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February 27<sup>th</sup>, 2026

Delegate Marc Korman  
Environment and Transportation and Appropriations  
251 Taylor House Office Building,  
Annapolis, Maryland 21401

**Re: FAVORABLE – HB1040 – Maryland Strategic Energy Investment Fund - Mandated Uses - Climate Change Programs**

Dear Chairman Korman and members of the committee

On behalf of the Green & Healthy Homes Initiative (GHHI), I submit for the record our comments on House Bill 1040, GHHI is a 501(c)(3) national nonprofit organization headquartered in Baltimore, Maryland. Our mission is to address the social determinants of health, opportunity, and racial and health equity through the creation of healthy, safe and climate-resilient homes.

GHHI is the nation's lead authority on the benefits of a whole-house approach that aligns, braids and coordinates energy efficiency, health and safety to create an integrated home repair and retrofit delivery model to improve health, economic and social outcomes in line with the state's climate goals. GHHI's work has been recognized through national best practice awards from the US Environmental Protection Agency (EPA) and HUD and the GHHI model has been supported by the US Department of Energy (DOE) and the US Department of Housing and Urban Development (HUD) as well as numerous states, cities and counties throughout the US. By delivering a standard of excellence, GHHI's work aims to eradicate the negative impact of historic disinvestment, the legacy of ill-conceived and unjust housing by creating holistically healthy housing for children, seniors and families in Maryland's low wealth communities.

As president and chief executive officer of GHHI, I direct GHHI's national strategy as well as serve as a member of the EPA Children's Health Protection Advisory Committee (CHPAC), the National Council of State Housing Agencies' National Advisory Group, the American Public Health Association (APHA) Environmental Leadership Network, chair the board of Healthy Climate Maryland coalition, and the Clean Heat Coalition.

GHHI strongly supports the passage of HB1040 because it safeguards dedicated climate funds and ensures they are used for their intended purpose: sustained, strategic investments that reduce energy costs, cut pollution, and protect public health.

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### **Benefits of Projected SEIF Funding**

Money from the SEIF is a key resource GHHI uses to complete weatherization, energy efficiency, and electrification work in low-income households in Baltimore City. The MEA Residential Energy Equity Program helps GHHI deliver comprehensive whole-house interventions with energy upgrades including insulation, air sealing, appliance replacements, and rooftop solar. Because the program has clear goals and administrative simplicity, it is easily braided with critical health and safety repair programs funded by DHCD, HUD, and other agencies to deliver moisture remediation and ventilation improvements that otherwise prevent efficiency upgrades. This allows GHHI to reach older homes and support families with high needs.

Whole-home efficiency and electrification deliver long lasting affordability, public health, and system-wide benefits. Homes are not only more energy efficient, but also safer and healthier for residents. Just as importantly, this public investment can simultaneously reduce energy burden, improve housing stability, and protect public health in communities that have historically faced the highest costs and risks. The evidence is clear that comprehensive, whole-home interventions deliver durable results when they are properly supported.

By dedicating funding to proven electrification technologies, Maryland would send a clear and durable market signal to residents, contractors, distributors, and manufacturers that the state is serious about lowering long-term energy costs and reducing greenhouse gas emissions. This allows implementers like GHHI to develop and sustain innovative programs like our Baltimore electrification work that delivers these interventions to household in need.

Under HB 1040, significant allocations are directed toward replacing gas and resistive electric systems with heat pumps, induction stoves, solar panels, and other high-efficiency emission reducing technologies, prioritizing investments that permanently reduce reliance on fossil fuels in homes. This investment is necessary to combat the rollback of climate funding coming from the federal level and will ensure that Maryland maintains momentum toward reducing emissions while protecting households from rising energy costs.

### **Case for Heat Pumps Investment**

Maryland families are facing sustained pressure from rising energy costs driven by volatile fossil fuel markets and increasing gas delivery charges. Heat pumps offer a practical, evidence bases strategy to stabilize and lower household energy bills over time. During periods of peak demand, a new heat pump can use up to 29% less electricity than an average existing central air conditioner, helping stabilize the grid and reduce system costs tied to peak pricing.<sup>1</sup> That efficiency translates directly into savings, particularly for households that currently rely on electric resistance to heating, propane, or heating oil. Marylanders upgrading from electric resistance heating can save approximately \$1,361 per year, propane users about \$1,495 per year,

