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March 5, 2025

The Honorable Dana Stein Chair, House Environment Subcommittee 301 Lowe House Office Building 6 Bladen Street Annapolis, MD 21401

RE: House Bill 49 - Environment - Building Energy Performance Standards - Compliance and Reporting

Dear Chairman Stein,

I am writing in my capacity as the Legislative Chairman of the Building Owners and Managers Association of Greater Baltimore (BOMA) to respond to the Maryland Department of Environment's amendments on House Bill 49.

The Committee will recall the testimony of our organization at the bill hearing on February 12th in opposition to House Bill 49. BOMA also committed, during that hearing, to review proposed amendments from the Maryland Department of Environment intended to address concerns that had been raised with the legislation.

We have completed our review and must respectfully reiterate our opposition to the bill. Our reasons are summarized below.

While we appreciate the additional flexibility intended with the introduction of a waiver and alternative compliance plan, the new definition of economic infeasibility is not consistent with the economic realities that apply to commercial office buildings. We wish to note, as well, that language adopted and made part of the 2025 State budget would have required, among other things, a benchmarking process prior to developing EUI regulations, as well as the completion of certain reports before setting an EUI fee. Before BOMA can reasonably suggest edits for the Committee's consideration, such benchmarking is a necessary AND REQUIRED first step to the other requirements of this legislation.

We also note that the ability for MDE to impose the fees or fines included in the bill represents a financial burden that commercial buildings will not be able to absorb. As we testified at the hearing, some of our member buildings will be better positioned to address the new requirements than others; however, the stock of commercial and industrial buildings in central Maryland includes a substantial number of buildings that are between 50-75 years old. Notwithstanding the Secretary's testimony that the legislation is intended to "modernize" such structures, BOMA believes that the requirements of the legislation would make that goal unworkable.

There are other objections that have been raised by our fellow commercial building organization, the National Association of Industrial and Office Properties (NAIOP) that we share and hereby adopt from the NAIOP letter that has been submitted to you on this subject.

Meanwhile, with regret, we must reiterate our opposition to this legislation and request that it be deferred until, at a minimum, the benchmarking process has been completed as required under current law.

Very truly yours,

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Tim O'Donald Chair, BOMA Legislative Committee

cc: The Honorable Marc Korman, Chair, Environment and Transportation Committee