



February 6, 2023

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

Oppose: HB 147 Environment – Climate Crisis Plan – Requirement

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, oppose House Bill 147. NAIOP supports coordinated implementation of state climate mitigation plans and policies developed using the framework set out in the Greenhouse Gas Reduction Act (GGRA). Our members are concerned that the local plan requirement established by House Bill 147 will result in a patchwork of inconsistent, uncoordinated, untested climate policies.

Maryland has reduced economy-wide emissions 30% compared to 2006 levels, exceeding the targets set by the General Assembly. The climate mitigation and adaptation strategies that achieved these results were developed and managed through the authority and guidance of the GGRA. The General Assembly required that those plans reduce emissions while also meeting performance metrics related to economic benefits, cost-effectiveness, energy price and reliability. HB 147 contains none of those performance requirements nor does it require that local governments adopt common definitions or methodologies that align with state polices.

Choosing the bundles of practices included the climate plans developed by MDE are tested using Integrated Assessment Models [IAMs] that evaluate the emissions reduction potential and economic impacts of policy alternatives. These models are expensive and specialized. Local governments are not likely to have the expertise or resources to model the likely results of their plans. If they did, it is questionable that models could accurately assess emissions and economic outcomes at the county scale making adequate policy development difficult to accomplish.

The policy levers that can reduce emissions from automobiles, set appliance standards or modify utility and energy policy are generally not within the authority of local government but lie with state government, the Public Service Commission, or the federal government. As easier, cost-effective emissions reductions are accomplished, implementation will require larger incentives and subsidies that may be beyond the ability of local governments to finance. These barriers to implementation argue against mandating local climate plans.

For these reasons, NAIOP respectfully recommends your unfavorable report on House Bill 147.

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.