



Maryland
Department of
the Environment



Maryland
Energy
Administration

Building Energy Transition Implementation Task Force

Large Buildings Covered by BEPS Subgroup

Meeting 2 - September 12, 2023

Chair: Thomas LeQuire (DGS)
Facilitator: Cliff Majersik (IMT)



Agenda



- Recap of previous meeting
- Timeline and outputs
- Strawman Recommendations Discussion



Recording in progress

This meeting is being recorded to help with note taking. While a summary of this meeting will be available on the Task Force website, the recording will not be.



Group Agreements



- Participate actively
- Share the Mic
- Listen closely
- Focus on outcomes
- Commit to yourself, your colleagues, your community by being as focused and as present as possible
- Speak from your own experience, but remember to keep a statewide perspective
- Focus on issues not personalities
- Respect differences of opinion
- Use raise hand or chat to avoid interrupting
- ...?



Meeting Recap



Guiding Principles

- Drive early results
- Social and racial equity and housing security
- Cost effectiveness





Schedule and Tasks



The **Climate Solutions Now Act of 2022** requires that MDE create the Building Energy Transition Implementation Task Force. The Task Force shall recommend programs, policies, and incentives aimed at reducing greenhouse gas emissions from the buildings sector. The Task Force is required to provide a report to the Governor and the General Assembly by **December 1, 2023**.





Preliminary Recommendations



Programs/Investments

- The Maryland Energy Administration shall work with the Department of General Services shall provide prequalified contractors and negotiated pricing for residential and commercial decarbonization projects.
- Appropriate the millions of dollars needed each year through 2045 to scale up the MEA Climate Transition and Clean Energy Hub created by the Climate Solutions Now Act (9–2010). The Hub should collaborate with the community, provide technical assistance, catalyze peer learning networks, help the market to understand legal requirements including BEPS and building codes, assist with workforce development, provide support to residential buildings, lead marketing efforts regarding available incentives, and serve as a matchmaker among building operators, service providers, and capital markets.
- The Maryland Department of Labor shall work with training programs and labor unions to establish and provide long-term subsidies to apprenticeship programs targeted at providing to people from frontline Maryland communities the skills needed to decarbonize buildings. Apprenticeships must be designed so that they meet the requirements of the section 179d tax deduction and other tax incentives in the Inflation Reduction Act (IRA).
- In order to fill career pipelines, invest state funds in mapping the trades that are needed today and will be needed through 2045 to decarbonize Maryland buildings and the career pathways that the Maryland workforce can follow to grow their skills and salaries. Highlight trades that will be in particularly short supply. Share these interactive career maps to youth, returning citizens, and the general public directly online and via channels including school and career counselors.



Preliminary Recommendations



Programs/Investments cont.

- The Comptroller's Office should report to the General Assembly and the Governor on potential tax incentives to covered building owners. The study would consider simplicity in program design, performance metrics, and long-term costs and benefits, including relating to financial, social, and environmental factors.
- With input from the Public Service Commission and consideration of the three principles (drive early action, equity, and cost effectiveness) under the Task Force, consider requirements for utilities to:
 - Provide ratepayers with on-bill repayment options ([Inclusive Utility Investment](#), utility provided financing, and/or 3rd-party on-bill-repayment)
 - Provide owners with user-friendly, set-it-and-forget-it [access to aggregated whole building utility data](#) to enable owners to comply with benchmarking and BEPS requirements and to qualify for federal tax incentives and rebate. Make clear that ratepayers and not utilities own their utility consumption data.



Preliminary Recommendations



Priorities

- Prioritize equity and housing security. So,
 - Prioritize funding to improve affordable housing and enable it to comply with BEPS to prevent displacement.
 - Avoid regressive incentives (e.g. tied to value of property instead of to societal benefits)
- Consolidate incentive and other programs, align agencies, and prevent stove piping. A small number of broad programs are easier for owners to navigate than a large number of narrow programs
- Streamline the process of applying for incentives and minimize reporting. Cumbersome reporting often deters people from applying.
- Focus incentives early in building lifecycle for maximum cost effectiveness: pre-construction and especially pre-design; e.g. incentivize electric load studies
- Partially fund investments through:
 - Redirect state and utility funding away from fossil fuels (e.g., efficient gas systems) and towards electrification and electric efficiency
 - Maryland Department of the Environment trust fund supported by fees associated with non-compliance under BEPS beginning in 2031
- Incentive programs should be compatible with and incent design-build-operate-and-maintain (DBOM) and energy-as-a-service contracts
- Align state and utility incentives with BEPs and with federal incentives from all federal agencies (including DOE, EPA, IRS, HUD, FHA Green MIP, Freddie Mac and Fannie Mae)
- Factor in non-equipment costs (e.g. panel upgrades, heavy ups, structural improvements to enable heat pumps)



THANK YOU



See you September 29.

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