



February 1, 2022

Chair C.T. Wilson
Members of the Economic Matters Committee

Re: Solar Democracy and Equity Collaborative support of HB 31:
Maryland Energy Administration – Resiliency Hub Grant Program and Fund

The Solar Democracy and Equity Collaborative (“Collaborative”) strongly supports the passage of HB 31. The Collaborative consists of several organizations, including Climate Access Fund, Earthjustice, the Institute for Energy and Environmental Research, the Montgomery County Green Bank, and Maryland Solar United Neighbors.

HB 31 establishes the Resiliency Hub Grant Program in the Maryland Energy Administration to develop resiliency hubs that serve low-and moderate-income households at no cost to the households or to ratepayers. HB 31 defines "resiliency hub" as a location where solar photovoltaic and battery energy storage are designed to provide electricity during extended grid outages. Finally, HB 31 provides that any civil penalties imposed by the Maryland Public Service Commission shall be paid into the Resiliency Hub Grant Program Fund and also directs that the grant program fund shall receive \$500,000 each year from the Maryland Strategic Energy Investment Fund.

When utilities or commercial entities add large grid-scale solar or storage, this action helps green the grid, but does not necessarily assist with resilience. However, microgrids, which can operate an island from the utility grid and provide power even when the grid goes down, dramatically improve resilience. A microgrid is a lot more than a simple emergency generator. Microgrids – local power grids that can operate independently of the larger grid – are becoming an indispensable tool in building a clean, flexible, secure and cheaper energy system.

Microgrids are one of the few resources we have that can deliver resilience along with clean energy benefits. Improved economics and technology have made microgrids a viable solution to deliver clean and decentralized backup power. Moreover, deploying microgrids in disadvantaged communities is an important step to energy equity.

Climate change is harming our planet and the people and economies that inhabit it. We’re already seeing weather events like floods and hurricanes becoming more frequent and more intense, for example. But while climate change affects us all, it doesn’t affect us all equally. Sadly, many of Maryland’s lowest-income areas are expected to bear the worst consequences of climate change. The effects of climate change disproportionately fall on low-income communities who are least able to prepare for, and recover from, heat waves, hurricanes, flooding, and other impacts.

Energy equity recognizes that disadvantaged communities have been historically marginalized and overburdened by pollution, underinvestment in clean energy infrastructure, and lack of access to energy-efficient housing and transportation. Achieving energy equity requires intentionally designing systems, technology, procedures, and policies that lead to the fair and just distribution of energy system benefits.

Low-income communities already have higher rates of many adverse health conditions, are more exposed to environmental hazards and take longer to bounce back from natural disasters than those in higher income brackets. Climate change is amplifying this already existing divide between those who have resources and those who do not.

In urban areas, low-income individuals live in neighborhoods with the greatest exposure to climate and extreme weather events. This includes living near pollution sites and in housing developments without sufficient insulation or air conditioning. Additionally, disruptions to infrastructure during natural disasters can have an outsized impact on city residents who lack the financial resources to recover from the effects of a natural disaster. Poverty makes it harder for people to evacuate or relocate during or following a major natural disaster.

The Resiliency Hub Grant Program is an important step in improving access to clean energy technologies for low-income customers and disadvantaged communities, increasing clean energy investment in those communities, and improving community resilience to grid outages and extreme events. While the Maryland Energy Administration (MEA) currently administers a successful resiliency hub grant program, that program is funded from the Exelon-Constellation Energy merger settlement agreement. Thus, MEA's program lacks a permanent funding source. The funding mechanisms proposed in the bill not only ensure continuation of the program, these mechanisms also ensure that ratepayers won't have pay for the program and Maryland will get more resilient and affordable power with environmental benefits.

Finally, the Collaborative thanks Delegate Charkoudian for her leadership on this important issue.

We strongly urge a favorable report for HB 31.

Thank you in advance for your support. Should you have any questions, please contact me at smiller@earthjustice.org.

Respectfully submitted,



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Earthjustice
***On Behalf of the Solar Democracy and Equity
Collaborative***