



February 25, 2025

The Honorable Brian J. Feldman, Chair
Senate Education, Energy, and the Environment Committee
2 West Senate Office Building
Annapolis, Maryland 21401

Unfavorable: SB 807 – Local Building Energy Performance Standards – Authorization

Dear Chair, Feldman and Committee Members:

On behalf of the NAIOP Maryland Chapters representing approximately seven-hundred companies involved in all aspects of commercial, industrial, and mixed-use real estate I am writing to recommend your unfavorable report on SB 807 which authorizes local governments to establish local Building Energy Performance Standards.

Maryland's state-wide Building Energy Performance Standards (BEPS) were established as part of the Climate Solutions Now Act of 2022. (CSNA) Prior to passage, the General Assembly removed language similar to SB 807 that would have authorized local governments to adopt BEPS programs. NAIOP was and remains supportive of that policy decision.

NAIOP believes the best approach to BEPS is for the General Assembly to authorize one state-wide standard and preempt local governments from adopting new BEPS programs. To do otherwise would create a patchwork of inconsistent BEPS performance and reporting requirements that would easily become cumbersome and confusing for regulated entities. We also question the wisdom of allowing local governments to set energy and building policies that could affect the price and availability of energy at the utility scale. These are decisions best made by utility regulators and the General Assembly.

We believe there is reason to consider one exception to the state-wide policy approach to BEPS. Montgomery County established its Building Energy Benchmarking requirement in 2014. That benchmarking program serves as the foundation of the county's BEPS program today.

Without a solution to reconcile the overlap between the two programs, building owners and occupants in Montgomery County will have to comply with the requirements of BEPS programs at both the state and local level. Because it predates the CSNA, NAIOP believes the Montgomery County BEPS could be grandfathered if the General Assembly strictly preempts any additional local BEPS programs.

For these reasons and pending changes to the bill as introduced, NAIOP respectfully recommends your unfavorable report on SB 807.

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: Education, Energy, and the Environment Committee Members
Nick Manis – Manis, Canning Assoc.