



# The Maryland Energy Administration Climate Implementation Plan

November 1, 2024



**Maryland  
Energy  
Administration**



# Agency Climate Implementation Plan

Maryland Energy Administration, Climate Implementation Plan required by Executive Order “Leadership by State Government: Implementing Maryland’s Climate Pollution Reduction Plan”

In accordance with Governor Moore’s [Executive Order 01.01.2024.19](#), “Leadership by State Government: Implementing Maryland's Climate Pollution Reduction Plan,” the Maryland Energy Administration affirms its commitment to:

- Work to address climate change and ensure a just transition to a clean economy;
- Advance environmental justice by working to address the disproportionate impacts of climate change for underserved and overburdened communities, including the application of Justice40 goals, initiatives, and funding;
- Equitably implement all existing laws, regulations, and policies related to climate change, incorporating robust community and stakeholder engagement; and
- Continue to maximize federal funding opportunities on climate.

The Maryland Energy Administration (“MEA”) hereby submits its own Climate Implementation Plan (“CIP”) to demonstrate its commitment to a whole-of-government approach to addressing climate change and fully implementing Maryland’s Climate Pollution Reduction Plan.

# Part 1: Agency Actions Under the Climate Pollution Reduction Plan

MEA's mission is to promote clean, affordable, reliable energy and energy-related greenhouse gas emission reductions to benefit Marylanders in a just and equitable manner. MEA advances impactful energy policies and a suite of over 20 programs to help achieve Maryland's clean energy and greenhouse gas reduction goals. In fiscal year 2025, \$200 million is available for investments by MEA in grants, loans, and rebates to businesses, residents, and nonprofits in support of Maryland's energy-related goals.

Maryland's Climate Pollution Reduction Plan calls on the Maryland Energy Administration to:

1. **Determine a legal framework for a Clean Power Standard.** MEA continues to work on determining best approaches for a Clean Power Standard to implement the Governor's goal of 100% clean energy by 2035. MEA has identified issues and potential reform efforts for the State to make further progress on its clean energy goals, including possible approaches to accelerate current efforts related to the Renewable Portfolio Standard ("RPS"), which would assist with efforts on a broader clean power standard. Additional information is forthcoming.
2. **Determine if additional state action is needed to accelerate solar power deployment.** The Task Force to Study Solar Incentives<sup>1</sup> produced a number of recommendations that were then passed in the Brighter Tomorrow Act of 2024, the Drive Act of 2024, or through MEA's own initiatives.

Task Force recommendations that were enacted through the Brighter Tomorrow Act include:

## Tax Incentives

- Creation of a personal property tax exemption for non-residential rooftop and parking canopy solar installations.
- Authorization for local jurisdictions to offer assessment abatements for real property that is host to a solar parking canopy.
- Extension of the sunset provision for the property tax exemption for certain community solar installations.

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<sup>1</sup> Task Force to Study Solar Incentives, April 2024.  
[https://dlslibrary.state.md.us/publications/Exec/MEA/SB469Ch545\(2023\)\\_2023.pdf](https://dlslibrary.state.md.us/publications/Exec/MEA/SB469Ch545(2023)_2023.pdf)

## Permitting

- For residential permitting - require all local jurisdiction permitting authorities to adopt an online standardized permit process including, but not limited to, Solar App+.

## Interconnection

- Increase net metering cap from 2MW to 5MW.
  - In the case of meter aggregation on behalf of eligible customers (government and non-profit customers), the cap was raised from 2 MW to 5 MW for each individual non-contiguous site and it was established in law that there is no cap on the combined generating capacity of the net metered facilities aggregated for one customer.

## Workforce

- Requires the State to adopt federal prevailing wage standards.

## Studying Renewable Portfolio Standard Alternative Compliance Fees (“ACP”)

- Require a study to inform RPS reform, conducted by the Maryland Energy Administration, working with other applicable stakeholders, with a report to be filed by July 1, 2025.
  - Governor Moore's executive order tasks MEA with coming up with the framework to reach 100% clean energy by 2035. Proposals for RPS reform should advance the 100% clean energy goal.

## RPS “Bridge” Policies

- Adopt a temporary (3-year “bridge” with a sunset provision) incentive policy in the 2024 legislative session to incentivize solar while Maryland designs and subsequently implements its long-term RPS reform policy.
  - The Brighter Tomorrow Act of 2024 creates a temporary "SREC Multiplier" program for certain solar systems. Systems online since July 2024 are eligible for "enhanced SRECs" but won't be able to register until PSC stands up new software in 2025.
- Adopt a temporary (3-year “bridge” with a sunset provision) incentive policy in the 2024 legislative session to incentivize residential solar while Maryland designs and subsequently implements its long-term RPS reform policy. The legislature should establish a single-family residential solar grant program using Solar ACP funds to leverage private dollars for the installation of single-family solar systems benefiting low to moderate income homeowners and overburdened and underserved communities.
  - The Maryland Solar Access Program is anticipated to launch early next year.

