



Kim Coble
Executive Director

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2024 Board of
Directors

Support HB 397 - Public Utilities - Thermal Energy Network Systems - Authorization and Establishment (Working for Accessible Renewable Maryland Thermal Heat (WARMTH) Act)

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Dear Chair Wilson and Members of the Committee:

Maryland LCV supports HB 397 - Public Utilities - Thermal Energy Network Systems - Authorization and Establishment (Working for Accessible Renewable Maryland Thermal Heat (WARMTH) Act), and we thank Delegate Charkoudian for her leadership on this issue.

Both the December 2023 Maryland Department of the Environment (MDE) Climate Pollution Reduction Plan and the November 2021 Building Energy Transition Plan shared a framework for decarbonizing Maryland’s buildings and other emitting sectors in order to reach our state’s climate targets – the most ambitious in the country. HB 397 is critical to meeting the goals laid out in these Plans.

According to the Climate Pollution Reduction Plan, nearly all of the state’s electricity consumption was used in the building sector. In 2017, buildings accounted for almost 20% of the state’s greenhouse gas emissions. 13% of state emissions were for direct use in buildings, which is primarily space and water heating. Geothermal heat pumps provide clean, renewable and efficient electric heating and cooling to buildings. As of August 2022 there were already 3,268 residential and commercial geothermal heat pump systems in Maryland.

Networked geothermal systems are larger and connect more buildings to the benefits of geothermal heat pumps. Building efficiency gains resulting from networked geothermal can aid in reducing the buildings’ share of Maryland’s electricity consumption and, subsequently, building sector emissions.

Several states, neighborhoods, and companies are beginning to adopt networked geothermal for their efficiency and sustainability benefits. They include a 6 million gross square feet of an auto manufacturer's R&D facilities, a 2.2 million square feet campus of a Fortune 100 chemicals company, other large campus industrial facilities, a 400 home neighborhood in Whisper Valley, Texas, and the New York State Public Service Commission and Con Edison’s large-scale geothermal energy network pilot program. Several of Maryland’s utilities are already incorporating district and networked geothermal solutions in their future generation planning.

In addition to being clean and efficient, geothermal heat pumps have been offered as an indoor air quality solution, as they filter dust, allergens, mold, and other airborne contaminants. Finally, geothermal heating and cooling is more cost effective than the use of fossil fuel appliances (i.e. propane/gas furnaces, etc.). Marylanders are spending an average of \$191 each month on electricity – 12% higher than the national average. For these reasons, geothermal heating and cooling should be pursued at a large scale as a means to improve energy, economic, and health equity in Maryland. Poor indoor and outdoor air quality are disproportionately affecting Maryland’s overburdened and underserved populations. High energy burdens are disproportionately found among propane users, in Baltimore City’s low-income and majority-Black areas, and in rural areas primarily on the Eastern Shore but also in Southern and Western Maryland. HB 397 also ensures energy and economic equity by prioritizing the leadership of local, small, and minority-owned and -serving businesses working in the building industry.

Maryland asserted itself as a leader in climate solutions when we set the most ambitious state climate targets in the country. A pilot networked geothermal program, similar to New York’s, will be a worthwhile strategy as Maryland looks toward meeting these goals amongst a future climate increasing heating and cooling demand.

HB 397 continues the process of meeting Maryland’s climate targets, which includes building decarbonization goals. **Maryland LCV urges a favorable report on this important bill.**