



February 24, 2026

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

Favorable: SB 622 – SEIF – Building and Transportation Electrification

Dear Chair, Feldman and Committee Members:

The NAIOP Maryland Chapters represent approximately 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate. On behalf of our member companies, I am writing to offer informational testimony on SB 622 which expands the allowable uses of the Maryland Strategic Energy Investment Fund (SEIF) to include loans and grants for building electrification and transportation electrification.

Maryland’s Building Energy Performance Standards (BEPS) apply to 9,000 buildings covering more than 988 million square feet of commercial and multifamily floor space. The Maryland Department of Environment has estimated that BEPS compliance will cost \$15 billion – a figure that does not account for electric utility upgrades, borrowing costs or the rising cost of labor and mechanical systems. Compliance by 2040 implies an annual pace of retrofits of 70 million square feet per year.

The assumptions made when BEPS was first conceived included lower capital costs, and higher state and federal incentives to assist with the cost of compliance. Those assumptions have not been realized.

Funding BEPS related building modifications through SEIF would help fill some of the funding vacuum and is in keeping with the purpose and intent of SEIF.

Accordingly, NAIOP respectfully recommends your favorable report on SB 622.

Sincerely,

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.