Task Force recommendation enacted through the Drive Act of 2024:

Other Residential Rooftop Measures

- The Maryland Public Service Commission’s Energy Storage workgroup is encouraged to study energy storage as part of a virtual power plant solution, when paired with solar including evaluating utility and individual benefits and costs to ratepayers and rate structure options. Storage solutions incentivized by MEA may be paired with solar and could be virtual power plant ready.

The Task force also recommended that MEA “make every effort to prioritize ACP funding for solar projects that have multiple co-benefits.” MEA deployed \$24.1 Million in ACP funding in FY2024, which was invested in community solar, parking lot solar, rooftop solar, solar energy equity, microgrids and solar resiliency hubs. MEA will continue to leverage ACP funding strategically to meet climate and equity goals.

MEA, in consultation with community and industry stakeholders, continues to develop and deploy programs that leverage co-benefits. MEA’s Resilient Maryland Program combined solar with energy storage and other technologies to develop microgrids and resiliency hubs to bolster community well being. Similarly, MEA’s efforts under the recently unveiled Commercial Solar Grant Program provides expanded funding for projects implemented in overburdened and underserved communities with an emphasis on projects implemented by minority and woman owned enterprises as well as veteran owned businesses. MEA, as part of its ongoing program development and refinement will continue to implement these concepts into its program portfolio leveraging ACP and other funding sources.

3. **Launch a consumer education campaign.** MEA has launched a robust public information campaign to broaden consumer awareness of the many incentives that are funded by the state and federal governments. This campaign involves a diverse range of media types and platforms, and seeks to identify opportunities for in-person, community engagement. The agency places a particular emphasis on equity, both in its programs and communications strategies. As such, a significant portion of its expenditures is dedicated to messaging in targeted geographic and demographic audiences. This includes a blend of geofenced digital marketing; statewide radio advertising on stations that broadcast news, sports, gospel, country and Spanish language programming; and providing MEA information booths at community events, from concerts to cookouts. MEA couples these efforts with the use of several other tools in the communications toolbox, from press releases and statements to its website and social media channels, to ensure broad public reach.

4. **Expand the Clean Buildings Hub.** The Clean Buildings Hub, which was mandated in the Climate Solutions Now Act, is rooted in the belief that building owners across the state will make improvements that reduce energy use intensity and onsite emissions if they are presented with tailored education, information, and technical assistance. In 2024, MEA conducted a stakeholder needs assessment to tailor educational content and technical assistance programs offered over the next several fiscal years to help address barriers to building electrification and decarbonization.
5. **Provide new EVSE incentives.** MEA plans to deploy at least \$11.5 million in FY 2025, subject to appropriations, to incentivize the installation of residential, multi-family, and community-based EV charging stations, especially those that benefit disadvantaged, overburdened, and underserved communities.
6. **Provide new building decarbonization incentives.** MEA will soon be launching a new program focused on electrifying hospitals, schools, and other community buildings with commercial heat pumps, as part of [Governor Moore's climate down payment](#). MEA will also be partnering with the Maryland Department of Housing and Community Development on multifamily housing electrification.

Additionally, federal Inflation Reduction Act Home Energy Rebate rebate funding will be available, once secured from the U.S. Department of Energy, to incentivize qualified residential energy efficiency and income-limited electrification projects, particularly targeting areas of the state or households with certain technologies that have not traditionally benefited from other state energy efficiency programs. This will help ensure that a broader range of households in the state can access energy saving measures and greenhouse gas (“GHG”) mitigation associated with energy efficiency and increased electrification.

7. **Provide new industrial, public infrastructure, and nature-based solutions incentives.** The Open Innovation program provides funding for energy projects and initiatives outside of the agency’s established suite of energy programs. MEA provides financial support to the Regional Manufacturing Institute of Maryland (“RMI”) in partnership with Maryland Manufacturing Extension Partnership, will provide education, guidance, technical assistance to manufacturers in navigating federal, state, and other incentives for adoption of energy efficiency measures and renewable energy technologies relevant to the industrial sector.

8. **Apply for federal funding.** Under the leadership and coordination of the Governor's Federal Office, all agencies will apply for federal funding to implement actions that support the achievement of this plan. State agencies will work closely with local governments, nonprofits, and community-based organizations to ensure Maryland is competitive for federal climate action implementation funds and to build capacity for local-level implementation. State agencies will offer support to Maryland's businesses and private sector to ensure they are competitive for historic federal investments. MEA is an active member of the Governor's Federal Investment Team, monitoring and communicating energy-related opportunities both internally and externally to state government. Additionally, MEA has applied, or is in the process of applying, for several federal funding opportunities offered by the U.S. Department of Energy ("DOE"). These opportunities represent over \$163 million in federal funding that will flow into Maryland under DOE's two Home Energy Rebate Programs for energy efficiency and electrification, the State Energy Program, the Energy Efficiency and Conservation Block Grant Program, the State Energy Program Energy Efficiency Revolving Loan Fund, the State-Based Residential Energy Efficiency Conservation Contractor Training, and the Grid Resilience Formula Grant.

