

Wes Moore, Governor Aruna Miller, Lt. Governor Paul G. Pinsky, Director

Maryland Energy Administration Request for Information for the Whole-Home and Community-Scale Electrification Outreach Program

The Maryland Energy Administration (MEA) is <u>seeking feedback</u> from non-profits, community-based organizations, and county and municipal governments who wish to educate residents on the benefits of electrification measures in residential single-family homes and multifamily buildings.

The Maryland Energy Administration (MEA) is Maryland's state energy office, which has a mission to promote clean, affordable, and reliable energy and greenhouse gas emissions reductions to benefit all Marylanders in a just and equitable manner. Residential electrification - the process of replacing fossil fuel-powered systems and appliances with electric alternatives - is a crucial strategy for improving home health and safety and energy efficiency, achieving economy-wide emissions reductions, and when paired with clean electricity sources, net-zero emissions. Whole-home and community-scale electrification outreach can help underscore and advance several state climate policies, such as the State's upcoming networked geothermal pilot program, (WARMTH Act HB397 2024); the State's decarbonization requirements in the Climate Solutions Now Act of 2022 (CSNA); new whole home electrification federal rebate and utility programs; and efforts to encourage the electrification of large and multi-family buildings under the Building Energy Performance Standards (BEPs) from the Maryland Department of the Environment.

This Request for Information (RFI) is being issued to seek preliminary feedback on the State's support of community-based outreach and education, especially for those who live in low and moderate income housing,¹ to encourage adoption of whole home and building electrification measures including electric heat pumps for heating and cooling, heat pump water heaters, and other electric appliances. The feedback will help inform

¹ "'Low or moderate income housing" used here means "housing that is affordable for a household with an aggregate annual income that is below 120% of the area median income." Md. Code., Public Util. Art. (PUA) §7-703. "'Area median income' means the median household income for the area adjusted for household size as published and annually updated by the United States Department of Housing and Urban Development." (Id.)

MEA's upcoming Funding Opportunity Announcement (FOA) for the Whole-Home and Community-Scale Electrification Outreach and Education Program.

Please note, this program is subject to change. This document is not a guarantee of fund availability, nor is it a complete and full Funding Opportunity Announcement ("FOA"). Final program parameters and application instructions will be included in the upcoming FOA.

The RFI has two tracks:

Track 1: Whole-Home and Community-Scale Building Electrification.

Education on whole home electrification measures may ultimately benefit customers who are eligible for existing and forthcoming home and building electrification incentives, tax credits, rebates, and utility programs.

Maryland's Climate Solutions Now Act of 2022 (CSNA) identified electrification as a key strategy to reduce greenhouse gas emissions in the state. Among other provisions, the CSNA mandated the creation of a clearinghouse of resources and information within MEA to help building owners across Maryland reduce the energy use intensity and emissions of their buildings. The CSNA also tasked the Maryland Department of the Environment to implement the CSNA's Building Energy Performance Standards (BEPS), which require large buildings to achieve net-zero greenhouse gas emissions by 2040. Furthermore, the Maryland General Assembly updated Maryland's EmPOWER Program in 2024 to now include building electrification with utility energy efficiency measures in customers' homes. MEA is also administering a grant from the federal government under the Inflation Reduction Act that will provide rebates to some homes for whole home electrification and energy efficiency measures.

Track 2, WARMTH Act. In 2024, the Maryland General Assembly passed the WARMTH Act (HB397)², which mandated the creation of networked geothermal pilot programs in the service territories of certain gas utilities. Networked geothermal refers to the process of efficiently heating and cooling a network of buildings through a connected geothermal loop system, and represents a promising approach to the efficient electrification of whole neighborhoods and communities. The bill directs MEA to provide funding for community outreach to inform Marylanders in service territories of participating gas utilities about the pilot program. As of a filing at the Maryland Public Service Commission on October 1, 2024, the gas companies participating will be Baltimore Gas and Electric (BGE) and Washington Gas and Light (Washington Gas). In Maryland, BGE's gas division serves Baltimore City and parts or all of Anne Arundel, Baltimore, Carroll, Cecil, Frederick, Harford, Howard, Montgomery, and Prince George's Counties. In Maryland, Washington Gas serves parts of Calvert, Charles, Frederick, Montgomery, Prince George's and St. Mary's counties. Per the WARMTH Act, Maryland's utilities will establish a two-year pilot program that will provide networked geothermal heating and cooling systems, plus new electric appliances, to residents within a designated pilot community. Per the WARMTH Act, 80% of the residents of the chosen pilot community must

² Codified at PUA §7-1101 et seq.

live in low or moderate income housing.³ Residents, homeowners and building owners will not be directly responsible for the costs of the appliances or the improvements to their dwellings. Eligible communities will likely consist of a mix of single-family and multi-family dwellings, may also include large government or commercial buildings, and may have adequate room for rights of way for drilling and installing a borehole field for the underground geothermal loop. The utilities' project selection depends in part on many factors, including community interest, as well as technical feasibility.

NOTICE:

MEA intends to make responses to this RFI public. If the respondent believes information they provide is confidential and therefore should not be disclosed, the respondent should clearly mark this information in their response. Please note, however, that information submitted to this RFI is subject to the Maryland Public Information Act (PIA). Upon request for information from a third party, MEA is required to make an independent determination whether the information must be disclosed under the PIA. Designating information as confidential does not guarantee that it can be withheld from disclosure.

