


**Maryland Department of General Services  
DECARBONIZATION POLICY**

<b>Title: Decarbonization Policy</b>	<b>Issue Date: March 3, 2025</b>	<b>Approved By: Atif Chaudhry</b>
<b>Policy Number: DGS25-01</b>	<b>Effective Date: March 4, 2025</b>	<b>Approval Signature:</b> 

## **I. EXECUTIVE SUMMARY**

The Maryland Department of General Services (DGS) is issuing this Decarbonization Policy (Policy) in response to recent legislation, policies, agreements and regulations targeting greenhouse gas (GHG) emissions reduction goals.

Relevant recent statutes and agreements include:

1. Environment Article § 2-1204.2;
2. Environment Article § 2-1602; and
3. Better Climate Challenge Partnership.

This document establishes both the Policy and a Decarbonization Review Committee (DRC) and presents means and methods to align DGS's construction project design with regulation and statute.

## **II. PURPOSE**

Through this Policy, DGS intends to significantly reduce or eliminate the onsite burning of fossil fuels for space conditioning and water heating in facilities owned by DGS and DGS-supported agencies.

## **III. AUTHORITY**

**A.** This Policy operates under the scope of the following authorities:

1. Code of Maryland Regulations (COMAR) 21.02.05.01(F)(1)-(2);
2. Environment Article § 2-1204.2;
3. Environment Article § 2-1602;
4. State Finance & Procurement Article (SFP) § 4-403(b);
5. SFP §§ 4-406; and
6. SFP § 12-107(b)(2)(i)(3)-(4).

## **IV. POLICY**

### **A. New Construction:**

1. All capital construction projects for new construction for DGS and DGS-supported agencies shall be designed and built with all-electric space conditioning and water heating.
2. If an all-electric space conditioning and/or water heating system is deemed to be infeasible, the project manager shall request a waiver from the DRC.
3. Waiver requests may be submitted on a case-by-case basis for new construction only when
  - a. ALL the following criteria occur:
    - 1) The utility serving the site has stated that the grid interconnection infrastructure cannot meet the on-site power demands resulting from a new electric system and that the utility cannot increase the electrical capacity at the site;
    - 2) The building and its systems cannot be designed so that the building's electricity usage is less than or equal to the amount available from the utility;
    - 3) The proposed site cannot be heated using district steam from a steam provider with GHG reduction goals that align with those of the State of Maryland (State); and
    - 4) A study (conducted an A/E or a DGS project manager) has found no suitable alternate location to construct the building which would remove or alleviate the need for on-site burning of fossil fuels (as the alternate site would provide better access to utilities, district steam, and/or land suitable for installation of ground, water or sewer source heat exchange infrastructure).

### **OR**

- b. The additional cost of electrification exceeds 15% of the business-as-usual cost estimate (prepared by an A/E or a DGS project manager).
    - 1) DGS's Secretary or the DGS Assistant Secretary responsible for DGS's Design, Construction, and Energy division (DCE) may periodically change this percentage.
4. Where emergency backup generation is needed, non-fossil fueled systems shall be evaluated by an Architect/Engineer firm (A/E) or a DGS project manager but are not required.
5. An A/E or a DGS project manager shall evaluate the potential for all-electric food preparation and storage systems (these systems are not required, however).

### **B. Existing Buildings:**

1. All construction projects involving the replacement, or major renovation, of on-site fossil-fueled space conditioning and water heating shall be designed and built to include all-electric systems.
2. If an all-electric space conditioning and/or water heating system is deemed infeasible on any size building, the project manager shall request a waiver from the DRC.
3. Waiver requests may be submitted on a case-by-case basis for the replacement or major renovation of systems when:
  - a. ALL the following criteria occur:

- 1) The utility serving the site has stated that the grid interconnection infrastructure cannot meet the on-site power demands resulting from a new all electric system and that the utility cannot increase the electrical capacity at the site.
- 2) The site has been deemed unsuitable for installation of ground, water or sewer source heat exchange infrastructure to offset the shortfall in power available from the utility.
- 3) It is not possible to improve the building envelope to reduce the building's heat load to within the available electric capacity.
- 4) The proposed site cannot be heated using district steam from a steam provider with GHG reduction goals that align with those of the State.

**OR**

- b. The additional cost of electrification exceeds 15% of the business-as-usual cost estimate.
  - 1) DGS's Secretary or the DGS Assistant Secretary responsible for DGS's Design, Construction, and Energy division may periodically change this percentage.
6. Waivers may be submitted for single equipment replacements only when:
  - a. One of the following criteria has been met:
    - 1) The equipment failure constitutes an emergency (which shall be addressed to meet the needs of the upcoming heating or cooling season or is necessary due to safety or legal concerns) and there is not enough electrical capacity readily available to switch to an electric option; or
    - 2) There is no electric equipment currently on the market to replace the component which has failed or is expected to fail.

