

SB 622: Maryland Strategic Energy Investment Fund – Required Uses – Building Electrification and Transportation Electrification

Senate Education, Energy, and the Environment Committee

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FAVORABLE

The Building Decarbonization Coalition (BDC) is a national nonprofit that unites building industry stakeholders, policymakers, and communities to help buildings transition to clean energy. BDC works across the country to advance practical, market-driven solutions that lower energy costs, create jobs, and improve the health and comfort of the places where we live, work, and learn.

Chair Feldman, Vice Chair Kagan, and distinguished members of the Committee:

Thank you for the opportunity to submit testimony in support of Senate Bill 622 on behalf of the Building Decarbonization Coalition. We respectfully urge a favorable report.

WHAT SB 622 DOES

SB 622 is a practical, targeted update to the Strategic Energy Investment Fund. It explicitly authorizes SEIF to provide loans and grants for building electrification and transportation electrification, effective October 1, 2026. The bill does not create a new program or establish new bureaucracy; it ensures that an existing fund, one already designed to support clean energy and reduce emissions, can be directed toward the electrification investments Maryland families and businesses need most.

SEIF receives revenue from the Regional Greenhouse Gas Initiative and Alternative Compliance Payments under the Renewable Portfolio Standard, generating approximately \$600 million per year. SB 622 puts more of those dollars to work in Maryland communities.

BUILDING ELECTRIFICATION IS AN ECONOMIC OPPORTUNITY

The transition to modern, efficient electric heating and cooling technologies represents one of the most significant economic opportunities available to Maryland today.

Modern electric heat pumps are about three times more efficient than fossil-fuel systems, resulting in lower energy bills for Maryland families. When paired with weatherization and energy efficiency upgrades, the savings are even more substantial particularly for households currently relying on expensive electric resistance heating or delivered fuels like propane and heating oil. These households face some of the highest heating costs in the state, and they stand to benefit the most from SEIF-funded electrification investments.

Beyond bill savings, SB 622 supports job creation across Maryland's growing clean energy workforce. HVAC contractors, electricians, and building trades professionals are seeing increasing demand for heat pump installation and maintenance. Directing SEIF resources toward electrification provides the stable market signal that contractors need to invest in training, hire new workers, and grow their businesses. In our work with contractors across the state, we consistently hear that market certainty, when paired with incentives, drives workforce investment more powerfully than either alone.

ALIGNMENT WITH STATE RECOMMENDATIONS AND GOALS

The Maryland Commission on Climate Change has specifically recommended that the General Assembly authorize SEIF for grants and loans to support building electrification, with a particular focus on households relying on electric resistance heating and delivered fuels. SB 622 delivers on that recommendation.

This bill also advances the emission reduction targets established under the Climate Solutions Now Act of 2022. Buildings account for a significant share of Maryland's greenhouse gas emissions, and electrification — powered by Maryland's increasingly clean electric grid — is the most effective pathway to reducing those emissions while delivering immediate consumer benefits.

CONCLUSION

Maryland has consistently led on smart energy policy, and SB 622 continues that tradition. This bill ensures that SEIF funding is directed toward proven, practical investments that put money back in Marylanders' pockets through lower energy bills, create good-paying jobs in the clean energy workforce, and modernize Maryland's homes and buildings — delivering real results for the families and businesses that call this state home.

The Building Decarbonization Coalition respectfully requests a favorable report on Senate Bill 622.

Thank you for your consideration.

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