65/sf, with some spending more and some spending less. Dr. Benn Hobbs asked if the numbers are present worth discounted numbers or undiscounted cash flows – Mr. Kace stated these are fully undiscounted cash flows (looking at all numbers with inflation removed from the calculations). Dr. Hobbs stated inflation and cost of money removed (correct), so if costs are incurred upfront and benefits are received later, a present worth analysis would show less favorable results, but now understands these are inputs for such analysis.

Dr. Berzolla thanked Mr. Kace for presenting to the Council, and then presented to the Council the economic impacts of the regulation, including how with the re-introduction of site EUI, MDE expects the average BEPS-covered building in MD to save \$4.47/sf. He also presented resources and funding (existing programs) to assist retrofits in the State, and the Clean Buildings Hub (a first-mile clearing house of relevant information and resources to help stakeholders reduce their energy use and emissions of their buildings, such as federal, state, local, and utility incentives. The Hub will catalyze and amplify resources, peer learning networks, and educational programming. Dr. Hobbs noted it would be great to post this with the materials that go online with this meeting.

Dr. Berzolla mentioned to the Council the outreach efforts the Department has or is currently organizing, including meetings, webinars, presentations, a task force, public hearing and commenting periods, small business impact, outreach sessions, local government Maryland BEPS cohort, and working group sessions. Dr. Berzolla ended his presentation with a wrap-up of next steps for BEPS, which included:

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- The CSNA of 2022 required MDE to develop BEPS regulations that cover most large buildings in the State with net-direct emissions and site EUI standards
- Site EUI has been removed from the regulation based on the 2024 Budget requirements
 - MDE intends to establish site EUI standards based on 2025 benchmarking data after requirements in the budget language are met
- Decarbonizing large buildings is an important step toward achieving Maryland's greenhouse reduction goals
- Robust stakeholder outreach, education, and technical support are in progress to assist with compliance

In order to have a final regulation adopted before the end of the calendar, MDE intends to propose this regulation in September.

Dr. Hobbs asked what is the Council is being asked to consider? Dr. Berzolla stated the Department is bringing forward a new regulatory proposal for BEPS asking AQCAC to vote on the BEPS regulations with the removed site EUI standards, noting this is what AQCAC voted on last September minus the site EUI standards and a few clarifications based on feedback. Dr. Hobbs stated that AQCAC should be aware that the proposed state regulations are to conform with what the legislature required, as noted that the site EUI was subsequently held as described. Dr. Berzolla stated that the site EUI standards will come before the Council in the future. Ms. Marshall asked what some of the energy efficient measures are or are there any specific measures that building owners will be taking or is that to come in future steps. Dr. Berzolla stated there are a whole suite of efficiency measures building owners may consider (some on MDE's website), for most of these buildings the Department encourages to start with an energy audit and as part of their benchmarking understand their emissions and energy use is, get an audit to help, and then do longer term planning. Efficiency measures may include an envelope upgrade, changing out the lighting, and air sealing, as well as heat pumps. Mr. Hoagland added that the regulation does not require specific measures and that it sets a performance standard. Mr. Schoen asked if this applies to existing or only newly constructed buildings – Dr. Berzolla stated it applies to both, and after the regulation goes into effect, buildings in the state that are 35,000 square feet or above are covered. Mr. Hoagland added that the provisions for newly constructed buildings is that 2025 is the baseline for the program so a building constructed after 2025 needs to have special rules for establishing its baseline – for example, a building built in 2030 needs to have a baseline set.

Mr. Schoen asked if the targets will be similar for existing and newly constructed buildings, Dr. Berzolla stated they will be the same based on the almost 90 different property types, ultimately getting to zero net-direct emissions by 2040. Mr. Hoagland added that this is a requirement in the law and the emission standards are relative to the average buildings performance of that type in 2025 for the emissions standards. Mr. Schoen asked if the existing buildings will have to meet the benchmark for the newly constructed or will they have a different benchmark. Mr. Hoagland responded by saying that there is a benchmark for each property type. Mr. Schoen stated he is abstaining from this vote as he has a lot of clients that are building owners and operators and is also a consultant to them and stated it will be tough for some existing building owners because retrofitting the envelope is not easy on an existing building. Mr. Schoen followed up asking about renewables onsite and are they one of the ways to get the net emissions down. Dr. Berzolla stated that renewables are an electricity measure and this is about net-direct emissions coming from the building so they are not included in the net-direct emissions standard. Mr. Schoen stated MDE is not counting what the utility emits – and this is correct. Mr. Schoen asked if he (as a building owner) were to go all electric, then he would meet the emissions standard and that is correct.

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Mr. Hoagland expects that about 1/3 of buildings already meet the emissions standard – Dr. Berzolla added that this is based on modeling and data the Department already received (1/3 buildings meet since they are already all electric).

