2015

Just Energy Policies: Reducing Pollution and Creating Jobs

MARYLAND REPORT

National Association for the Advancement of Colored People (NAACP)
Environmental and Climate Justice Program
FEBRUARY 2015

Just Energy Policies and Practices

Maryland Report on Energy Efficiency and Renewable Energy Policies

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WHY THE NAACP IS STANDING UP FOR JUST ENERGY POLICIES

Since 1909, the NAACP has addressed a vast array of civil rights issues including education, employment, housing, civic engagement, health, and criminal justice. Communities of color nationwide are, and have historically been, beset by human and civil rights violations, including disproportionate exposure to pollution, crime, substandard living conditions and more. African Americans who reside near energy production facilities including coal fired power plants, nuclear power plants, or biomass power plants, are more likely to suffer the negative health impacts of prolonged exposure to smog, lead, asbestos, mercury, arsenic, sulfur dioxide, nitrogen oxide and other toxins than any other group of Americans.[1234]

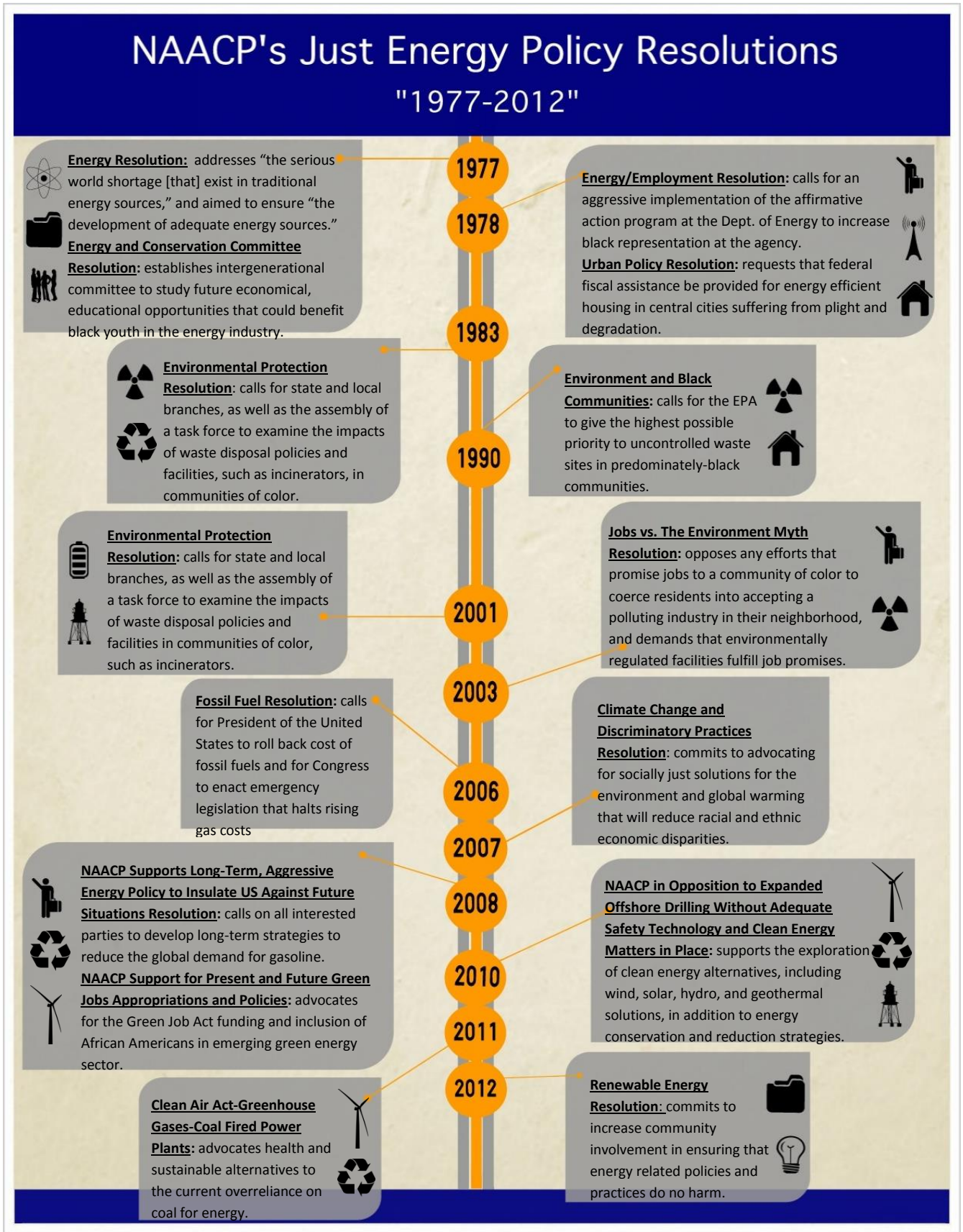
Prolonged exposure, to toxins from these energy production facilities, is tied to birth defects, heart disease, asthma attacks, lung disease, learning difficulties, and even lower property values. Approximately 68% of African Americans live within 30 miles of a coal-fired power plant, which produces the largest proportion of energy compared to any other energy production type. The health conditions associated with exposure to toxins coming from these plants disproportionately affect African Americans. An African American child is three times as likely to be admitted to the hospital and twice more likely to die from an asthma attack than a white American child. Though African Americans are less likely to smoke, they are more likely to die of lung disease than white Americans are.[5] A 2010 report by the National Research Council (NRC) calculates that particulate matter pollution from U.S. coal-fired power plants is solely responsible for causing approximately 1,530 excess deaths per year. In addition, properties in close proximity to toxic facilities average 15% lower property values.[6]

