

# **Annual Report on the Status of Department of General Services Programs that Support the State's Greenhouse Gas Reduction Efforts or Address Climate Change**

November 9, 2022

In accordance with §2-1305 of the Environment Article, the Department of General Services (DGS) submits its annual report to the Governor and the Maryland Commission on Climate Change on the status of programs that support the State's Greenhouse Gas Reduction Act (GGRA) efforts or address Climate Change. This report will highlight how programs run by the DGS Office of Energy and Sustainability reduce greenhouse gases and other air pollutants. This report shows estimated greenhouse gas reductions for the calendar years 2010 through 2022.

## **DGS Energy Office**

The DGS Office of Energy and Sustainability ("Energy Office") performs five primary functions that positively contribute to the State's greenhouse gas reduction efforts. The Energy Office purchases renewable energy, operates the Energy Performance Contracting (EPC) program, oversees progress towards the energy savings goal of Governor Hogan's Executive Order 01.01.2019.08, performs energy retrofits at State facilities, manages a statewide utility tracking database, and chairs the Green Purchasing Committee. The Energy Office also engages in pilot programs, such as retro-commissioning existing State facilities, and fields calls from agencies on various energy conservation related topics. Beginning with the June 2019 issuance of Governor Hogan's Executive Order 01.01.2019.08, *Energy Savings Goals for State Government* (EO), the Energy Office has taken on a leadership role in meeting the energy savings goal of the EO.

## **Energy Commodities Purchasing**

The Energy Office partners with USM to purchase over \$175 million annually of electricity and natural gas using purchasing strategies that from FY 2014 to FY 2022 allowed the State to avoid over \$84 million in expenses related to these commodities. Included in the energy commodity purchases are three 20-year Power Purchase Agreements (PPAs) of renewable energy from two utility scale wind installations, and one solar installation. In FY 2021, the State of Maryland spent approximately \$17 million on renewable electricity which accounted for 15% of the electricity cost for State operations.

Facility name	Initial Delivery Year	Size	FY 2021 Total Generation (MWH)	FY 2021 Total Expenditure (\$)
Mount St. Mary's (Solar)	2012	13 MW	19,448	\$4,323,629
Pinnacle (Wind)	2011	53.7 MW	112,827	\$7,898,140
Roth Rock (Wind)	2011	10 MW	25,671	\$2,479,326
Totals			157,946	\$14,701,095

The Energy Office has partnered with USM to issue an IFB in early CY 2023 to solicit in-state solar energy firms to provide additional renewable energy so that the State remains in compliance with the RPS. Until new PPAs for solar energy are in place, DGS will purchase SRECs on the market to ensure that State government operations comply with the RPS.

DGS also currently has Solar PV installations at four agency buildings, with total capacity of 432 kW and generating approximately 520,000 kWh per year<sup>1</sup>:

- Tawes State Office Building - 580 Taylor Avenue. Annapolis - 126 kW
- John R. Hargrove, Sr. DC & MS Center -700 E. Patapsco Ave. Baltimore - 106 kW
- Elkton DC & MS Center -170 E. Main St. Elkton - 74 kW
- Ellicott City DC & MS Center -3451 Courthouse Dr. Ellicott City - 126 kW

DGS' purchases of renewable energy enabled the State to prevent approximately 50,961 Metric Tons of carbon dioxide equivalent (CO<sub>2</sub>e) from entering the atmosphere. This is the equivalent of taking 10,981 passenger vehicles off the road for one year.<sup>2</sup>

### Energy Performance Contracting (EPC)

An EPC is a multi-million-dollar energy project in which the cost of the project is paid for over time through guaranteed annual energy and operational savings. The Energy Office drafts and manages the contract that defines the processes and requirements of an EPC and prequalifies the Energy Service Companies (ESCO) that will perform each project. The ESCOs provide the energy savings guarantee for each project. The Energy Office has been managing the State's EPC program since 2003, during which time 29 EPC projects have been initiated. The EPC program is the State's greatest single contributor to the development of energy efficiency and energy conservation strategies within State facilities.

The EPC program has provided considerable cost-effective energy savings and GHG reductions since its inception. Table A below indicates energy savings and CO<sub>2</sub> reductions associated with EPC projects since 2010.

<sup>1</sup> DGS does not own the Renewable Energy Credits (REC) for these installations.

<sup>2</sup> Calculated using EPA Greenhouse Gas Equivalencies Calculator, <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results40>

