



How to Prepare for the Climate Solutions Now Act of 2022

Maryland property owners and developers will need to take some action because of the “Climate Solutions Now Act of 2022.”

Regardless of the pending rule making that will follow from this legislation, wise property owners and developers can take steps now to be in a better position once the requirements are fully defined. The legislation will require the state to meet a net-zero statewide greenhouse gas emissions goal and to be carbon neutral by 2045. The Act establishes particular steps and deadlines for carbon reduction by 2030 for certain buildings known in the Act as a “covered building.” If you own or operate a “covered building” there will be reporting requirements. How such buildings are eventually defined is what will impact property owners.

You can’t improve what you don’t measure. Building owners who have not measured their current emissions should benchmark their existing buildings using readily available tools including Energy Star Portfolio Manager. By benchmarking your buildings, you can see where you stand relative to other buildings in your building category. Whether you own industrial, commercial, or residential property, Energy Star has set benchmarks for each building type. This will allow you to know whether you will likely need to act sooner or later and to plan for future upgrades; as well as to know if your property value could be impacted by future requirements.

Moreover, you will have time to plan for the next time your property requires upgrades you may need to focus on.

Those who develop properties must think about the impacts the legislation might have on decisions regarding the types of fuels and systems used in a building, as well as whether an all-electric building is the best solution to protect an asset from changes in carbon accounting practices. These decisions could impact lending decisions by banks and other outside investors in your property.

Buildings that use fossil fuels on-site now will be required to eventually be carbon neutral. How you get there is part of the planning process you will need to go through now to be in position to maximize the value of your property. Accounting for on-site greenhouse gas use has now become one of the factors you need to consider as you upgrade and develop new and existing buildings in your portfolio.

MD Energy Advisors is here to provide you with the support and guidance to benchmark your buildings and to help you with decisions on upgrades. If you are still considering using fossil fuels in a new development, we will help you determine the decisions you must make and the timelines you need to meet to protect your property value in the future.