At the same time, many of the same polluting facilities that affect the daily health and well-being of host communities are major contributors to the greenhouse gases that are driving climate change. Carbon dioxide (CO_2) emissions are the leading cause of climate change and coal-fired power generation accounts for 32% of all CO_2 emissions.[7] Not only do low-income neighborhoods and communities of color suffer more of the direct health, educational, and economic consequences of these facilities, but also devastating natural disasters such as Hurricanes Katrina and Sandy, along with rising food prices and water shortages, harm low-income people and people of color disproportionately partly due to pre-existing vulnerabilities.

While African Americans are enduring most of the harmful impacts of energy production, they are reaping few of the benefits from the energy sector. According to a 2010 study by the American Association of Blacks in Energy, while African Americans spent $41 billion on energy in 2009, they only held 1.1% of energy jobs and only gained .01% of the revenue from the energy sector profits.[8] Therefore, there is both inequity in the incidence of disease and the economic burden for communities of color that host energy production facilities.

African Americans should no longer abide the millstone of the noxious facilities and continue to be overlooked by the energy industry while living in blight. Given that the unemployment rate for African Americans has consistently been nearly twice that of the national average and the average wealth of white Americans is 20 times that of African Americans, it is past time to revolutionize the relationship communities of color have with this multi-billion dollar industry. Leading in a new energy economy serves as pathway out of poor health, poverty and joblessness while establishing a foundation of energy resources and security for generations to come.

The NAACP will continue to build upon its legacy of advocating for equity, economic justice, and environmental justice within the energy sector, especially in the broader context of climate change. The following diagram outlines the NAACP's policy precedence and the foundation for the recommendations we pose to enact change in the energy sector.


