



Maryland
Department of
the Environment



Maryland
Energy
Administration

Building Energy Transition Implementation Task Force

Market Rate Housing - NOT Covered by BEPS Subgroup

Meeting 1 - August 29, 2023

Chair: Kevin Walton
Facilitator: Marshall Duer-Balkind (IMT)



Agenda



- Introductions (Kevin)
- Group agreements (Marshall)
- Schedule and Task (Kevin)
- Principles (Marshall)
- Data Review (Marshall)
- Guiding Questions (Marshall)
- Next steps (Marshall)



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
- ...?



Task Force Charge



Key topics for the task force per the legal charge include:

- Incentives for electrification projects
- Incentives through EmPOWER and other state programs for electrification
- Heat pump sales targets
- On-bill, low-interest financing
- Commercial tax credits or direct subsidy payments for decarbonization projects
- Low-income household holistic retrofit targets

Align with goals and commitments – key principle that task force decided this was part of our charge



Guiding Principles



The top guiding principles as selected by the task force are:

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



Additional Guiding Principles



- Flexibility
- Simplicity and accessibility
- Ease of implementation
- Jobs and Economic Growth
- Fairness
- Accommodate building life cycle events
- Maximize Certainty
- Transparency



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**.





Word Cloud



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

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

Code: 2796 3047



Data Review

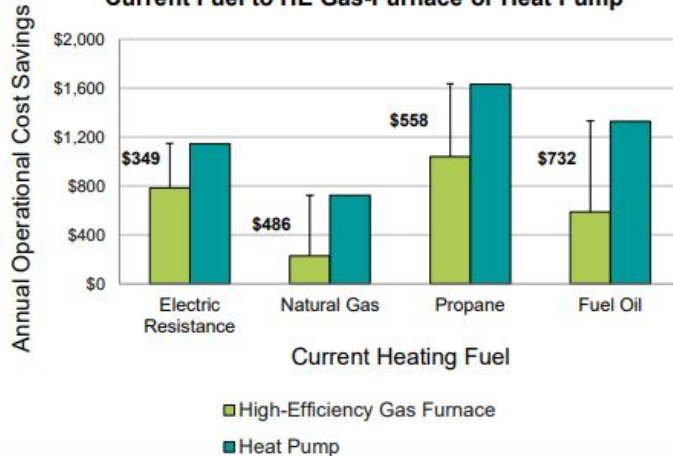


Residential Building Decarbonization: Summary

REWIRING AMERICA

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



- **Electrification**
 - How can the state jointly pursue energy efficiency and electrification?
 - How can heat pumps and other appliances become more feasible to be installed?
- **Incentives and Financing**
 - What are the distinct challenges of condominiums vs single-family owned homes vs single-family rentals vs multifamily rentals, and how should programs be designed to meet these diverse needs?
 - How could existing programs be expanded or modified to support electric and efficient appliances?
 - What type of new financing or incentives support different building types with varying financeable qualifications (commercial tax credits, direct subsidy payments, on-bill financing)?
- **Education and Outreach**
 - What efforts can grow homeowner action towards decarbonization and energy efficiency?
 - How can the state and other parties support an increased participation from the workforce, education, and private sectors?
- Jamboard link:

<https://jamboard.google.com/d/1VGDDKZY7JUzZgw7rt4p9dWyR1SVG2xjVI7S1y7prayw/edit?usp=sharin>



THANK YOU



See you in September for our next 2 subgroup meetings.

Don't forget to fill out the [Calendly!](#)

Contact Information:

- kmwalton@gmail.com
- marshall@imt.org
- cindy.osorto1@maryland.gov