Ms. Anne Klase asked a question in regards to the change to the definition of manufacturing, she was reading some of the comments from the business community and concerns on this change, and asked if there is a place on the website with all of the comments received for this regulation for an opportunity to review them. Mr. Hoagland stated that the version that the Council saw last year MDE relied on NAICS codes to determine if it was a manufacturing building and other exemptions – one of the reasons this was done was because this was information readily available to us in the state property tax database. MDE heard comments from industry in particular that this would not be a good approach due to the codes not being specific and that they change over time with tenants coming and going, so the input was to not use the NAICS codes. In this version of the regulation, MDE changed the definition of a manufacturing building, which is what MDE needs to define in the regulations, to incorporate the state’s definition of manufacturing as a concept, so now MDE needs to make a case by case evaluation of buildings to determine if the activity they are doing qualifies as manufacturing. Mr. Hoagland answered Ms. Klase’s second question informing her that MDE received comment letters that were distributed to the Council prior to the meeting. MDE now has an additional open comment step for regulations affecting small businesses and it is relatively new over the last couple years. This is separate from the rule making process which will come after AQCAC. The additional pre-proposal stakeholder input step for regulations affecting small businesses gets posted to the MDE website and public comments are accepted. These comments were received before the AQCAC meeting, and shared. MDE will find a place for these comments on the website. He noted this Council meeting is a comment opportunity, and then after the regulation is proposed in the Maryland Register there is the formal comment period to come. The additional small business pre-proposal input step is generally not a well-used process. Comments will be posted and a link will be sent to the Council.

Dr. Salawitch asked whether the vote is for regulation 26.28.01, and if so it is confusing as Site EUI and the definition is still within the regulation. Mr. Hoagland stated that the reason the Department is reproposing this is because in MDE’s FY 2025 budget that passed the General Assembly earlier this year, MDE was prohibited from finalizing a regulation that includes Site EUI standards until the Department performs various tasks and studies. The Department needs to gather the benchmarking data that includes site EUI to do the studies required by the budget amendment and therefore Site EUI is defined in the regulation. Dr. Salawitch asked what MDE is expecting from the Council – is this just advisory or will there be a vote and if so, what is the Council voting on. Mr. Hoagland stated this is a standard action item for AQCAC to consider a proposed regulation before MDE proceeds with the adoption steps, and MDE is seeking AQCACs’ advice on the proposed BEPS regulation starting with 26.28.01 and all of the following regulations .02 - .04 in the agenda – the entire regulation. Dr. Salawitch made another note on the inclusion of Site EUI in the overall regulation and this may be inconsistent from what is in the agenda and the PowerPoint presentation. Mr. Hoagland explained that the Site EUI Performance Standards are removed in this BEPS proposal, which can be seen by looking at Table 1 on page 6 of the regulations. Table 1 has standards that buildings have to meet and there is no longer building type specific Site EUI Performance Standards, only direct greenhouse gas emissions standards. Mr. Hoagland again clarified that the Department needs to gather the benchmarking data that includes site EUI to do the studies required by the budget amendment and therefore Site EUI is defined in the regulation so building owners know what to report in the benchmarking process.

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Dr. Hobbs asked in the future it might be easier to have a redlined version to show what has changed and will make clear what AQCAC is voting on. Is the collection of data addressed in the regulations at all? Ms. Allison Tjaden stated it starts on page 3 and it stayed the same from the 2023 proposal. Dr. Hobbs asked if essentially the Council is voting on the removal of the column starting on page 6. Mr. Hoagland stated this is confusing because the Department is not amending an existing regulation, if the Department were amending a regulation there would be the strikeouts and redlines, but the Department never finally adopted the last proposal, it was withdrawn and the Department is submitting a new proposal.

Mr. Schoen stated he is glad MDE got the attention from NAIOP – has there been any involvement from MBIA and BOMA. Dr. Berzolla stated yes, they all provided comments and the comments from last year. Mr. Schoen asked if there was anything new - Mr. Hoagland stated there are new letters addressed to the Council (3 letters), and the big players are involved. Mr. Schoen also asked about the definitions that DOE and ASHRAE agreed upon (net-zero) and is MDE up to date with the definitions and how flexible is MDE on adapting to the changing world in this area. Dr. Berzolla stated MDE is required by statute to regulate net-direct emissions only - the DOE definition is broader. Their net-zero definition requires three things: energy efficiency, zero direct emissions, and clean electricity supply. MDE and DOE are moving in the same direction but if the Department uses DOE's definition it is not following the statutory requirements. Dr. Berzolla stated MDE is open to making changes to the regulations as the Department has to adapt and adjust to how things change over the years, which is a standard process, and the ACT regulation is a good example. MDE expects there will be changes down the line as the Department adjusts to changes and realities around industry. Mr. Schoen stated he is hearing limited flexibility in the technical guidance documents so it will require changes to regulations. Mr. Hoagland stated that it will require a rulemaking to amend, and the Department knows at a minimum MDE will be back with amendments no later than the Spring of 2027 because all of the studies will be done in 2026 based on the 2025 data. Ms. Tjaden added that MDE is working really hard standing up a new team and working with new partners in MEA and across Maryland in these working groups to deliver guidance and face-to-face conversations about how to reconcile all these things changing at the same time, for example the technical guidance that is incorporated by reference and additional resources for building owners, such as a guide for benchmarking and reporting, and working with a range of others to get the information together.