MEA continues to coordinate with peer agencies, community partners and others to pursue competitive opportunities, lending technical and financial support to attract federal funds.

## Part 2: Recommending Actions to Address Climate Change

State law (MD Code, Environment, § 2-1305) requires that each State agency shall review its planning, regulatory, and fiscal programs to identify and recommend actions to more fully integrate the consideration of Maryland's greenhouse gas reduction goal and the impacts of climate change. The review shall include the consideration of (i) sea level rise; (ii) storm surges and flooding; (iii) increased precipitation and temperature; and (iv) extreme weather events. Furthermore, each State agency shall identify and recommend specific policy, planning, regulatory, and fiscal changes to existing programs that do not currently support the State's greenhouse gas reduction efforts or address climate change.

MEA serves a pivotal role in advancing a clean energy economy and reducing Maryland's carbon footprint. MEA shares the Moore Administration's goals of:

- Carbon pollution cuts of 60% by 2031
- Net zero greenhouse gas economy by 2045
- 100% clean generation by 2035

In order to assist the state in meeting its goals, MEA is formulating approaches to address generation shortfalls. MEA has identified several areas that need to be addressed in order to move the state in the right direction. These address areas including:

- Offshore wind reform;
- Solar reform;
- Exploration of new procurement mechanisms for clean generation; and
- Exploration of new clean energy technologies including the feasibility for small modular reactors to help meet Maryland’s growing load.

MEA believes that addressing these areas, especially with increasing demand on the system, is crucial to make significant progress and dramatically reduce statewide GHG emissions.

## Part 3: Considering Greenhouse Gas Emissions Reductions and Impacts on Disproportionately Affected Communities

State law (MD Code, Environment, § 2-1305) requires that each State agency, when conducting long-term planning, developing policy, and drafting regulations, shall take into consideration: (i) the likely climate impact of the agency's decisions relative to Maryland's greenhouse gas emissions reduction goals; and (ii) the likely impact of the agency's decisions on disproportionately affected communities identified according to the methodology adopted under § 1-702 of the Environment article. Furthermore, Governor Moore’s Executive Order 01.01.2024.19 requires each agency to report on how the agency will advance environmental justice by working to address the disproportionate impacts of climate change for underserved and overburdened communities.

In compliance with the law and Executive Order 01.01.2024.19, the Maryland Energy Administration is taking the following steps to meet these requirements:

- Ensuring that MEA's programs maximize climate emission reductions in a just and equitable manner;

- Designing and standing up programs that specifically fund projects benefiting underserved and overburdened communities; and
- Incorporating evaluation criteria in MEA programs to help ensure grants are benefitting underserved and overburdened communities.

In FY 2025, MEA has six programs that will deliver \$70 Million to benefit underserved and overburdened communities through greenhouse gas emission reductions, pollution reductions, labor considerations, and energy efficiency improvements.

*Table 1: FY 2025 programs benefiting underserved and overburdened communities*

Program	Equity Considerations	Anticipated FY25 Funding
<u>Commercial Solar Grant Program</u>	Maryland businesses, nonprofits, and other organizations can receive grants for solar PV systems that are owned by or directly benefit low-to-moderate income, overburdened, and underserved Maryland communities. Enhanced incentives are available for nonprofit organizations, Small Business Enterprises (“SBEs”), Minority Business Enterprises (“MBEs”), Airport Concessions Disadvantaged Business Enterprises (“ACDBEs”), Disadvantaged Business Enterprises (“DBEs”), and Veteran- and Disabled Veteran-owned businesses.	\$5,000,000
<u>Community Solar LMI-PPI Program</u>	This program provides funding to Community Solar Subscriber Organizations to offset costs associated with Power Purchase Agreements (“PPA”) enabling clean energy to be offered to Low- to Moderate-Income (“LMI”) households at lower cost.	\$15,000,000
<u>Community Electric Vehicle Supply Equipment Equity Program</u>	This program will be offered to Maryland businesses, non-profits, and state, tribal, and local/municipal governmental entities on a first-come, first-served basis for projects located in low and moderate income, overburdened, and underserved communities in Maryland. The purpose of the Program is to increase access to affordable and reliable electric vehicle (“EV”) charging networks and reduce transportation greenhouse gas emissions in low and moderate income, overburdened, and underserved communities in Maryland.	~ \$9,000,000 - 11,000,000

