

Meeting Minutes
Market Rate Subgroup Meeting #2
September 8, 2023

Meeting Location: Online using Zoom.

Attendees

Names in bold are official Task Force members.

Kevin Walton (Climate Coalition Montgomery County), Louise Sharrow (IMT), Marshall Duer-Balkind (IMT), Cindy Osorto (MDE), Lori Graf (MD Building Industry Association), Michael Matthews, Robb Aumiller, Jared Deluccia (MD PSC), Dan Hurley (MD PSC), Danielle Adams (Frederick County Building Industry Association), Jeremy Good (Montgomery County Department of Environmental Protection), Jessica Roney (MD Environmental Service), Joel Rensberger (C.E. Rensberger & Family, Builder, Frederick County), **Stuart Kaplow** (MD Green Building Council), Chris Parts (AIA MD), Dylan Voorhees (VEIC, for OPC), **Mark Szybist (OPC)**, **Delegate Marvin E. Holmes**

Introduction

- Recap of last meeting: produced a lot of useful information in the Jamboard which was used to create the strawman recommendations
 - Top Word Cloud response was “implementable”
 - Summarized the Task Force priorities
- Schedule and Goals
 - Process: go through draft recommendations today, focusing on implementable actions that the General Assembly and Governor can consider. Will circulate in writing to get written feedback before 3rd subgroup meeting on the 19th

Discussion on Strawman Recommendations

- Recommendations for discussion today were compiled by Kevin, Marshall, and Cindy based on Jamboard feedback. Most of the comments were compiled directly in the Strawman document and will be used to make an updated draft:
- Continue and expand focus on weatherization and other upgrades not directly related to electrification, ensuring that these services are available widely
 - Discussion around workforce education and right-sizing equipment based on the weatherization levels
 - Discussion on whether this recommendation should mention EmPOWER directly as the main vehicle for weatherization programs, or be inclusive of MEA, etc.
 - Discussion on adjusting rules for historic buildings that most need weatherization
 - Discussion of need for one-stop-shop
- Require state and utility funding for efficiency to be redirected away from fossil fuels (including efficient gas systems) and towards electrification and electric efficiency

- Discussion around where requirements exist for gas savings and ability to fuel switch, action at the Public Service Commission around ratepayer funds for gas and around allowing/encouraging fuel switching
 - Discussion around balance between unintended consequences and phased approach vs funding the things we most want to see
- Improve efficiency programs throughout the supply chain and not just at the consumer level.
 - Comment that this recommendation as framed may be a given and not necessary to state directly
 - Discussion around some additional considerations: embodied carbon and appliance standards (market transformation trajectory)
 - Discussion around importance of midstream programs and education
- Expand outreach and education for consumers on electrification
 - Discussion around ways to streamline existing efforts (eg statewide talking points for local groups to use, utility data sharing for targeting) and reach folks at the correct points (maintenance, not just replacement)
 - Discussion around value of education in home buying process, including appraisal, listing, disclosures, scores
- Increase workforce development. There are multiple aspects to training that need to be addressed across the workforce, such as contractors working on electric installs
 - Workforce shortage everywhere
 - Discussion around 179d apprenticeships, existing programs targeting middle schoolers, need for existing programs to be expanded geographically across Maryland
 - Comment that education needs to target existing contractors as well as making new contractors, and pay attention to displaced fossil fuel workers
 - Comment around being careful where this funding comes from, since ratepayer funding may not be appropriate
- Expand funding and incentives for electrification and ensure programs are simple and easy to access
 - Incentives alone are not enough, good program design matters
 - Restrictions are often needed, but need to be realistic about impacts
- Factor in non-equipment costs in both incentives and training
 - Not much discussion. This may be a detail under an existing bullet point rather than a stand-alone recommendation
- Ensure incentives and programs can be accessed by other entities than homeowners, including renters, condo/co-op boards, and builders
 - Add “trades” to this list, and think about ease of access beyond energy - how does it overlap with other laws and requirements
 - Discussion around split incentives and the fact of underfunded common ownership buildings, and perhaps the value of midstream programs in this context

Discussion on Financing Incentives

- Financing Discussion mostly taking place in the Jamboard, aiming to narrow down on potential recommendations
- Discussion around statewide green bank. The CSNA designated MCEC as the lead agency, how to get funding to it and what it should offer. Ideas included:
 - Improving Commercial PACE, adding residential PACE; however sufficient safeguards must be in place
 - Identify funding stream for green bonds
 - State supporting via securitization and other ways to reduce risk for private capital
 - Informing contractors of the loan options
 - Going after federal Greenhouse Gas Reduction Fund (GGRF) funding
- Discussion around applicability of housing trusts, land trusts
- Additional ideas:
 - Equipment leasing programs (no upfront costs to consumer)
 - Discussion on how this might not be suitable for single family housing
 - On-bill financing options (balancing high cost of utility capital and inclusion benefits of funds like this that have no upfront cost and low barriers to entry)
 - Matching state incentives such as tax breaks when something qualifies for Fannie/Freddie green project interest benefits
- Discussion that high income sector likely to benefit more from tax incentives and financing while moderate to lower income sector benefits more from direct rebates
- Note that for homeowners, simplicity is most important

Next Steps

- Next meeting is September 19th 3-5pm ET
- Before that meeting, we will send out written draft for people to comment
- Send any details on any ideas to us in the meantime