



Committee: Finance
Testimony on: SB0810 - Renewable Energy Portfolio Standard and Geothermal Heating and Cooling Systems
Organization: Climate Justice Wing of the Maryland Legislative Coalition
Person Submitting: Laurie McGilvray, Co-Chair
Position: Favorable
Hearing Date: March 9, 2021

Dear Mr. Chairman and Committee Members:

Thank you for allowing our testimony today in support of SB0810. The Maryland Legislative Coalition's Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, strongly urges you to vote favorably on this bill. The bill will alter the renewable energy portfolio standard (RPS) to require a percentage of energy from Tier 1 renewable sources to come from geothermal heating and cooling systems each year; require the Public Service Commission (PSC) to adopt regulations; require electricity suppliers to pay compliance fees into the Maryland Strategic Energy Investment Fund; establish a Geothermal Energy Workgroup; require the Maryland Energy Administration (MEA) to conduct a study on geothermal heating and cooling systems; and require MEA, in consultation with the Workgroup, to develop recommendations for an incentive structure and report the results and recommendations to the General Assembly.

Climate Change, Greenhouse Gas Emissions, and Buildings: Maryland is already experiencing the effects of climate change as seen in hotter summers, extreme precipitation, and rising sea levels. The state must be on a path to near net zero greenhouse gas (GHG) emissions or 80-95% reduction by 2050 pursuant to the 2019 Greenhouse Gas Reduction Act Draft Plan in order to avoid the worst impacts of a changing climate. Buildings (e.g., residential and commercial) are one of the largest sources of GHG emissions. Furthermore, heating and cooling is the largest slice of the GHG pie for buildings. The solution is to electrify buildings as quickly and efficiently as possible, and geothermal heating and cooling can play a big part.

Why Geothermal and RPS Tier 1? Heat pump technology transfers heat from a source to a sink; a geothermal heat pump uses the constant temperature of the ground. Because the ground temperature doesn't change, it is a much more efficient heat exchanger than air and much less expensive to run. Geothermal is healthier because there is no combustion of fossil fuels, which means better indoor air quality. Unlike other states where geothermal technology has been deployed more widely, it is relatively rare in Maryland, and promises to be a future source of high-paying jobs. Adding geothermal heating and cooling to Tier 1 of the RPS, along with an effort to develop additional incentives for geothermal, will move Maryland forward toward greater deployment of geothermal systems and help reduce GHG emissions in the State.

For these reasons, we urge you to vote favorably for SB0810.