**TABLE A**

<b>PROJECT</b>	<b>Construction Completion Date</b>	<b>Overall Annual Energy Reduction MMBTU<sup>3</sup></b>	<b>Annual CO2 Reduction Tons</b>
<b>DHMH-Spring Grove Hospital</b>	02/01/10	267,504	14,979
<b>University of Baltimore</b>	02/28/10	31,465	2,990
<b>Veterans Affairs</b>	05/31/10	1,999	253
<b>UMCES- Horn Point Lab</b>	10/01/10	12,652	1,253
<b>Work Force Technology Center</b>	12/01/10	14,593	1,421
<b>DGS Buildings</b>	01/01/11	60,730	5,979
<b>MDA-Agriculture</b>	02/01/11	7,618	963
<b>State Police</b>	06/30/11	3,683	746
<b>UM College Park- 9 buildings</b>	01/01/12	59,060	3,538
<b>UMCES- Chesapeake Lab</b>	01/01/12	6,154	604
<b>MTA</b>	04/12/12	16,030	2,027
<b>DPSCS- Jessup</b>	06/30/12	224,504	14,412
<b>MdTA</b>	10/18/12	30,712	3,285
<b>Towson Univ. Part 1</b>	12/01/12	32,740	4,139
<b>MAA</b>	12/04/12	119,150	10,965
<b>Bowie State University</b>	01/31/13	6,791	547
<b>Port Administration</b>	Ongoing	100,307	5,380
<b>UMBC- Part 1</b>	07/31/13	20,855	2,637
<b>UMCP- Athletic Dept.-</b>	09/30/13	4,450	555
<b>SHA -I</b>	10/01/13	69,687	7,928
<b>Department of Juvenile Services</b>	1/6/2017	25,412	2,392
<b>MDH Springfield Hospital</b>	7/31/2018	14,641	1,205
<b>MDH Finan Center</b>	1/9/2019	9,557	1,131
<b>MVA</b>	4/1/2018	19,223	2,123
<b>MDH Perkins and Holly Center</b>	6/30/2020	25,051	3,490
<b>DPSCS - WCI &amp; NBCI</b>	11/30/2019	22,758	8,163
	<b>TOTALS</b>	<b>1,207,326</b>	<b>103,106</b>

**Executive Order 01.01.2019.08**

Governor Hogan’s Executive Order, *Energy Savings Goals for State Government*, calls on the Energy Office to perform several tasks to help achieve 10% energy savings in State-owned buildings by 2029 based on an FY 2018 baseline. Tasks outlined for the Energy Office include: creating an accurate energy baseline for FY 2018, identifying 2 million square feet of buildings

<sup>3</sup> The energy reduction figures are for all fuel sources associated with a project (electricity, natural gas, fuel oil, etc.) converted to millions of Btus. Figures provided by ESCOs in their Phase II proposals as part of their savings guarantee. Actual savings for most projects have been higher.

with cost-effective energy saving opportunities, performing energy audits on those buildings, presenting the building owners with the recommendations from the audit reports, tracking the energy use in those buildings after upgrades, and reporting progress towards meeting the overall goal to the Governor.

Beyond fulfilling the specific tasks outlined in the Executive Order, the Energy Office has formed a Working Group on Reducing Energy use in State Operations, whose members include representatives from the 20 agencies, or university campuses, that are responsible for 90% of the State government's energy use. The Working Group meets quarterly to coordinate efforts, collaborate on solutions, and share successes on reducing energy use in State facilities. The Working Group has met seven times since September 2019.

In the 2020 legislative session, DGS introduced House Bill 662 to include the energy savings goal of Governor Hogan's EO into statute. The bill passed and took effect on July 1, 2020.

The Energy Office performed energy audits on 1.7 million square feet of building space in FY 2021 and completed an additional 2,166,287 square feet of audits during FY 2022. The second Annual Report on the Executive Order was submitted to the Governor in September 2022.

### **Other Energy Reduction Efforts**

The Energy Office is currently managing the installation of over 40,000 state-of-the-art LED light fixtures and controls in several buildings throughout the state at several state agencies. Total annual project savings are expected to be 9,600,000 kWh of electricity, avoidance of \$1,152,000 in annual energy expenses, and yearly avoidance of 3,356 metric tons of CO<sub>2</sub>. The project will be complete by early CY 2024.

In December 2020, the Energy Office completed a retro-commissioning pilot at the Rockville MSC. Retro-commissioning involves an in-depth evaluation of opportunities to improve the efficiency of an existing building's HVAC equipment and systems. In this case, the building's automated controls were updated, and associated systems were returned to their original operating parameters. The result of the project is that between January and April 2021, the natural gas use of the building, normalized for weather variations, was reduced by 70% over the average use during the same months of the previous four years. We are estimating the payback from the project to be less than 24 months. The DGS Office of Energy & Sustainability (OES) began retro-commissioning at two other DGS-owned properties to continue the pilot project and began work on them in spring 2022. OES will track the energy use of the buildings for the year following the retro-commissioning, and assuming good results, will develop a retro-commissioning program to roll out to other agencies.

The Energy Office has been working with DGS Capital and Facilities Maintenance divisions over the past year to integrate "green" building practices into building design and renovations. The

Energy Office drafted a “Green Building Standards” document and presented its contents on a webinar with several of the capital and maintenance division project managers and later gave the presentation to the architectural and engineering firms contracted with DGS. Following that presentation, the Energy Office held a webinar for project managers on “HVAC Sizing Considerations” to overcome a common problem when designing new and replacement HVAC systems. In order to make green building an ongoing and permanent part of DGS’ decision-making process, OES drafted an addendum to the DGS Procedure Manual that incorporates energy efficient and sustainable design into common practices.

