

HOUSE BILL 40

M5, P1

(PRE-FILED)

1lr1467
CF 1lr1675

By: **Delegate Charkoudian**

Requested: November 1, 2020

Introduced and read first time: January 13, 2021

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Energy Administration Study on Geothermal Heating and Cooling**
3 **Systems and Geothermal Energy Workgroup**

4 FOR the purpose of requiring the Maryland Energy Administration to conduct a certain
5 study on geothermal heating and cooling systems; providing for the content of the
6 study; authorizing the Administration to contract with a third-party to conduct the
7 study; requiring the Administration to submit the results of the study to the
8 Geothermal Energy Workgroup on or before a certain date; establishing the
9 Workgroup; providing for the composition, chair, and staffing of the Workgroup;
10 prohibiting a member of the Workgroup from receiving certain compensation, but
11 authorizing the reimbursement of certain expenses; requiring the Workgroup to
12 study and make recommendations regarding certain matters; requiring the
13 Administration, in consultation with the Workgroup, to develop recommendations
14 for a certain incentive structure; requiring the Director of the Administration, or the
15 Director's designee, to report certain results, findings, and recommendations to the
16 General Assembly on or before a certain date; providing for the termination of this
17 Act; and generally relating to a study on geothermal heating and cooling systems
18 and the Geothermal Energy Workgroup.

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
20 That:

21 (a) (1) The Maryland Energy Administration shall conduct a comprehensive
22 technical study on:

23 (i) the status of geothermal heating and cooling systems in the
24 State; and

25 (ii) the potential impact of expanding and incentivizing the use of
26 geothermal heating and cooling systems in the State.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) The study shall include:

(i) the number of geothermal heating and cooling units currently operating in the State;

(ii) the cost and feasibility of increasing the use of geothermal heating and cooling systems in the State;

(iii) national and international best practices designed to incentivize the use of geothermal heating and cooling systems;

(iv) the potential for geothermal heating and cooling systems to reduce peak electricity demand;

(v) the potential reduction to all Maryland ratepayers in electricity costs associated with the increased use of geothermal heating and cooling systems, including savings from reduced peak electricity demand;

(vi) the economic benefits of increasing the use of geothermal heating and cooling systems to the State;

(vii) the potential to aggregate geothermal renewable energy credits;

(viii) the potential greenhouse gas reductions resulting from the use of geothermal heating and cooling systems;

(ix) the impact of geothermal heating and cooling systems on indoor air quality and localized pollution;

(x) the life-cycle costs of public school buildings over a 50-year period, including a comparison of the costs and energy efficiency associated with using geothermal heating and cooling systems compared to traditional energy systems;

(xi) the potential for family-sustaining job creation resulting from the expansion of geothermal heating and cooling systems in the State;

(xii) the potential to build neighborhood-scale district geothermal systems or convert existing utility infrastructure so that it can provide geothermal heating and cooling to an entire community; and

(xiii) any other factors related to expanding the use of geothermal heating and cooling systems that the Maryland Energy Administration considers necessary.

(3) The Maryland Energy Administration may contract with a third-party to conduct the study required under paragraph (1) of this subsection.

(4) The Maryland Energy Administration shall submit the results of the study to the Geothermal Energy Workgroup on or before October 1, 2021.

(b) (1) There is a Geothermal Energy Workgroup.

(2) The Workgroup consists of the following members:

(i) at least one member of the Senate of Maryland, appointed by the President of the Senate;

(ii) at least one member of the House of Delegates, appointed by the Speaker of the House;

(iii) the Director of the Maryland Energy Administration, or the Director's designee;

(iv) the following members, selected by the Maryland Energy Administration:

1. at least one representative of an environmental advocacy organization;

2. at least one representative of an environmental justice organization;

3. at least one representative of the geothermal industry;

4. at least two representatives of labor organizations that work or may work in the geothermal industry; and

5. at least one representative of a Maryland electric company; and

(v) any other individuals considered necessary by the Maryland Energy Administration.

(3) The Director of the Maryland Energy Administration, or the Director's designee, shall chair the Workgroup.

(4) The Maryland Energy Administration shall provide staff for the Workgroup.

(5) A member of the Workgroup:

(i) may not receive compensation as a member of the Workgroup; but

(ii) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(6) The Workgroup shall:

(i) study the status and impact of increasing the use of geothermal heating and cooling systems in the State;

(ii) examine methods for growing the geothermal industry in the State, with a focus on increasing the use of geothermal heating and cooling systems in environmental justice communities;

(iii) examine methods for ensuring that any jobs created in the geothermal industry offer benefits and family-sustaining wages; and

(iv) develop recommendations for legislation that will encourage and incentivize the use of geothermal heating and cooling systems in the State.

(c) (1) The Maryland Energy Administration, in consultation with the Workgroup, shall develop recommendations for an incentive structure that will increase the deployment of geothermal heating and cooling systems in Maryland.

(2) The incentives may include:

(i) grants;

(ii) loans;

(iii) EmPOWER Maryland rebates;

(iv) a carve-out in the State's renewable energy portfolio standard for geothermal renewable energy credits; and

(v) tax credits.

(d) On or before December 1, 2021, the Director of the Maryland Energy Administration, or the Director's designee, shall report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on:

(1) the results of the study under subsection (a) of this section;

(2) the Workgroup's findings and recommendations under subsection (b)(6) of this section; and

(3) the incentive recommendations developed under subsection (c) of this section.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
2 1, 2021. It shall remain effective for 1 year and 1 month, and, at the end of June 30, 2022,
3 this Act, with no further action required by the General Assembly, shall be abrogated and
4 of no further force and effect.