

February 12, 2024

The Honorable Marc Korman, Chair
House Environment and Transportation Committee
House Office Building, Room 251
6 Bladen St., Annapolis, MD 21401

Oppose – HB 210– Maryland Building Performance Standards – Fossil Fuel Use

Dear, Chair Korman and Committee Members:

The NAIOP Maryland Chapters representing more than 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate recommend your unfavorable report on HB 210.

This bill requires that the Maryland Codes Administration to amend the Maryland Building Performance Standards to require new buildings meet all energy demands without the use of fossil fuels beginning October 1, 2026, for buildings less than seven stories tall and October 1, 2030, for a building more than seven stories tall.

NAIOP's unfavorable position on HB 210 is based on the following considerations:

- The two governing bodies that write the mechanical, building and energy codes adopted by the state and local governments have accelerated the development of codes focused on eliminating carbon emissions from buildings. The code writing organizations are on a trajectory to issue low and no carbon codes by 2030. The process of developing these codes will produce decarbonization strategies that are technically feasible, commercially available, and cost-effective for all building types and supported by implementation tools. HB 210 would decouple Maryland from the deliberative approach taken by national building codes and present an abrupt arbitrary energy and building code revision.
- NAIOP's member companies support a managed, orderly energy transition for building owners and occupants. The Climate Solutions Now Act required specific reports and technical studies to inform the timing and the policies adopted to accelerate a coordinated energy transition in the building and utility sectors. The Maryland Codes Administration has not yet completed its final report on electrification of the building sector. HB 210 jumps ahead of that deliberate energy transition planning by selecting a calendar deadline and specifying requirements for newly constructed buildings.
- Even without HB 210 fewer fossil fuel buildings will be built because they will be subject to building emissions limits and the requirement that they achieve net zero direct emissions by 2040 as required by the Climate Solutions Now Act.
- HB 210 seems loosely based on New York City law, but it is missing important elements. New York City ordered a study of the use of heat pump technologies in large buildings and set a different adoption schedule for water heating systems in multifamily buildings – an acknowledgment that there are limited all-electric equipment options that can meet the energy efficiency, health and comfort needs of large multi-family buildings.

- In order to qualify for a waiver, the bill includes the installation of a second shadow mechanical system to make the building, “electric-ready.” This is a wasteful and impractical policy that was removed from the Climate Solutions Now Act by the House of Delegates during the 2022 Session.
- Buildings that initially qualify for the waiver provision in the bill are subject to review and reauthorization whenever a local government amends its local code which makes it subject to repeal at any time.

For these reasons, NAIOP respectfully requests your unfavorable report on HB 210.

Sincerely,



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

cc: Environment and Transportation Committee Members
Nick Manis – Manis, Canning Assoc.