

Serena C. McIlwain
Secretary, Maryland Department of the Environment
Co-Chair, Maryland Building Energy Transition Implementation Task Force
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1800 Washington Boulevard
Baltimore, MD 21230

Paul G. Pinsky
Director, Maryland Energy Administration
Co-Chair, Maryland Building Energy Transition Implementation Task Force
Montgomery Park
1800 Washington Boulevard, #755
Baltimore, MD 21230

December 14, 2023

Dear Secretary McIlwain and Director Pinsky:

The undersigned environmental and community advocates are writing to express their support of the Task Force's priority recommendations¹ on how to help achieve Maryland's greenhouse gas reduction mandates through the electrification of the buildings sector in Maryland.

Specifically, the following recommendations are vitally important for equitably and rapidly achieving the Climate Solutions Now Act's requirements for building electrification in Maryland.

- **End Investment in New Fossil Fuel Equipment and Infrastructure: Redirect funding and incentives from fossil fuels towards electrification.** Continuing to invest in fossil fuel infrastructure will both slow the needed reduction in greenhouse gas emissions and impede the achievement of the mandates in the Climate Solutions Now Act, which direct the State to achieve a 60% reduction in greenhouse gas emissions by 2031 and achieve net-zero emissions by 2045. The Task Force's recommendations to the General Assembly to end the STRIDE program as it is currently designed, and to the Public Service Commission to prohibit incentives for gas equipment in all residential market rate EmPOWER programs, are particularly important. Expenditures on new fossil fuel pipelines and fossil-powered home equipment will impose steep costs on ratepayers well past 2045 and are likely to become stranded assets. Neither of these recommendations will prohibit investments in current gas infrastructure that are required for safety.
- **Fund Electrification Projects for Low and Moderate Income Households.** The recommendation calls for Maryland to "cover 100% of the average additional cost of installing heat pumps in all Low and Moderate Income (LMI) households and cover 50% of the average additional cost of installing heat pumps in all middle-income households, from 2025." This is critical in ensuring equity as we electrify buildings.
- **Provide A One Stop Shop to Support Limited Income Housing.** To achieve equity as we electrify buildings, developing a "one stop shop" that provides information about financial incentives for

¹ These recommendations are discussed in the Task Force's November 10th draft report.

electrification for limited-income households and affordable properties is critical. To achieve whole-home retrofits, “including rehabilitation to remove health and safety barriers, energy efficiency and comprehensive weatherization, electrification, and resilience upgrades,” low-income families must often braid together incentives and resources from a number of programs. These applications are complex and difficult to complete. Navigators will be critical to delivering services to low-income households. Both whole-home retrofits and navigators would help overcome this barrier to achieving equity. The one stop shop recommendation, including the proposed budget, is a strong first step in providing the resources needed to achieve whole-home retrofits and electrification for these families.

- **Provide New Forms of Financing for Electrification of Low and Moderate Income Households and Small Businesses.** The transition to electrify buildings will be expensive and the State needs to provide new forms of financing to enable this transition. The Task Force’s consultants estimate that up to \$1.44 billion per year will be needed to facilitate this transition. The consultants identified the following forms of financing that can help provide the needed resources with general budget funds: cap and invest payments, alternative compliance payments from larger buildings, expanding green bank investing, Medicaid funding for low-income households, tax incentives, private capital including CPACE funding for commercial buildings, and on-bill financing. All of these sources need to be evaluated and potentially implemented in ways that provide appropriate consumer protection to achieve the State’s goals.

The Task Force is to be commended for conducting an extensive stakeholder process involving a variety of stakeholders in the conversation, including industry, utilities, government agencies and advocates, over several months. All of the recommendations of the Task Force were extensively discussed over several months and are the product of substantial negotiations by all the stakeholders.

The undersigned organizations heartily support the recommendations of the Task Force.

AIA Maryland
CASA
Center for Progressive Reform
Chesapeake Climate Action Network
Chesapeake Physicians for Social Responsibility
Climate Law & Policy Project
Climate Reality Greater Maryland
Elders Climate Action Maryland
Environmental Justice Ministry Cedar Lane Unitarian Universalist Church
Green Sanctuary of the Unitarian Universalist Church of Silver Spring
GRID Alternatives Mid-Atlantic
Howard County Climate Action
Interfaith Power & Light (DC.MD.NoVA)
Maryland League of Conservation Voters
Maryland Legislative Coalition
Sierra Club Maryland Chapter
Unitarian Universalist Legislative Ministry of Maryland
350MoCo