



February 24, 2023

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

Support w Amendment: HB 830 – Residential Construction or Significant Renovation – Electric Vehicle Charging

Dear, Chair Barve and Committee Members:

The NAIOP Maryland Chapters represent 700 companies involved in development and ownership of commercial, mixed-use, multifamily, and light industrial real estate, including some of the largest property owners in the state. NAIOP's membership is comprised of a mix of local firms and publicly traded real estate investment trusts that are invested in the future of Maryland but also have experience in national and international markets.

NAIOP supports adoption of pragmatic strategies and technically sound, least-cost approaches to the reduction of greenhouse gas emissions on schedules that minimize economic disruption and result will result in a managed, orderly energy transition for building owners and occupants.

The building, fire and electric codes adopted by the state contain provisions to ensure the safe design and construction of electric vehicle infrastructure. House Bill 830 proposes changes to the Maryland Building Performance Standards that would specify when and how many residential parking spaces must be equipped to charge electric vehicles. The legislation builds upon existing installation requirements for new single family and townhouse construction and, for the first time, applies requirements to residential renovations and to multifamily buildings.

Maryland's climate goals and the state's adoption of California's emissions standards for cars and light trucks necessitate installation of electric vehicle charging infrastructure at an accelerated rate. Removing the barriers to electric vehicle infrastructure installation in multi-family residential buildings is a key element to meeting these requirements. Beyond that, the bill takes a pragmatic and essential step forward by proposing the retrofitting of existing single family and townhouses.

The importance of this issue makes NAIOP supportive of the goals of House Bill 830, but we are unable to support the bill as introduced. Complicating EV adoption is the lack of a recognized template for how to equitably allocate the costs and obligations of electric vehicle charging among the stakeholders – vehicle manufacturers, charging equipment companies, car owners, building owners and utilities. Today most of our members provide the charging at no cost. As the number of electric vehicles and electricity costs associated with charging increase, they will not be able to continue this practice.

Commercial building energy bills consist of energy use and demand charges. Demand charges are created to discourage excessive electricity use and reduce peak loads on the electric grid. Demand charges can influence monthly utility costs by more than 50 percent. The peak demand of an EV charger is equivalent to the peak demand of one house and that demand comes online when the EV is plugged in. In office buildings that would be early morning at the same time as building startup when heating and office equipment is also simultaneously ramping up. At higher percentages of EV parking spaces, the power requirements of the parking areas are more

than what is required to power the building. Analysis of workplace charging scenarios demonstrates that EVs could increase energy costs 45 to 89 percent.

Our primary concern with HB 830 is the cost and feasibility of retrofitting existing multi-family buildings. The literature on this subject shows retrofitting multifamily buildings is expensive and physically challenging. Existing buildings with structured parking, older structures not built to contemporary standards, and those subject to rent or sales price controls are particularly challenging. We believe these provisions should be removed from the bill.

We believe the bill needs fewer revisions to prepare a framework for installation in new multifamily buildings and would like the opportunity to work with the committee and bill sponsor to refine and clarify certain elements of the bill by:

- Removing multifamily retrofit requirements.
- Optimizing the infrastructure installation at new construction to limit instances of unused facilities.
- Refining and clarifying the definition of multi-family to align with the current building code.
- Clarifying how EV-ready affects electric load calculations and building level power requirements.
- Ensuring the caps on state grant and rebate programs align with multifamily eligibility.
- Authorizing local code officials to modify the requirements based on cost or feasibility.
- Including language to resolve potential conflicts with fire, electric and accessibility codes.
- Ensuring that dedicated EV charging spaces are counted toward parking minimums in local zoning.
- Adopting one statewide installation target and authority for limited local stretch requirements.
- Adopting a definition of significant renovation that aligns with the current building code.
- Adjusting carbon accounting methodology and inventory to ensure transportation sector emissions are not shifted to the building sector.

Thank you for the opportunity to offer comments and suggestions on HB 830. NAIOP appreciates your consideration of the industry's point of view.

Sincerely,



Tom Ballentine, Vice President for Policy

NAIOP Maryland Chapters - *The Association for Commercial Real Estate*

cc: Environment and Transportation Committee Members

Nick Manis – Manis, Canning Assoc.