

Mitigation Working Group (MWG) Working Draft Recommendations

July 25, 2025

Working Draft Recommendations from MWG Members

1. Encourage the use of plug-in “balcony” solar panels and window heat pumps
 - Background on balcony solar panels, including that in the U.S., the national electrical code should be updated and the panels should receive UL certification before being installed:
<https://www.wired.com/story/why-balcony-solar-hasnt-taken-off-in-the-us/>
 - Background on window heat pumps, including models available today:
<https://www.energystar.gov/sites/default/files/2024-10/Window%20of%20Opportunity%20Final%20Combined%20508C.pdf>
2. Modify the state’s approach to accounting for greenhouse gas emissions associated with electricity generation (more information will be presented on July 29)
3. Protect the Strategic Energy Investment Fund (SEIF) so that it isn’t used for purposes other than strategic energy investments that reduce greenhouse gas emissions
4. Incentivize the purchase of used electric vehicles
 - A couple of members expressed concern about this idea, noting that used cars are priced to sell and that incentives may be better directed toward the continued buildout of fast charging infrastructure
5. Require new multifamily buildings to be constructed with EV charging stations
 - A couple of members expressed concern over the cost of this requirement
6. Adopt a Clean Fuel Standard 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
 - Background on Clean Fuel Standards:
<https://rmi.org/clean-fuel-standards-the-market-based-policy-for-states-looking-to-clean-up-transportation>
7. Ask the Moore Administration to take the next steps on developing a Cap and Invest program per the MCCC’s recommendations in 2024

- 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_Annual_Report_2024_508.pdf](https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/MCCC%20Annual%20Report%202024/MCCC_Annual_Report_2024_508.pdf)
8. Adopt emissions standards for fossil fuel power plants
- Background on current federal standards for existing coal power plants and new natural gas power plants, which the Trump Administration is in the process of rolling back: <https://rhg.com/research/epa-power-plant-standards-111/>
9. Repeal the state's EV registration surcharge and, if fiscally possible, replace with rebates of registration costs.
- Background: On-road transportation is the largest single category of Maryland greenhouse gas emissions. The existing climate plan assumed that federal incentives for electric vehicles would be available and that the ambitious targets of Advanced Clean Cars II would be met. The Trump Administration is discontinuing the incentives, and the state has suspended almost all enforcement penalties for Advanced Clean Cars II model years 2027 and 2028. In addition, the state has decided to impose new annual registration surcharges of \$125 a year for all electric vehicles and \$100 a year for plug-in hybrids. The surcharges are intended to offset reductions in gasoline taxes but provide further disincentives to the purchase of electric vehicles.
10. Reallocate state funds – if possible from the SEIF – to provide additional rebates for purchasing EVs and/or charging equipment.
- Background: The federal government has repealed the tax incentives and funding for electric vehicle charging equipment. Implementing the recommendation may require reallocation from the current legislatively mandated categories.
11. Reallocate SEIF funds to assure that projects already in the development pipeline receive financial support to assure construction even if the deadline is not met.
- Background: 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 for to begin construction.

Recommendations from Individual Commissioners under review by the MWG

From Commissioner Brian Megali

Recommendation A: Encourage the General Assembly to adopt legislation creating a zero-emission credit program for nuclear reactors located in Maryland providing environmental benefits to the state. The credit would not be available during any period in which the qualifying nuclear reactor receives the zero-emission nuclear production tax credit under Section 13105 of the Inflation Reduction Act of 2022. The price for the zero-emission credits will be equal to $[\$15/\text{MWh} - 80\% \times (\text{Gross Receipts} - \$25/\text{MWh})]$, with the \$15/MWh and \$25/MWh adjusted for inflation annually from a base year of 2024.

Additional Context: Nuclear generation resources are the leading source of clean energy in Maryland. The zero-emission credit program would ensure the continued operation of these critical resources after the expiration of the nuclear production tax credit included in the Inflation Reduction Act (IRA). The formula establishing the price of the zero-emission credits is patterned on the formula used to calculate the credit available to qualifying nuclear resources in the IRA. The credits purchased under the program would meaningfully advance Maryland's clean energy generation and clean energy procurement objectives.

From Commissioner Jennifer Laszlo Mizrahi

Recommendation B: The Maryland Climate Commission strongly recommends that the Strategic Energy Investment Fund (SEIF) be protected from diversion to the General Fund or other areas and used solely to advance Maryland's climate, equity, and energy goals including rate relief for limited-income households. At least 10% of revenues from the Strategic Energy Investment Fund that come from the Regional Greenhouse Gas Initiative and the Alternative Compliance Payments should be dedicated to capitalizing the statewide green bank to leverage private and nonprofit investment and expand access to clean energy in under-resourced communities. All excess revenues in the Strategic Energy Investment Fund should be prioritized for building electrification, electric vehicle infrastructure, and other decarbonization efforts.

Additional Context: This year a significant portion of the SEIF was diverted to other areas. This shortchanged our ability to achieve our climate goals.

From Commissioner David Smedick

Recommendation C: In 2026 the General Assembly should authorize the use of the Strategic Energy Investment Fund for grants and loans for building electrification. In the same year 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 road map and a targeted heat pump incentive and deployment program that targets heat pump retrofits 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.

Additional Context:

For sentence 1 --> [HB1273](#) passed the House but stalled in the Senate, and it would have allowed SEIF \$\$ for electrification

For sentence 2, part A --> California has a good example of a [heat pump road map](#), which helps steer the work of the [California Heat Pump Partnership](#).

For sentence 2, part B --> i) MEA has already developed some [program frameworks](#) targeting electric resistance (ER) and delivered fuels (DF) homes for retrofits, specifically leveraging US Department of Energy funds from the Home Energy Rebate programs. The state should still pursue approval of the program application from DOE; however, in the meantime it should ensure these ER and DF homes can receive incentives with existing state resources and programs. Homes that heat their spaces and water with ER and DF can [save money](#) on their utility bills if they receive heat pump retrofits.

For sentence 3 --> The Governor's office and Cabinet should build upon events like this [new partnership and event](#) and launch a clear and coherent workforce development and training program on heat pumps and fuel-switching retrofits. In Philadelphia, a new "[heat pump lab](#)" was opened to help with hands-on training and manufacturers have examples of contractor networks that the state could partner with to promote and scale training solutions.