**OR**

- b. The additional cost of electrification exceeds 15% of the original cost estimate.
  - 1) DGS's Secretary or the DGS Assistant Secretary responsible for DGS's DCE division may periodically change this percentage
7. Food preparation and storage systems needing replacement shall also be evaluated to be all-electric by an A/E or a DGS project manager but are not required.
8. Where emergency backup generation is being replaced, non-fossil fueled systems shall be evaluated by an A/E or a DGS project manager but are not required.

## **V. DEFINITIONS**

**A.** In this policy, the following terms have the meanings indicated.

1. Greenhouse Gas: a gas that contributes to the greenhouse effect by absorbing infrared radiation, e.g., carbon dioxide and chlorofluorocarbons.
2. Fossil Fueled: equipment that combusts a fuel such as coal or gas, formed in the geological past from the remains of living organisms, such as natural gas, propane and heating fuel oil.

3. District Steam: a system that generates heat in a central location and then distributes it to buildings through a network of insulated pipes, e.g., Vicinity district steam.

## **VI. PROCEDURES**

### **A. General Requirements**

1. For projects that have not received a waiver and are designed by an A/E consultant:
  - a. The DGS project manager shall include the standards set forth in this policy in the scope of work for the A/E consultant and ensure that the A/E consultant is aware that the project is required to be designed in accordance with this policy.
  - b. The DGS Design Review Board shall ensure that the design and/or scope of work conforms to the standards set forth in this policy.
2. For projects that have not received a waiver and are designed in house:
  - a. The DGS project manager shall ensure that the design and/or scope of work conforms to the standards set forth in this policy.
  - b. If the design or scope of work is required to be reviewed by the DGS Design Review Board, the DGS Design Review Board shall ensure that design and/or scope of work conforms to the standards set forth in this policy.
3. If a waiver is requested:
  - a. A/E studies and programs may be completed prior to requesting waivers.
  - b. An A/E design contract shall not be solicited until a written waiver has been granted.
  - c. Bid solicitations shall not be issued until a written waiver has been granted.

### **B. Waiver Information**

1. Waiver requests using the Waiver Request and Determination Form shall be sent by a DGS project manager to DGS's Capital Program Manager.
  - a. DGS shall establish a tracking system for waiver requests and waiver determinations.
2. A DRC is established and consists of the following members:
  - a. DGS Assistant Secretary for DCE, and/or up to three designees serving as temporary members for each waiver review.
  - b. A member of DGS's Office of Energy and Sustainability (OES).
  - c. A member of DGS's Building Assessment Unit (BAU).
3. Waiver Determination:
  - a. The DRC shall issue a decision on a waiver within 10 business days (by a majority vote that is approved by the Assistant Secretary for DCE).
  - b. The Assistant Secretary for DCE has veto power over a determination (the majority

vote) of the DRC.

- c. All waiver determinations that have not been vetoed shall be accompanied by a written explanation as to the decision of the DRC.

## **VII. REFERENCES**

### **A. Environment Article § 2-1204.2:**

The State shall achieve net-zero statewide greenhouse gas emissions by 2045.

### **B. Environment Article § 2-1602(a):**

The Department shall develop building energy performance standards for covered buildings that achieve:

1. A 20% reduction in net direct greenhouse gas emissions on or before January 1, 2030, as compared with 2025 levels for average buildings of similar construction; and
2. Net-zero direct greenhouse gas emissions on or before January 1, 2040.

### **C. COMAR 21.02.05.01(F)(1)-(2)**

These regulations grant DGS specific duties for the design, construction, and maintenance of public improvements.

### **D. SFP 4-403(b):**

The Department shall assist and advise any unit of the State government, including the Board of Public Works:

1. in the review and approval of any change to a contract, plan, or specification for a public improvement; and
2. on any engineering matter, survey, plan, specification, or contract for a public improvement or land acquisition that:
  - i. may come before the Board of Public Works; or
  - ii. may be of interest to the unit of the State government.

**E. SFP 4-406(a)**

1. The Department shall advise the Board of Public Works and any unit of the State government in connection with any engineering question or matter concerning a public improvement.
2. The Department shall supervise any engineering question or matter concerning a public improvement.
3. Any contract, plan, or specification for any public improvement that involves an engineering question:
  - i. shall be submitted to the Department; and
  - ii. is subject to the approval of the Department

**F. SFP 12-107(b)(2)(i)(3)-(4):**

2. The Department of General Services may:
  - i. engage in or control procurement of:
    3. construction, including construction under Title 4, Subtitle 4 of this article;
    4. construction related services, including those under Title 4, Subtitle 4 of this article.

**H. Better Climate Challenge Partnership:**

Signed by Maryland in October 2021 pledging to reduce GHG emissions by 50% across an agreed upon portfolio of State-owned buildings and fleet vehicles by 2031.

**VIII. ATTACHMENTS**

- A.** Waiver Request and Determination Form.