



SB570

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

Testimony before the Education, Energy, and the Environment

Hearing February 29, 2024

Position: Favorable

Dear Chair Feldman and Vice-Chair Kagan, and members of the committee, my name is Peter Alexander, and I represent the 700+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are providing written testimony today in support of SB570. We appreciate the leadership of Senator Hester for sponsoring this legislation.

Maryland has a statutory requirement to reduce greenhouse gas emissions to 60% of 2006 levels by 2031 and transition to a net-zero economy by 2045. The transition to a carbon-free economy provides benefits to public health and opportunities to invest in Maryland's overburdened and underserved communities.

As another step toward these objectives, the WARMTH Act provides an opportunity to pilot networked geothermal systems in Maryland. This legislation is a strategic investment in the future of Maryland and has several benefits including (1) strategic application of Inflation Reduction Act funding, (2) reducing electricity grid burden, thus avoiding unnecessary grid expansion, (3) offering a new business model for gas utilities that relies on 100% clean energy and utilizes existing pipeline workforce skills, and (4) provides the state an opportunity to implement projects that will advance our 2031 and 2045 climate goals by enabling neighborhood-scale shifts to fully electric heating and cooling.

SB570 requires gas companies to work with community organizations, municipal, and county governments to identify and propose pilot projects to the Public Services Commission (PSC) which the PSC can approve based on a cost benefit analysis. The utilities will build and manage the construction in connecting to ground source heat pumps (GHP) in people's homes. Because GHP work is similar to gas distribution work, minimal additional training ensures job security. Utilities will recover the cost of the networked system, and IRA funds will cover the costs of the electric appliances which pilot properties will receive. The pilots will be in neighborhoods with 80% low- and moderate-income residents and will prioritize overburdened and underserved communities. Labor standards in the bill prioritize maintaining work for those who work on gas infrastructure and ensure prevailing wages for construction on the projects.

We respectfully urge a favorable report.

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