



Maryland
Department of
the Environment



Maryland
Energy
Administration

Building Energy Transition Implementation Task Force

Limited Income Housing Subgroup

Meeting 1 - August 28, 2023

Co-Chairs: Nicola Tran (DHCD) and Susan Miller (Earthjustice)
Facilitator: Cliff Majersik (IMT)



Agenda



- Introductions (Cliff)
- Group Agreements (Cliff)
- Market Specific Challenges (Nicola)
- Principles (Susan)
- Schedule and Task (Cliff)
- Data Review (Cliff)
- Guiding Questions (Susan)
- Next Steps (Cliff)



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
- ...?



Existing Resources



Nicola Presentation - current programs, what is on the horizon, and where are the gaps?



Guiding Principles



- The top guiding principles as selected by the task force are:
 - a. Drive early results
 - b. Social and racial equity and housing security
 - c. Cost effectiveness



Guiding Principles



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The Other Guiding Principles



Flexibility - 6 votes

Simplicity - 6 votes

Ease of implementation - 6 votes

Jobs & Economic Growth - 4 votes

Fairness - 4 votes

Accommodate building life cycle events - 3 votes

Certainty - 2 votes

Transparency - 1 vote



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**.





Definition



- Limited Income Housing for the purposes of this group is:
 - a. Covered AND Not Covered by BEPS (in other words, ALL sizes of building)
 - b. Subsidized AND Unsubsidized/Naturally Occuring
- *HUD Program 80% AMI*



Word Cloud



Using one word, what do you envision as success from this subgroup?

<https://www.menti.com/alrcaph3cth2>

Code: 6625 5234



Data Review

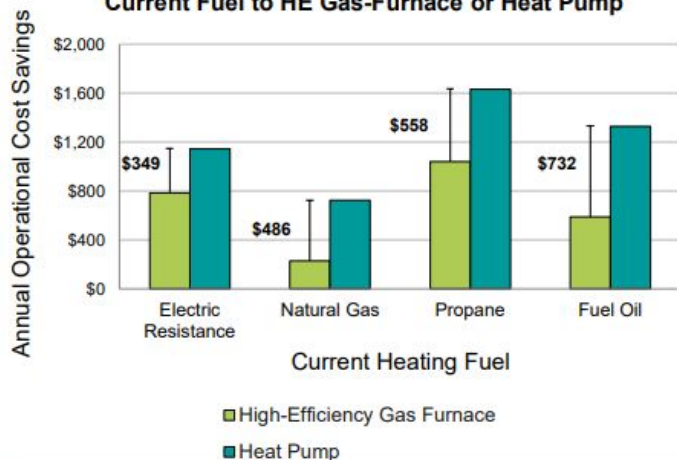


Residential Building Decarbonization: Summary



Incentives for fossil fuel upgrades make HE Gas Furnaces more affordable than Heat Pumps. However, the operational cost of Heat Pumps is lower than that of HE Gas Furnaces.

Annual Operational Cost Savings of Switching from Current Fuel to HE Gas-Furnace or Heat Pump



HVAC Electrification Pay Back Period with Current Incentives

*AMI = Area Median Income

**Current funding covers only a portion of households

< 80% AMI, No Upfront Cost	511,381 Households	Instant Savings
< 80% AMI	18,644 Households	0 - 4 Years
80 - 150% AMI	649,638 Households	Instant Savings
> 150% AMI	469,008 Households	12 - 35 Years

*Note:

- Low income households qualify for MEA, DHCD and IRA Rebates.
- Middle Income households qualify for IRA Rebates.
- High income households qualify for IRA Tax credits.



Data Review



Residential Building Decarbonization: Key Takeaways

REWIRING
AMERICA

\$26B

- Total upfront cost to cover upgrading every house to electric heat pump from 2025 – 2045

\$1.3B/year

- The projected cost of covering the upfront cost for every MD household to upgrade to an efficient heat pump is \$1.3B per year

\$13/SF/year

- On average, the capital cost to fully decarbonize HVAC systems of residential buildings is \$13/SF/yr

98%

- 98% of households will have lower energy costs by upgrading to a heat pump than to a high efficiency gas furnace over 20 years



Guiding Questions



- a. What are the barriers to decarbonization that are specific to the limited income sector?
 - b. What are programs, resources, and investments that can help address those barriers identified on the last page? How can we best distribute decarbonization incentives?
 - c. What are the metrics to measure success? What mechanisms will help ensure equity is prioritized in the solutions?
- Jamboard link: Limited Income - <https://jamboard.google.com/d/1ITD8a6e9L3Z3la5xneqSWjxhecMssr9VDNhdwBgTZWs/viewer>



THANK YOU



See you in September for our next 2 subgroup meetings:

- September 13, 2:00-4:00
- September 29, 10:00-12:00

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