



March 1, 2024

The Honorable Brian J. Feldman, Chair
Education, Energy, and the Environment Committee
Miller Senate Office Building, 2 West
Annapolis, MD 21401

Oppose: SB 1023 – Building Performance Standards – Fossil Fuel Use, Energy Conservation Solar and EV Standards

Dear, Chair Feldman and Committee Members:

On behalf of the NAIOP Maryland Chapters representing seven hundred companies involved in all aspects of commercial, industrial, and mixed-use real estate I am writing in opposition to SB 1023.

This bill would override and expand provisions and performance requirements in the International Building Code, International Residential Code and the International Energy Conservation Code. The Maryland Codes Administration would be required to include specific requirements in the Maryland Building Performance Standards related to installation of electric vehicle charging equipment, solar capabilities and progressively lower energy use allowances for all buildings terminating in a requirement that all new buildings in the state must be Net-Zero Energy Balance beginning in October of 2035.

The rationale for NAIOP's opposition includes the following:

- Provisions in the bill are similar to proposals considered and rejected by the international code writing organizations because they are technically infeasible or not cost effective.
- There is no definition of Net-Zero Balance included in the text. Many of the other technical references are either inconsistent with current code or will be quickly outdated.
- The energy performance requirements in the bill will be extremely expensive to construct and provide little prospect for immediate or long-term payback. The levels of allowed energy use will require severe limitation and rationing of energy use in some building types.
- There is no precedent or method we can think of to require all buildings achieve the average energy use limits required by the bill.

For these reasons NAIOP respectfully requests your unfavorable report on SB 1023.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Ballentine".

Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Education, Energy, and the Environment Committee Members
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