

Bill Summary

Building Energy Performance Standards



HB 49 In 2022 the state passed the Climate Solutions Now Act of 2022 (CSNA) which required the state to develop plans, adopt regulations, and implement programs to achieve net-zero statewide greenhouse gas (GHG) emissions by 2040 and authorized the Maryland Department of Energy (MDE) to set building energy performance standards (BEPS) to help achieve that goal. In 2025, the legislative assembly passed HB 49, which now exempts hospitals and other critical equipment from being covered under BEPS and being subject to the greenhouse gas (GHG) emissions-reduction and energy use intensity (EUI) targets set by MDE.

Key Takeaways

- Hospitals are excluded from the definition of "covered buildings" and will, therefore, not be subject to the targets, reporting requirements, and compliance payments set by MDE under BEPS.
- Hospitals, as defined under MD Health - General Code § 19-301, include specialty hospitals such as rehabilitative and psychiatric hospitals.
- Healthcare facilities, other than hospitals, (such as ambulatory surgical centers, urgent care, or other outpatient buildings) that are bigger than 35,000 square feet, are NOT exempt and must comply with BEPS. They are, however, eligible to receive:

Credit for the generation of on-site renewable energy toward their energy use intensity targets

Credit for the greenhouse gas reduction impact of the on-site use of biomethane

Exemptions for energy use and GHG emissions from the use of backup generators and equipment used to produce steam for sterilization

- Local BEPS Requirements:

Hospitals (and other healthcare facilities) in Montgomery county are still required to comply with the standards and requirements set by the county BEPS program even if they are exempted from the state BEPS program.

Other counties are authorized to implement their own BEPS programs in the future that meet or exceed the state BEPS' requirements. Hospitals or healthcare facilities may or may not be exempt from these county-specific programs.

What's Next?

- MDE must submit a report on the cost-benefit analysis of BEPS policy options and alternative compliance pathways to the General Assembly by December 31, 2026.
- MDE must submit a report on EUI costs and alternatives to EUI for meeting GHG targets to the General Assembly before developing EUI standards in regulations.

What You Can Do

- If your healthcare facility is NOT fully exempt from the statewide BEPS program:
 - Measure and report direct emissions data to the Department annually by June 1, beginning 2025.
 - Prepare to comply with all targets and requirements set forth in the state BEPS program
- If your hospital or healthcare facility is NOT exempt from the Montgomery County BEPS program, comply with the emissions reduction requirements and timelines set forth by the county program.