NAACP's Just Energy Policy Resolutions
"1977-2012"
1977
Energy Resolution: addresses "the serious world shortage [that] exist in traditional energy sources," and aimed to ensure "the development of adequate energy sources."
Energy and Conservation Committee Resolution: establishes intergenerational committee to study future economical, educational opportunities that could benefit black youth in the energy industry.
1978
Energy/Employment Resolution: calls for an aggressive implementation of the affirmative action program at the Dept. of Energy to increase black representation at the agency.
Urban Policy Resolution: requests that federal fiscal assistance be provided for energy efficient housing in central cities suffering from plight and degradation.
1983
Environmental Protection Resolution: calls for state and local branches, as well as the assembly of a task force to examine the impacts of waste disposal policies and facilities, such as incinerators, in communities of color.
1990
Environment and Black Communities: calls for the EPA to give the highest possible priority to uncontrolled waste sites in predominately-black communities.
2001
Environmental Protection Resolution: calls for state and local branches, as well as the assembly of a task force to examine the impacts of waste disposal policies and facilities in communities of color, such as incinerators.
2003
Jobs vs. The Environment Myth Resolution: opposes any efforts that promise jobs to a community of color to coerce residents into accepting a polluting industry in their neighborhood, and demands that environmentally regulated facilities fulfill job promises.
2006
Fossil Fuel Resolution: calls for President of the United States to roll back cost of fossil fuels and for Congress to enact emergency legislation that halts rising gas costs
Climate Change and Discriminatory Practices Resolution: commits to advocating for socially just solutions for the environment and global warming that will reduce racial and ethnic economic disparities.
2007
2008
NAACP Supports Long-Term, Aggressive Energy Policy to Insulate US Against Future Situations Resolution: calls on all interested parties to develop long-term strategies to reduce the global demand for gasoline.
NAACP Support for Present and Future Green Jobs Appropriations and Policies: advocates for the Green Job Act funding and inclusion of African Americans in emerging green energy sector.
2010
NAACP in Opposition to Expanded Offshore Drilling Without Adequate Safety Technology and Clean Energy Matters in Place: supports the exploration of clean energy alternatives, including wind, solar, hydro, and geothermal solutions, in addition to energy conservation and reduction strategies.
2011
2012
Clean Air Act-Greenhouse Gases-Coal Fired Power Plants: advocates health and sustainable alternatives to the current overreliance on coal for energy.
Renewable Energy Resolution: commits to increase community involvement in ensuring that energy related policies and practices do no harm.

WELCOME

In opening this document, you have made a commitment to understand and advance just energy policies and practices. This energy policy compendium will give you the information you need to stand up for a just energy future. The rapid depletion of Earth's non-renewable resources coincides with increased energy consumption in the United States. With a growing understanding of the harmful impact of fossil fuel-based energy production on communities of color and low income communities, it is more important now than ever before that our communities take a stand to move our country to an energy efficient and clean energy future. Our intention in creating this compendium is that it will serve as a resource and will spur states to make sure their energy policies protect communities from harmful energy production processes while simultaneously providing equitable access to economic opportunities in energy efficiency and clean energy.

Focal Policies

The Just Energy Policies Compendium profiles *Renewable Portfolio Standards, Energy Efficiency Resource Standards,* and *Net Metering Standards* for each state and also shares detailed information on how to access rebates/loan/grants, etc. for energy efficiency and clean energy.

- *Renewable Portfolio Standards*

  A Renewable Portfolio Standard (RPS) requires electric utility companies and other retail electric providers to supply a specific minimum amount of customer load with electricity from eligible renewable energy sources. In order to protect community health and well-being, as well as preserve the planet, we must transition to renewable energy. In setting standards for the content of RPS, the NAACP goes further and distinguishes that our sources and processes must be clean energy, recognizing that not all renewable energy has been proven safe with minimal impact on the environment and communities. Under this definition, we focus on efforts on advancing solar, wind, and geothermal energy.

- *Energy Efficiency Resource Standards*

  Energy Efficiency Resource Standards (EERS) establish a requirement for utility companies to meet annual and cumulative energy savings targets through a portfolio of energy efficiency programs. Given our current dependence on harmful energy production practices, we should reduce our demand for energy altogether.

- *Net Metering Standards*

  Net Metering Standards require electric utility companies to provide retail credit for net renewable energy produced by a consumer. Meaning, if the consumer generates more energy from their solar panels or wind turbines than they use, they can sell it back to the utility at the same rate at which they purchase electricity. In order to incentivize clean energy practices at the consumer level, we need to offer the opportunity for revenue-generation for individuals and small businesses that contribute to the grid through their energy production.

Equity in Energy Enterprise Policies

As stated above, communities of color and low-income communities historically have less access to jobs and business development opportunities. As part of the effort to advance just energy policies and practices, it is essential to review state policy provisions to ensure that they foster economic growth for local communities. Two key provisions that can ensure equity in economic opportunities afforded by state policies are '*Local Hire'* and *'Minority Business Enterprise.'*

- *Local Hire*

  Local Hire is a goal or requirement to hire people who live near their place of work. States achieve this goal by requiring contractors with publicly funded projects to recruit a specified proportion of local residents as workers on the project. This provision: 1) ensures that tax dollars are invested back into the local economy; 2) reduces the environmental impact of commuting; 3) fosters community involvement; and 4) preserves local employment opportunities in construction.

