

## Mitigation Working Group (MWG) Final Recommendations for 2025

August 20, 2025

1. **Protect SEIF and support clean energy projects in development** -- The General Assembly should, for FY27, protect the Strategic Energy Investment Fund (SEIF) so that funding is used as originally intended, including low-income utility bill assistance and clean energy projects. Also, prioritize SEIF funds to ensure that renewable energy projects already in the development pipeline receive financial support to assist with construction.
  - a. **Context:** *The federal government has repealed the tax credits available to many solar farm developments. The federal cutbacks apply to projects that fail to begin construction by July 2026. Although the state has passed permitting reforms for renewable generation, many projects currently in the pipeline may fail to meet financial requirements to begin construction.*
  
2. **Recommend the adoption of a Clean Fuel Standard** -- The Maryland Department of the Environment should study and make a recommendation regarding the adoption of a Clean Fuel Standard (also known as a Low Carbon Fuel Standard) or other steps to increase the production, importation, and use of low carbon fuels to reduce emissions from the transportation sector, especially in light of the federal government's rollback of the Advanced Clean Cars and Advanced Clean Trucks programs and federal fuel efficiency standards. The recommendation should be published by June 1, 2026.
  - a. **Context:** *Background on Clean Fuel Standards*  
(<https://rmi.org/clean-fuel-standards-the-market-based-policy-for-states-looking-to-clean-up-transportation>) and a presentation on New Mexico's Clean Transportation Fuel Standard  
(<https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/MWG/2025-06-17%20EPD%20CTFP%20Overview.pdf>)
  
3. **Develop a heat pump market transformation roadmap** -- In 2026, the General Assembly should authorize the use of the Strategic Energy Investment Fund for grants and loans for building electrification. The Governor should direct Maryland Energy Administration, Maryland Department of the Environment, Department of Housing and Community Development, Department of Labor, Maryland Clean Energy Center, and any other relevant agency to collectively develop a heat pump market transformation roadmap informed by the state's heat pump deployment goals, including efficient window heat pumps, as detailed in resources like the Climate Pollution Reduction Plan and the NESCAUM states' Multistate Memorandum of Understanding on Accelerating

the Transition to Zero-Emission Residential Buildings. To kick-start this market transformation, in 2026 the Governor should direct relevant agencies to encourage and incentivize a targeted heat pump deployment program for households currently using electric resistance and delivered fuels for heating. The same agencies should partner with local Heating Ventilation Air Conditioning (HVAC) contractor networks, heat pump manufacturers, unions, and others to develop and launch a new heat pump workforce development and training program.

4. **Take next steps on developing an economy-wide Cap and Invest program** -- Ask the Moore Administration to take the next steps in 2026 on developing an economy-wide Cap and Invest program per the MCCC's recommendations in 2024. Any development of a cap and invest program should hold low-income customers harmless. A percentage of the dividends should be distributed to low-income customers.
  - a. **Context:** For background, see MWG Recommendation #1 on page 19 of the MCCC's 2024 Annual Report:  
[https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/MCCC%20Annual%20Report%202024/MCCC\\_Annual\\_Report\\_2024\\_508.pdf](https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/MCCC%20Annual%20Report%202024/MCCC_Annual_Report_2024_508.pdf)