

Bryson F. Popham, P.A.

Bryson F. Popham, Esq.

191 Main Street
Suite 310
Annapolis, MD 21401

410-268-6871 (Telephone)
443-458-0444 (Facsimile)

www.papalaw.com

March 23, 2022

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

RE: Senate Bill 528 - Climate Solutions Now Act of 2022 – FAVORABLE WITH AMENDMENTS

Dear Chairman Barve and Members of the Committee:

I am writing on behalf of the Building Owners and Managers Association (BOMA), to earnestly request your consideration of certain amendments to Senate Bill 528, which is scheduled for a hearing in your Committee on March 24, 2022.

BOMA is a trade association that represents the interests of commercial real estate owners, real estate professionals and our associate members. BOMA, through its nearly 300 members, represents owners and managers of all types of commercial property, comprising 143 million square feet of office space in Baltimore and Central Maryland. Our members' facilities support over 19,000 jobs and contribute \$2.5 billion to the Maryland economy each year. It should come as no surprise to Committee members that BOMA buildings comprise a large part of the commercial building infrastructure in downtown Baltimore.

A central concern for BOMA in this legislation is its potential impact on the viability of commercial buildings in Baltimore City. While BOMA Baltimore and our National Association, BOMA International, strongly support sustainable building practices, significant alterations to commercial buildings, especially older buildings, such as those included in Senate Bill 528, must take into account the ability of these buildings to comply with the new requirements under the law, and remain able to lease these properties to the individuals and businesses that are necessary to any vibrant urban area.

Recognizing the momentum that is behind the effort to enact meaningful climate change legislation, and also in recognition that Senate Bill 528 is the likely vehicle for such legislation, BOMA is joining other advocates for the commercial real estate industry in requesting your Committee to consider the following amendments attached to this letter. These amendments are also being offered by others in our industry.

In brief, the amendments add a seat on the Task Force created under the bill to a representative of a commercial building association, of which BOMA is an example. The amendments also provide a specific amendment on the social cost of carbon. The amendments add a requirement for the Maryland Department of Environment regulations under the bill to assure that such regulations are technically feasible, commercially available and cost effective. As a key consideration for BOMA members in particular, the amendments place a requirement for the Task Force on incentives to consider the recommendation of the Maryland Climate Change Commission that such incentives be scaled to recoup costs within a seven year period. Finally, there is an amendment that balances the ability of local building codes to impose more stringent standards with a determination by the Public Service Commission that such standards must be consistent with infrastructure plans developed by the Commission.

With the amendments described above and attached to this letter, BOMA joins our fellow commercial real estate advocates in support of Senate Bill 528.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink that reads "Bryson Popham". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Bryson F. Popham

cc: Kevin J. Bauer

Amendment to add Task Force Members

Adds Representative from Statewide Building Owner's Associations to the Task Force studying Financial Incentives for Building Owners.

On page 68, after line 30, insert:

“(XII) ONE REPRESENTATIVE OF A STATEWIDE MULTIFAMILY BUILDING ASSOCIATION;

(XIII) ONE REPRESENTATIVE OF A STATEWIDE COMMERCIAL OR INDUSTRIAL BUILDING ASSOCIATION;”

Amendment on Consideration for Task Force Incentives

On page 69, after line 15, insert:

“(III) CONSIDER THE RECOMMENDATION OF THE MARYLAND CLIMATE CHANGE COMMISSION THAT FINANCIAL INCENTIVES BE SCALED TO ASSURE THAT THE COST OF ENERGY PERFORMANCE IMPROVEMENTS WOULD BE RECOUPED IN NOT MORE THAN SEVEN YEARS”

In context:

(F) (1) THE TASK FORCE SHALL:

(I) STUDY AND MAKE RECOMMENDATIONS REGARDING THE DEVELOPMENT OF COMPLEMENTARY PROGRAMS, POLICIES, AND INCENTIVES AIMED AT REDUCING GREENHOUSE GAS EMISSIONS FROM THE BUILDING SECTOR IN ACCORDANCE WITH THIS SUBTITLE; ~~AND~~

(II) MAKE RECOMMENDATIONS ON TARGETING INCENTIVES TO ELECTRIFICATION PROJECTS THAT WOULD NOT OTHERWISE RESULT IN STRONG RETURNS ON INVESTMENT FOR BUILDING OWNERS; AND

(III) CONSIDER THE RECOMMENDATION OF THE MARYLAND CLIMATE CHANGE COMMISSION THAT FINANCIAL INCENTIVES BE SCALED TO ASSURE THAT THE COST OF ENERGY PERFORMANCE IMPROVEMENTS WOULD BE RECOUPED IN NOT MORE THAN SEVEN YEARS; AND

(IV) DEVELOP A PLAN FOR FUNDING THE RETROFIT OF COVERED BUILDINGS TO COMPLY WITH BUILDING EMISSIONS STANDARDS.

Amendment on Social Cost of Carbon

On page 64, line 17, strike "IS LESS THAN THE SOCIAL COST OF GREENHOUSES GASES ADOPTED BY THE DEPARTMENT OR THE U.S. ENVIRONMENTAL PROTECTION AGENCY."

And insert "FIFTY-ONE DOLLARS PER METRIC TON OF GREENHOUSE GAS EMITTED."

In context:

(3) THE DEPARTMENT MAY NOT SET AN ALTERNATIVE COMPLIANCE FEE THAT ~~IS LESS THAN THE SOCIAL COST OF GREENHOUSE GASES ADOPTED BY THE DEPARTMENT OR THE U.S. ENVIRONMENTAL PROTECTION AGENCY.~~ FIFTY-ONE DOLLARS PER METRIC TON OF GREENHOUSE GAS EMITTED .

Amendment on MDE Regulations

On page 66, after line 15; insert:

(V) ASSURE THAT BUILDING RETROFITS REQUIRED BY THE REGULATIONS ARE TECHNICALLY FEASIBLE, COMMERCIALY AVAILABLE, AND COST-EFFECTIVE FOR OWNERS AND OCCUPANTS AFTER CONSIDERING FINANCIAL INCENTIVES;

Amendment on Local Building Codes

On page 64, line 25, after DEPARTMENT, insert:

AND THE PUBLIC SERVICE COMMISSION HAS DETERMINED THAT THE MORE STRINGENT STANDARDS ARE CONSISTENT WITH INFRASTRUCTURE PLANS DEVELOPED BY THE COMMISSION TO ACCOMMODATE THE ADDITIONAL LOAD OF BUILDING DECOMMISSIONING

In context:

(E) (1) A COUNTY MAY DEVELOP AND ADOPT LOCAL BUILDING ENERGY PERFORMANCE STANDARDS THAT ARE AT LEAST AS STRINGENT AS THE STANDARDS DEVELOPED BY THE DEPARTMENT, IF THE COUNTY'S STANDARDS ARE APPROVED BY THE DEPARTMENT AND THE PUBLIC SERVICE COMMISSION HAS DETERMINED THAT THE MORE STRINGENT STANDARDS ARE CONSISTENT WITH INFRASTRUCTURE PLANS DEVELOPED BY THE COMMISSION TO ACCOMMODATE THE ADDITIONAL LOAD OF BUILDING DECOMMISSIONING.