- *Minority Business Enterprise*

  Minority Business Enterprise is defined as a business that is at least 51% owner- operated and controlled on a daily basis by people who identify with specific ethnic minority classifications, including African American, Asian American, Hispanic American, and Native American. MBEs can be self-identified, but are typically certified by a city, state, or federal agency. The predominant certifier for minority businesses is the National Minority Supplier Development Council. Often publically funded projects set a requirement or goal to source MBEs as suppliers.

Financial Incentives for Energy Efficiency and Renewable Energy

Tables listing each state's incentives and rebates for energy efficiency and renewable energy are included in each state profile in the compendium. Each incentive has a short description and a hyperlink to more information.

- *Statewide Incentives*

  Statewide incentives are generally rebates and loan programs that individuals and businesses may claim according to the provisions of state law. Incentives may also include Local Options enacted by municipal governments.

- *Utility-Specific Incentives*

  This section relates to the incentives offered by specific utilities in each state, and in some cases interstate utilities. Some programs are only available to either electric or gas customers of a certain utility. Different programs are available for residential and commercial customers.

- *Local Incentives*

  Local incentives are those offered by counties, cities, and towns. Not all states have local incentives.

- *Non-Profit Incentives*

  Non-profit incentives are offered by non-profit organizations. These are only available in some states.

ENERGY EFFICIENCY AND CLEAN ENERGY POTENTIAL

To effectively promote just energy efficiency and clean energy policies in any state, we must know the potential for energy efficiency and clean energy. Energy efficiency potential has been studied across the United States. However, while some states have conducted studies about energy efficiency potential, there is not a collection of studies completed for every state. Clean energy potential is available through state by state analysis done by the National Renewable Energy Lab.

Energy Efficiency Potential

Energy Efficiency Potential (EEP) is the amount of energy savings possible from implementing energy efficiency programs and policies. Despite evidence that clearly shows there is potential for all states in America to become more energy efficient, there is no national energy efficiency standard or policy. If the United States implements nationwide energy efficiency measures, there can be a range of benefits and savings by 2020 through a variety of sectors.

Renewable Energy Potential

Renewable Energy Potential (REP) is the estimated annual generating capacity of renewable energy technologies that can be provided for a given region. The NAACP is committed to advancing sources of renewable energy that have been proven to be clean and contribute minimal harm to our communities and environment. These specific types of renewable energy include solar, wind and geothermal energy. U.S. electricity generation in 2012 consisted of only 12% from renewable energy sources (only 32% of this total is from solar, wind and geothermal sources). .