<p><u>Energy Efficiency Equity Program</u></p>	<p>Available to nonprofit organizations and local governments, MEA's Energy Efficiency Equity ("EEE") Grant Program is designed to support energy efficiency projects and activities benefiting LMI Marylanders. Grants are awarded for energy efficiency projects that generate significant reductions in energy use and pass on the benefits of the savings to Maryland's LMI residents.</p> <p>The EEE Program first allocates funding regionally based on the number of LMI households located within the respective region to ensure an equitable distribution of grant funds. Grants are then competitively awarded within the applicant pool for each region.</p>	<p>\$11,000,000</p>
<p><u>Maryland Solar Access Program</u></p>	<p>The MEA FY25 Maryland Solar Access Program will help eligible Maryland residents install solar photovoltaic ("PV") systems to power their homes with clean, affordable, and sustainable energy. This program was established as the "Customer-sited Solar Grant Program" by the Maryland General Assembly's passage of 2024 S.B. 783, known as the Brighter Tomorrow Act of 2024, and it will improve access to the benefits of solar energy to help ensure that no Marylander is left behind in the clean energy transition. This program will ultimately replace the previous MEA Residential Clean Energy Rebate Program, and will help deliver more equitable solar incentives to Marylanders.</p>	<p>\$15,000,000</p>
<p><u>Solar Energy Equity Program</u></p>	<p>Funds are provided for the design and installation of solar PV energy-generating systems on the homes of Marylanders that experience low-to-moderate income, or are in overburdened or underserved communities.</p>	<p>\$15,000,000</p>

## Part 4: Resources for Implementation

### Implementing Maryland's Climate Pollution Reduction Plan & Climate Implementation Plan

MEA manages the Strategic Energy Investment Fund ("SEIF") to invest in energy efficiency, renewable energy and clean transportation to make Maryland's energy needs more affordable, cleaner and reliable. SEIF-funded programs address: consumer energy costs, global climate change concerns, job creation, energy resilience, economic development, business retention, and energy equity. MEA will continue to leverage the SEIF to slash emissions as required under Climate Solutions Now, consistent with Maryland's Climate Pollution Reduction Plan.

The full budget that MEA deploys has grown significantly in recent years due to increases in Regional Greenhouse Gas Initiative proceeds as well as alternative compliance payments paid by energy suppliers. MEA is also planning to leverage federal funding across a new portfolio of federal programs beginning in 2025.

In order to manage a growing budget and ensure strategic and impactful programs that help Maryland reach our GHG goals, MEA is working to build organizational capacity, including staffing, while investing in systems to facilitate streamlined interactions with programs. Top priorities for MEA are: GHG reductions, equity, and partnerships.

In 2025, MEA will focus on developing strategic partnerships, efficient grant-making procedures, leveraging systems and technology including an agency-wide grants management system, to ensure efficiency and streamlining of operations, and ensuring funds are easy to access for the communities that most need them.

As the scale of programs and funding increases, proportional investments in MEA staffing and technology will be necessary to ensure adequate program design, stakeholder engagement and community outreach, compliance, efficient program and grant management, strategic fund deployment, and excellent customer service. MEA anticipates additional resources will be needed to ensure outreach to communities, key connectors and others to deploy program funding and resources throughout the state, with an emphasis on reaching overburdened and underserved communities. These resources will need to include MEA staff resources in addition to partnerships with community allies and other groups that can assist in reaching people, communities, businesses and others who rely on these trusted communication channels. Similarly, MEA anticipates that investment in the capacity to manage data on program performance will be crucial to demonstrate the benefits of state program investment

and policy efforts, while identifying gaps to be addressed with program refinements. MEA has recently ramped up additional staffing to start these efforts.

## Part 5: Outcomes from Implementation

MEA's programs provide strategic investments for Reducing Maryland's climate footprint, Energy Equity, Energy Affordability, and Resiliency. These efforts result in avoided GHG emissions, and associated benefits such as cleaner air, a trained clean energy workforce, a shared responsibility and benefit for climate actions across socioeconomic backgrounds, and educational opportunities for Maryland students.

As part of its program implementation and evaluation, MEA tracks anticipated energy savings, new clean energy generation, and the associated greenhouse gas reductions achieved. MEA's efforts and outcomes are reported through the Strategic Energy Investment Fund Annual Report. As MEA improves its data systems and capacity to analyze data, the agency will be able to more uniformly capture data on job creation (e.g., work hours), investment at the local level, number and geographic distribution of data such as EV charging stations, at both the overall level as well as on a program by program basis.

MEA's programs and policies that enable clean energy in the state will drive these outcomes and make progress towards the Governor's goal of 100% clean energy. Additionally, increasing in-state generation in key geographic areas may help to reduce costs by adding local capacity, reducing the need for new transmission and lower costs in PJM's capacity market, helping to reduce ratepayer costs.