



Vicinity Energy Baltimore
6 S. Frederick Street
Baltimore, MD 21202

House Bill 520
Geothermal Energy Systems - Requirement
House Appropriations Committee
February 3, 2021
Position: UNFAVORABLE

Vicinity Energy is **OPPOSED** to House Bill 520 Geothermal Energy Systems – Requirement. In particular, the bill if enacted would require the State to utilize geothermal energy systems in new construction if the project meets a minimum 20 year payback. Vicinity agrees with the Fiscal and Policy note in which DGS advises that the State’s design process manual requires a life-cycle assessment of four different heating and cooling systems and that geothermal must be one of the types included. For State buildings, geothermal systems are already being installed when the 20-year life-cycle analysis concludes that it is favorable to do so. However, the bill may result in the installation of a geothermal system when it is not the most financially favorable. Similarly, if the assessment were to include the environmental impact of the proposed energy systems, which would, in Vicinity’s opinion, be reasonable and desired, the bill may still result in the installation of a geothermal system when it is not the most financially or environmentally favorable solution.

Vicinity Energy Company Profile

Vicinity Energy is the largest district energy company in North America. It operates in 11 major metropolitan areas including Boston, Philadelphia, and Atlanta in addition to Baltimore. In Baltimore, Vicinity Energy serves over 80 Million square feet in downtown Baltimore, including Hospitals (UMMC and Mercy), the University of Maryland Baltimore campus, City, State and Federal office buildings, the Housing Authority, Ravens Stadium and Oriole Park at Camden Yards, the Baltimore Convention Center, and numerous hotels, office, retail and residential buildings. Vicinity’s district energy systems provide heating and cooling from a variety of energy sources. Vicinity has set a goal of



making our district energy systems Zero-Carbon by 2050. To achieve this, Vicinity is actively exploring a wide-range of innovative technologies.

Conclusion

Vicinity Energy is OPPOSED to House Bill 520.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mathew Ware".

Mathew Ware

Vice President, Operations