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<sup>1</sup> BuildingDecarbonization.org, *Heat Pump Shipment Report: Spring 2023 (Version 4)* (2023), [https://buildingdecarb.org/wp-content/uploads/Heat-Pump-Shipment-Report-Spring-2023\\_V4.pdf](https://buildingdecarb.org/wp-content/uploads/Heat-Pump-Shipment-Report-Spring-2023_V4.pdf)

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and heating oil users roughly \$865 per year in 2025.<sup>2</sup> Households transitioning from gas furnaces are projected to break even on operating costs today, with annual savings expected to reach \$487 by 2030.<sup>3</sup>

Using the SEIF to invest in heat pump deployment advances Maryland’s climate and affordability goals at the same time. Upgrading to efficient electric heating and cooling can reduce the average household’s climate pollution by roughly 33 percent in the first year and by as much as 62 percent over fifteen years, making electrification one of the most impactful steps families can take to help the state meet its carbon-neutral commitment.<sup>4</sup>

At its core, this is about long-term affordability: strategic investment in heat pumps lowers household energy burdens over time, shields families from fossil fuel price spikes, and delivers durable savings that improve financial stability across Maryland.

### **Health Costs from Fossil Fuel Equipment**

The savings on costs are not limited to monthly utility bills; they also show up in emergency rooms and long-term health expenses. Each year, pollution from fossil fuel equipment in Maryland homes contributes to:

- 163 premature deaths
- 3,500 cases of respiratory illness
- 6,500 lost workdays
- \$1.3 billion in cumulative health costs

Gas furnaces and boilers emit nitrogen oxides (NOx), which worsen asthma and contribute to the formation of ozone pollution, commonly known as smog. More than half of Maryland’s counties received a “C” or below for ozone pollution in the American Lung Association’s latest *State of the Air* report.<sup>5</sup> That burden falls disproportionately on children, older adults, and residents with preexisting respiratory conditions.

Transitioning from gas- and oil-burning systems to electric heat pumps would eliminate the in-home combustion that drives this pollution. By removing a major source of nitrogen oxides, fine particulate matter, and other harmful emissions inside and around homes, widespread heat pump

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<sup>2</sup> Christopher Stix and Bryan Dunning, *Building Electrification in Maryland: Implementation of Zero-Emission Heating Equipment Standards for Low-Income Households* (Sierra Club Maryland Chapter and Center for Progressive Reform, 2025), <https://cpr-assets.s3.amazonaws.com/wp/uploads/2025/10/md-building-electrification-rpt.pdf>

<sup>3</sup> Christopher Stix and Bryan Dunning, *Building Electrification in Maryland: Implementation of Zero-Emission Heating Equipment Standards for Low-Income Households* (Sierra Club Maryland Chapter and Center for Progressive Reform, 2025), <https://cpr-assets.s3.amazonaws.com/wp/uploads/2025/10/md-building-electrification-rpt.pdf>

<sup>4</sup> Rocky Mountain Institute (RMI), *Now Is the Time to Go All In on Heat Pumps* (July 6, 2023), <https://rmi.org/now-is-the-time-to-go-all-in-on-heat-pumps/>

<sup>5</sup> American Lung Association, *State of the Air 2025* (Chicago: American Lung Association, 2025), 12–13

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adoption would prevent these avoidable health impacts and significantly reduce the associated medical costs, and lost productivity. Using the Strategic Energy Investment Fund to support comprehensive home interventions ensures that Maryland families experience cleaner indoor air, lower energy burdens, greater comfort, and safer, more resilient housing. This is a direct strategy to reduce pollution-driven health costs and deliver measurable economic and public health savings across Maryland.

**Summary**

Sustained, strategic investments that lower energy burdens, protect public health, and strengthen household stability are essential to improving quality of life for Maryland families. HB1040 protects those investments and ensures that there is a base level of funding dedicated to specific climate mitigation measures over the next several fiscal years. Establishing that floor provides certainty to agencies, implementers, and residents alike that these resources will remain focused on long-term solutions rather than short-term budget pressures. It also reinforces the General Assembly’s commitment to ensuring that climate funds are used in a manner consistent with their original intent.

In closing, GHHI respectfully urges the General Assembly to pass HB1040 and commit SEIF funds toward their intended purpose, maximizing long-term affordability, health, resilience, and overall quality of life for communities throughout the state.

Respectfully submitted,

Signed by:  
  
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Ruth Ann Norton  
President and CEO  
Green & Healthy Homes Initiative

