

Committees: Economic Matters

**Testimony on: HB0397 Public Utilities – Thermal Energy Network Systems –
Authorization and Establishment – (Working for Accessible
Renewable Maryland Thermal Heat (WARMTH) Act)**

Organization: Climate Law & Policy Project

Submitted by: Donald M. Goldberg, Executive Director

Position: Favorable

Hearing Date: February 22, 2024

Climate Law & Policy Project strongly supports HB0397.

Decarbonization of Maryland’s building stock is a vital part of the state’s climate efforts, and networked geothermal systems provide an exciting and promising opportunity to help accomplish that task. Networked geothermal systems can provide 24/7/365 renewable, non-emitting heating and cooling to buildings. They also provide an avenue for natural gas utilities’ workforce to apply much of their existing skill sets and expertise in ways that accelerate decarbonization. Requiring each gas company in the state to undertake one or two pilot projects is a good way to ensure these companies gain the knowledge and experience needed to potentially expand deployment of this promising technology.

Another important aspect of this bill is its requirement that gas company pilot proposals ensure that 80% of the customers are from low- or moderate-income (LMI) housing. As more buildings electrify, there will be fewer remaining on gas heat, and those who remain will be responsible for bearing the cost of maintaining the gas system infrastructure. Without concerted efforts, it will likely be the more well-off homes and buildings that make the investments to switch to non-emitting heating options, leaving those with the greatest energy burdens and least financial ability with the escalating costs of the gas system. Focusing the networked geothermal pilot projects on LMI customers can be one important part of helping them avoid bearing the burdensome costs of gas infrastructure.

CLPP urges this Committee to issue a favorable report on HB0397.