



February 21, 2023

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

Favorable: HB 550 – Maryland Energy Administration – Energy Programs – Modifications

Dear, Chair 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, recommend your favorable report on House Bill 550.

NAIOP's membership includes some of the largest operators of warehouses, distribution centers and light industrial buildings in the state. These facilities serve as essential supply chain links in the flow of products to and from our region.

The transition to zero emissions heavy duty vehicles will require overcoming costs and implementation barriers throughout the supply chain. NAIOP applauds the initiative and is pleased to see HB 550 take steps to increase the incentives for the purchase of zero emissions heavy duty vehicles and charging equipment. Electrifying medium and heavy-duty vehicles at the pace required to meet Maryland's climate mitigation goals and timetables will require scaling up the purchase incentives and broadening eligibility to include electric capacity and installation of make ready infrastructure.

Over the next four years California has budgeted \$1.7 billion in state and utility funds for medium and heavy-duty ZEV infrastructure – which includes funding for both hydrogen refueling and EV charging. While the federal Infrastructure Investment and Jobs Act provides significant funding to build out a national charging network, the majority of these funds are dedicated to providing charging infrastructure for personal vehicles. Maryland will have to fill the gap with significant funding for electric power upgrades and charging infrastructure to support a build out of heavy-duty zero emissions vehicles. We see the bill as a positive first step that should be followed by the kinds of gap analysis and resource planning that can establish the public investments and supportive policies necessary to speed progress.

For these reasons, NAIOP respectfully recommends your favorable report on House Bill 550.

Sincerely,

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

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.