### **Utility Bill Tracking Database “State Energy Database”**

The Energy Office maintains the nation’s most comprehensive statewide utility database for tracking energy consumption and cost for all state-owned and leased facilities. The database allows the Energy Office and other agencies to analyze their energy consumption patterns over time in order to identify poor performing facilities, and to track the progress of facilities undergoing energy efficiency projects. The database is used extensively during the development and measurement and verification stages of EPCs. It also is an instrumental tool that enables the State to engage in financially beneficial strategies for energy purchasing.

In FY 2020, building attributes such as square footage, build year, leased owned status, and primary use were added for the majority of the state’s portfolio. Additionally, building/meter relationships were confirmed, allowing the State to confirm buildings that are individually metered for further building-level benchmarking and analysis, and to confirm campuses sharing utility meters for future submetering opportunities. The result was a comprehensive report of all State-owned and independently metered buildings, with their energy usage data so their progress may be tracked over time.

Maryland has led in data transparency by ensuring that the energy database is available in a public-facing version, hosted on DGS’ website. The database is also available (with detailed cost and consumption data) to over 300 state agency users with log in privileges.

### **Green Purchasing Committee**

The Maryland Green Purchasing Committee is an interagency committee created by the Green Maryland Act of 2010 and is tasked with providing the State with education and training promoting environmentally preferable purchasing. Chaired and staffed by the DGS Office of Energy & Sustainability (OES), the Committee develops and implements statewide green purchasing policies, guidelines, programs, best practices, and regulations which will provide benefits to the health and well-being of Maryland citizens and the environment.

The Committee approves and publishes tools and guidelines for state purchasers that would limit the use of hazardous or toxic materials and advance the conservation of natural resources

and energy in state agency operations. Specifications for the procurement of certain environmentally friendly goods and services are created, approved, and published for State agencies to adopt. In FY 2021 and FY 2022, the Committee issued 6 new or updated specifications:

- [Snow & Ice Control](#) (updated)
- [Electronic + IT Products](#) (updated)
- [Appliances](#) (updated)
- [Plumbing & Other Water-Using Products](#) (new)
- [HVAC Systems](#) (updated)
- [Janitorial Services](#) (updated)

In FY 2021, environmentally preferable purchasing by Maryland State agencies totaled \$51,278,245. FY 2022 numbers will be published by December 2022. Environmentally preferred commodities include office supplies, janitorial supplies, IT equipment, paints and coatings, and food service supplies. The cost savings associated with these purchases was \$1,194,650 and included a reduction of 128,894 Tons of CO<sub>2</sub>e. Other benefits from Maryland's Green Purchasing program for FY 2021 are as follows:

- 10.97 GWH of electricity savings
- 186.80 tons of solid waste reduced
- 3,075.40 tons of material conserved
- 12,607,529 gallons of water conserved

The Energy Office launched a Green Purchasing Training Module in July of 2020 as part of the Maryland Procurement Academy, where state procurement professionals will gain the basics of green purchasing to apply in their procurement practices. In FY 2021, 120 procurement professionals were trained on the fundamentals of green procurement through this program. In FY 2022, 19 Green Purchasing Specialists were certified at Maryland state agencies. Additionally, the Committee has delivered training and organized educational events to further promote Maryland's leadership in environmentally preferable purchasing.

The Green Purchasing Committee received an Environmental Leadership Award from the Northeast Recycling Council (NERC) for its FY 2021 activities in the areas of resource conservation, toxics and hazardous material reduction, and the promotion of recycling markets.

In recognition of Maryland's leadership in the procurement of sustainable electronics and Information Technology (IT), the state received awards from the State Electronics Challenge, and the Green Electronics Council in 2021.

## Electric Vehicle Infrastructure

In FY 2022, DGS supported the electrification of Maryland State government's fleet through:

- **State-wide contracts** for EV charging infrastructure.
- Coordinating with DBM on procuring **zero emission vehicles** including sedans and SUVs.
- Developing plans and strategy documents to install EV infrastructure at State-owned and leased facilities across the state.
- Constructing and opening **76 EV charging ports** across six sites.

In FY 2022, Maryland ramped up its fleet electrification activities to support the State's greenhouse gas reduction goals. To this end, the State has started to replace eligible State fleet vehicles with internal combustion engines with battery Electric Vehicles (EVs) which produce no tailpipe emissions. Vehicles are eligible for replacement when they reach 10 years of age or 100,000 miles.

As EVs are added to the State's vehicle fleet, State facilities will need adequate charging infrastructure in place to support them. The Maryland Department of General Services (DGS) is taking the lead in establishing a Statewide EV Infrastructure Strategy and installing charging equipment at State-owned facilities. EV Stakeholder update meetings are held monthly to share information about current and upcoming EV charging projects and other relevant information. DGS coordinates these efforts with the Departments of Budget and Management, Environment, Transportation, and the Maryland Energy Administration.

FY 2022 will see a significant increase in both electric vehicles and charging infrastructure. DGS has established an EV Infrastructure Charging Program which includes three staff. Additionally, \$1 Million was allocated to DGS in the FY 2022 Supplemental Budget for the installation of charging infrastructure at State facilities.

More information about EVs is available on the [Green Purchasing website](#).