



Committee: Environment and Transportation
Testimony on: HB0550 – Maryland Energy Administration – Energy Programs – Modifications (Clean Transportation and Energy Act)
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Laurie McGilvray, Co-Chair
Position: Favorable with Amendments
Hearing Date: February 23, 2022

Dear Chair and Committee Members:

Thank you for allowing our testimony today. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorable with amendments on HB550.

HB550 is intended to strengthen the State’s financial incentives and investments to expand the use of zero emission vehicles and trucks, increase solar energy development, and continue the expansion of the State’s energy efficiency programs. When combined with other bills currently before the General Assembly, HB550 promises to stimulate Maryland’s climate mitigation efforts toward meeting the greenhouse gas reduction goals of the Climate Solutions Now Act of 2022.

While the MLC Climate Justice Wing supports the goals of HB550, we believe there are ways to improve the legislation. The Strategic Energy Investment Fund (SEIF) and more specifically, the Alternative Compliance Payments (ACP) made by utilities for falling short of the targets in the Renewable Energy Portfolio Standard, provide a unique investment opportunity. Our goal is to ensure that the ACP funds are used to greatest effect by supporting both emission reductions from the transportation sector and the development of solar energy projects, while also truly serving the intended recipients of ACP funds. We offer the following amendments in the spirit of strengthening and clarifying the bill for all Marylanders.

1. Broaden “low income” to “low and moderate income (LMI)” to align the bill language with the Inflation Reduction Act and to capitalize federal funding opportunities.
2. Change “environmental justice communities” to “overburdened and underserved communities,” which was defined in the Climate Solutions Now Act of 2022.

3. Reserve a significant portion of the funds for low-income solar development projects (at least 40% and better yet 60%), including residential rooftop solar installation, electrical or structural upgrades to allow solar installation, and community solar for multi-family housing where the benefits are transferred to the energy bills or rents of low-income residents.
4. Include a process to provide MEA sufficient flexibility such that any unspent funds at the end of the fiscal year that were reserved for solar development may be reallocated from one category of projects to other categories, rather than removing the current provision that all SEIF S-ACP funds be spent on solar energy for low-income residents.

We recommend a **FAVORABLE WITH AMENDMENTS** report for HB550.