Deadline for Feedback:

MEA is requesting that comments in response to this RFI be submitted via this <u>Google Form</u> (available at <u>https://forms.gle/AiFFYPkGXgLovzVS8</u> by <u>December 9, 2024</u>. MEA may continue to receive comments after the deadline, but comments received by this date may be most impactful.

If you cannot access the Google Form, please send your responses to building.decarbonization@maryland.gov with "Home Electrification RFI Comments" in the subject line and the questions you are answering clearly specified.

Topics for which feedback is being sought:

Pertains to both Tracks 1 and 2

MEA is interested in receiving feedback on the topics listed below in each track. There is also an opportunity to provide more open-ended feedback at the end of the survey. Respondents may respond to some or all of the questions below.

Name of your Organization:

Please provide the name of the organization that you represent. If you are submitting as an individual, you can simply note "individual" followed by your name in the space below.

About your Organization:

Please provide a brief description, including scope, scale, and sector, of your organization or industry, if applicable. Also, describe your interest in educating residents about whole home

³See definition in footnote 1, above.

electrification measures. What is the best way to reach you and your peers with further information regarding the programs listed above

- 1. What is the best method for getting home- and building owners the most accurate information regarding the environmental, health, and financial benefits of electric appliances such as air-source heat pumps, heat pump water heaters, heat pump clothes dryers, and induction stoves?
- 2. What barriers and challenges do non-profits, community-based organizations, and county and municipal governments face in working to communicate the benefits of residential electrification measures to disadvantaged communities? What strategies and approaches could help overcome these challenges?
- 3. What are residents' primary concerns and barriers to proceeding with electrification measures in their homes? What additional information, support, and resources do residents need to make residential electrification viable?
- 4. Please describe what resources your organization would need, how they would be utilized, and what outcomes you would aim to achieve.
- 5. How would your organization structure an education campaign targeting low or moderate income communities to encourage whole-home electrification (e.g., in-person or virtual community meetings, community energy captains, digital outreach, etc)? How might your strategy differ in rural, exurban and suburban, and urban areas? Or overburdened and underserved communities, as defined in the CSNA?⁴
- 6. How does your organization propose to ensure that outreach programs are accessible to individuals for whom English is not the primary language?

Track 2/WARMTH Act

For those in Maryland portion of the BGE or Washington Gas service territories:⁵

- 1. The Maryland General Assembly has established a goal of at least 80% of the participating households as being low or moderate income housing.⁶ In terms of encouraging, supporting, and delivering energy efficiency or electrification upgrades to these communities, where do you see needs and what suggestions do you have for meeting those needs?
- 2. Per the WARMTH Act, the Maryland Public Service Commission will make a final determination on accepted pilot locations in December 2025. Utilities will reportedly continue to engage with community leaders, building owners and other stakeholders in late 2024 and early 2025. Pilot selection is also subject to technical feasibility requirements. Several stakeholders besides the Public Service Commission will weigh in on the utilities' final selection, using a number of criteria listed in the WARMTH Act, such as the impact that electrifying an entire

⁴ See Md. Code, Environ. Art, §1-701 for definitions of "overburdened" and "underserved" communities. ⁵ <u>https://www.bge.com/about-us/company-information</u>

https://www.washingtongas.com/services/contractors/service-territory

⁽showing service territory map)

⁶ See definition in footnote 1, above.

community can have on the overall cost and reliability of the electric and gas grids. Some communities that receive outreach and education on the geothermal pilot may not ultimately be selected for a number of reasons.

- How should MEA design an FOA to help your organization support a community that is NOT ultimately selected as a finalist for the networked geothermal pilot but still wishes to pursue other electrification measures?
- How would your organization support them?

3. Per the WARMTH Act, construction on the two chosen pilot communities is slated to begin and end throughout calendar year 2026. Chosen neighborhoods will likely experience disruptions, such as borehole drilling, underground pipe installation, home inspections, incumbent appliance removal and replacement, panel wiring upgrades, and more.. Selected communities should also anticipate potential delays and unexpected construction occurrences. Depending on what electric equipment is already present at the home, not every home will get a new appliance such as a stove or cooktop or dryer. Also, due to some federal tax laws, building or homeowners may not own the ground source heat pumps (GSHPs) for about a five year period (but would own the other electric appliances)

- How would your organization support a community that is ultimately selected for pilot implementation?
- How would your organization work with the selected pilot utility? What results would you anticipate?
- What strategies would you employ to support the selected community throughout the building and installation phase of the project?
- How would you coordinate with the utility that is leading the project?

Additional Feedback:

Is there any other information that MEA should consider while developing the applications for these opportunities, as well as developing the associated programs? What topics should MEA research to support pursuing these opportunities?

Stakeholder Updates:

If you are interested in getting updates regarding Whole Homes Electrification Outreach, including possible future stakeholder listening sessions, as well as updates on other MEA energy programs, please follow MEA on social media at Facebook | X, formerly known as Twitter | LinkedIn. You are also welcome to subscribe to MEA's Maryland Clean Buildings Hub Newsletter.