Dr. Hobbs asked for other comments/questions from Council Members. Dr. Hobbs asked MDE staff about compliance with EUI – Mr. Hoagland stated last year AQCAC made a recommendation towards alternative compliance plans for EUI standards. The Department put together information on how the enforcement process works, and how alternative compliance plans are part of this process and reported it back to the Council. Fast forward to present time, there are no Site EUI Standards in this proposal. From the Department's perspective there would not be standards to set alternative compliance plans against. Dr. Hobbs followed up asking the timing of when this would come to the Council – Mr. Hoagland stated in about two years. 2025 benchmarking data needs to be used to perform the studies required in MDE's budget and the due date for buildings to submit all of this is June 2026, so each calendar year's data is due the following year. The very earliest the Department will have a proposal back to AQCAC with Site EUI Standards is in the Spring 2027. Dr. Hobbs added that the Department is not addressing the alternative compliance that the Council recommended last September as part of this action because it will be relevant when site EUI targets are added at a later date.

The following people requested to give comments to the Council. The list of speakers in order are noted with some supporting comments and comments regarding EUI standards and the compliance plan:
Scott Waitlevertch

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Joelle Novey
Michael Powell
Sari Amiel
Chris Pendley
Ashita Gona
Tom Ballentine – attempted to speak but had technical difficulties
Hannah Allen
James Wagner

Mr. Hoagland reminded the Council that the BEPS proposal today is a new regulatory action, and the previous 2023 BEPS proposal will be withdrawn. Site EUI standards and alternative compliance options will be presented to AQCAC in the future. Dr. Hobbs asked for a motion.

A motion to approve the regulations as presented was made by Dr. Amr and seconded by Ms. Marshall. Eight (8) members voted in favor, Ms. Anne Klase opposed, and Mr. Schoen abstained at 11:00 a.m. The majority of the quorum voted to approve the regulations as proposed. Mr. Thomas Dernoga had left the meeting before the final vote.

Dr. Salawitch suggested that the comments in the chat that are substantive be captured and put into the meeting minutes for approval at the next meeting. Per request, the **chat items** that are relevant to this topic are provided here:

James Wagner

Your analysis focused on financing; I have a concern about the great increase in HFCs that will accompany this building electrification. HB 864 (the "strengthening EmPower" bill which passed in 2024) had no provision for insuring that HFCs are monitored and that all means to prevent HFC loss (especially in installation, servicing, and refrigerant disposal at the end of life of systems) is done. There are federal regulations requiring proper disposal, however, shouldn't Maryland have its own regs on this (or at least carefully monitor data from federal regulators), and shouldn't HB 864 be updated to require such regulations and beefed-up oversight? Relatedly, shouldn't, especially over the next 5 years or so, there be a detailed inventory of refrigerant disposal kept by the State? Shouldn't the MCCC have to report this data to the legislature? Under Kigali, new refrigerants will be coming on line, but it will be years before these lower GWP refrigerants come online. There's a lot in these thoughts, but please comment. Thanks.

Klase, Anne S:(PHI)

Will there be public comment before we vote?

Joelle Novey (she/her), ipldmv.org

Some of those on the line are hoping to comment.

Joshua Kace

The federal definition just referenced has an efficiency requirement, this is the major technical difference

Joshua Kace

<https://www.energy.gov/eere/buildings/national-definition-zero-emissions-building>

The speakers listed above then sent a request to comment.

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CLOSING DISCUSSIONS

Ms. Klase took a second to explain why she opposed the BEPS regulations. Ms. Klase stated that as a utility representative for the Maryland Chamber of Commerce she understands that each of the utilities is in a different position regarding their acceptance and ability to implement BEPS, in addition other Chamber Members have also expressed concerns about BEPS regulations.

Mr. Aburn spoke with the Council on Environmental Justice efforts that can be done within the State and offered to meet with the Council and the Department outside of AQCAC meeting hours. Mr. Hoagland stated the Department will follow up with staff, Dr. Hobbs, and Mr. Todd Chason on this potential agenda item.

Dr. Hobbs motioned for the meeting to adjourn at 11:11 a.m.

The meeting was adjourned.

The next AQCAC meeting is scheduled for September 16, 2024. The last meeting of the year is scheduled for December 9, 2024.