MARYLAND COMMISSION ON CLIMATE CHANGE

The Energy Industry and Revitalization Working Group Meeting Minutes

Tuesday, June 18, 2024, 11:00am-12:30pm E.T.
Meeting Location: Johns Hopkins University and Online via Google Video

Attendees

Member Names	**Affiliation**	*Present*
Sen. Malcolm Augustine	Maryland Senate	X
Del. Lily Qi	Maryland House of Delegates	X
Andrew Place	Maryland Department of the Environment	X
Heather Gramm	Secretary of Commerce	X (designee, Ryan Powell)
Stephanie Kane	Old Dominion Electric Cooperative	X
Jennifer Smith-Funn	Maryland Small Business Development Center	
Nancy Sopko	US Wind	X
Charles Washington	BGE	X (designee, Zachary Mitchell)
Sarah E. Battisti	NRG Energy	X

Non-members

Stephanie Vo, Cindy Osorto, Allison Brown, John Gloninger, Stephanie Wilcox, Jared Deluccia, Haley Kotzker, Landon Fahrig, Jared Williams, D.L. Reed, Jonathan Morgenstein, Kasey Vagelov, Kirk Johnson, Anne Klase, Kathryn Hastings

Introduction

- Andrew Place: The second Energy Industry and Revitalization Working Group
- (EIRWG) meeting is being held in hybrid and in person.
- Preliminary notes: Working Group (WG) members able to participate; public comment period for last 10 minutes of meeting.
- Stephanie Vo: Roll call for members.

Study Scoping Presentation - Stephanie Vo, University of Maryland

- Small business study statutory language- highlighting pieces
    - The Climate Solutions Now Act (CSNA) – "renewable" but are we limited to renewable or just emission-free?

- Definition of small business- data that will be collected
    - Federal definition of <500 employees
    - Data Collection: CGS collected data from the Census Bureau, Statistics of US Businesses.
    - Takeaways: A large number of Maryland (MD) businesses are very small. The largest sectors of industry in MD are service oriented. As conversations evolve, we should consider if we want to expand the small business definition.
    - Caveat: Small Business Administration (SBA)- different size standards from industry (e.g. industry could be considered small businesses when businesses have <700 employees).
- Transition considerations
    - There are a few different levels of interpretation.
    - Limited interpretation: transition from fossil fuel use in small businesses to renewables, primarily involving:
        - Deployment of distributed solar
        - Ending use of natural gas and propane
        - Cost impacts associated with decarbonization of electric grid (i.e. change in price of electricity)
    - Other potential energy resources that could be considered
        - Use of on-site energy storage to be coupled with distributed renewables (solar and wind)
        - Use of biofuels
        - use of hydrogen
    - Broader expansions of scope could include
        - Overall electrification of small business
        - All actions needed to decarbonize small businesses
    - The research team would like to say all businesses, small or large, will be impacted in some way. The takeaways would be more broad if we take that approach. Both the positive and negative impacts will be taken into consideration on small businesses

Discussion with EIRWG

- <u>Scope Discussion</u>
    - Renewables versus zero-emission
        - should include things like nuclear so we do not restrict ourselves.
    - Small businesses - do we want to use a more narrow interpretation of small businesses? Should we be using <500 or more like <50 employees?
    - How do we delineate between working groups/prevent overlap or duplication (*e.g.* propane industry, how do the changes in *commodity* impact (a) the business community at large, versus (b) how the energy business itself is affected?).
- <u>Notable Considerations</u>
    - Consumer side and producer side should both be considered (Augustine)
    - We should be broadly thinking about small business impacts- not just solar panels on the roof. Will electricity be more expensive? Electricity prices particularly impact small businesses. How about energy efficiency? This is needed to offset the costs of the transition for small businesses. Can they adopt battery storage and become bi-directional, thereby entering the energy business to an extent for potential benefits? (Place)
    - Are we talking about technology that is commercial now? Or thinking about broader topics? As we forecast impact on small businesses, what direction are we providing to the team along those lines? (Augustine)

- Augustine/Place: focus on energy-heavy users – impossible to focus on all small businesses, just practically not scalable. Important to consider/focus on the energy consumption portion rather than the industry type (e.g. "professional services" … etc.)
    - Discussion/direct back and forth on the topic:
        - Qi: Restaurants, office services are diverse. The trend has changed to work at home since the pandemic. identifying which are energy heavy segments and which are ones with the greatest opportunity? That would be insightful.
        - Place: Which are the energy heavy segments, and which have the greatest opportunity?
        - Augustine: I agree, we should try to identify whoever falls within the scope.
        - Qi: Recommend those different sectors for players in the market, they know in this post-pandemic, they know how companies are using their space with energy use. Whole new cluster that would be very insightful.

- Action Items
    - Place: Different considerations can be made for the study, including cost and time considerations. All while being mindful of (a) small businesses that use a lot of energy compared with small businesses that do not, and (b) new industries (within the decarbonization sector, including renewable energy) to ensure new smaller players have a 'place at the table'. Interested in understanding potential opportunities available (e.g. in the synthetic fuel industry).
    - Washington: BGE's economic development team has a small business roundtable, bringing them into conversations of Baltimore Gas and Electric (BGE) programs- if it worked, we can bring a subgroup of that roundtable in for feedback and ideas.
    - Vo: Data from the graph is not from the Chamber of Commerce, but the Chamber of Commerce does have data about small businesses, but it is not directly accessible. Looking into that.
    - Place: We should try to identify whoever falls within the scope – determine which are the energy-heavy segments, and which have the greatest opportunity.

Public Comment

- Jeff Silva: Has been attending all WG meetings for Maryland Commission on Climate Change (MCCC) since 2018, thanks for this opportunity. We should look at accounting and insurance. We should combat climate change using economic fulcrums from state regulated money. Maryland allows insurance holders to invest insurance payments into stocks and bonds into fossil fuel companies. Recently, we've seen flooding damage in Florida. It's going to escalate the cost of Maryland insurance. Fossil fuel businesses profit from climate pollution leading to increased frequency and intensity of disasters, shortage of building materials, taking more lives. Insurance industry increases policy premiums paid by premiums by small businesses, to receive more cash to cover future storm damages. Small businesses will not be able to afford insurance premiums as costs continue to rise. Need legislation to stop the insurance industry from investing premiums in industries that contribute to climate change. Need to halt investments in fossil fuel companies. The other industry, accounting, only counts what businesses consume- not saved. Unused common resources have no value, yet unused resources are increasingly important for the climate crisis. Must be leveraged to change accounting standards to include climate components that all businesses manage to avoid consuming in operations.