



February 23, 2022

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

Support: HB 772 – MD Energy Administration – Energy and Water Efficiency Standards

Dear Chairman Barve and Committee Members:

The NAIOP Maryland Chapters representing more than 700 companies involved in all aspects of commercial, industrial and mixed-use real estate.

Regulation of appliances and equipment generally takes place at the federal level in order to preempt a costly patchwork of conflicting state and local standards. The Department of Energy also creates uniform procedures for testing the energy performance of appliances so that consumers have clear information for comparative purposes and manufacturers compete on a level playing field. It also protects consumers in small states and those with somewhat unique appliance needs from encountering scarcity caused by state standards that are not economical for manufacturers to meet.

The doctrine of federal preemption is a cornerstone of this approach. No state or local authority may regulate the products already covered by the Department of Energy efficiency standards unless specifically granted a waiver. Maryland has been granted for waivers for appliances in the past, but federal appliance standards have caught and surpassed those state requirements making them moot.

In recent years the federal government has fallen behind in evaluating and approving new appliance and equipment technologies. As a result, the rate of improvement in appliance energy efficiencies has slowed.

House Bill 772 authorizes the Maryland Energy administration to take steps that will compensate for bureaucratic congestion at the federal level. The scope is targeted to specific appliances and equipment.

For these reasons NAIOP respectfully recommends your favorable report.

Sincerely;

A handwritten signature in blue ink that reads "T.M. Ballentine". The signature is written in a cursive style and is positioned above the typed name of the sender.

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

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