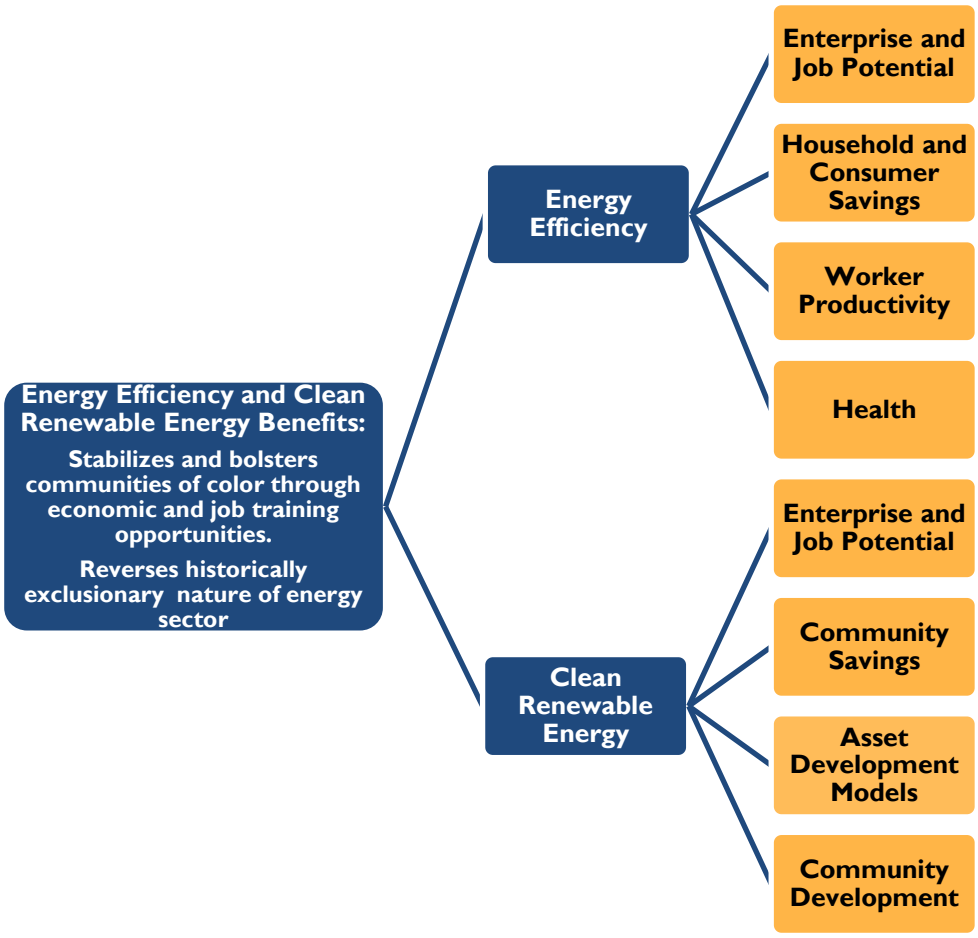
From 2007 to 2012, electricity from renewable sources such as wind, solar and geothermal nearly quadrupled nationally. The wind power market has expanded very quickly over a short period of time. Usage has tripled from 2007 to 2012. In 2012, the nation broke a record by installing more than 13,000 megawatts of wind power capacity and investing $25 billion into the U.S. economy. Wind power is now the leading source of new capacity in the country and represents 42% of total power capacity and surpasses new natural gas capacity. Wind energy will be the leader in renewable electricty generation capacity, followed by solar energy and then geothermal energy by 2040.The current installed capacity of geothermal energy in the United States is 3,187 megawatts (MW). In the next 50 years, there is potential in the United States to have geothermal energy installed capacity of 10,000 MW.

BENEFITS OF ENERGY EFFICIENCY AND CLEAN RENEWABLE ENERGY POLICIES AND PRACTICES

There are countless benefits that accompany the potential for energy efficiency and clean renewable energy in the United States. These technologies are transforming the energy sector and providing more opportunities for communities of color to become leaders in a sector where there has been scarce participation to date. Energy efficiency and clean renewable energy benefits are both macro and micro -- they bolster and sustain our domestic economy, as well as strengthen local communities, households and businesses. Energy efficiency produces a host of economic benefits, including household and consumer savings, worker productivity, and more. Better building materials associated with energy efficiency generate health benefits by improving indoor air quality and creating safeguards for people who are most susceptible to respiratory illnesses. Clean renewable energy benefits similarly increase community savings in the long-term and they offer a tremendous opportunity to develop assets within communities that can be leveraged for more economic and social benefits.

If electric utilities fulfill merely 20% of their electric sales through renewable energy by 2020, 1.9 million jobs can be created across the United States.[9] By 2030, an estimated 20% of U.S. electricity will be provided by wind power.The solar power industry is projected to become a $15 billion industry by 2020.

The following diagram further details the benefits of energy efficiency and clean renewable energy as described in this section:



RECOMMENDED ENERGY POLICY STANDARDS

The NAACP has established recommendations for Renewable Portfolio Standards, Energy Efficiency Resource Standards, and Net Metering Standards to provide guidelines for state energy policies. Based on sector analysis, these standards are attainable. If adopted nationwide, these policies will protect the well-being of communities as well as help to prevent climate change. Also, as part of its economic equity and justice agenda, the NAACP advocates for Local Hire and Minority Business Enterprise provisions to better support economic opportunities for African American entrepreneurs, businesses, and communities in the energy sector.

Renewable Portfolio Standards

A Renewable Portfolio Standard (RPS) requires electric utility companies and other retail electric providers to supply a specific minimum amount of customer load with electricity from eligible renewable energy sources.

Recommended Standard
Minimally 25% renewable by 2025

Mandatory/Voluntary
Mandatory

Allowable Sources
Definition includes renewable electric energy sources, which naturally replenish over a human, rather than geological, period. The clean energy sources the NAACP supports are wind, solar, and geothermal.

Energy Efficiency Resource Standards

Energy Efficiency Resource Standards (EERS) establish a requirement for utility companies to meet annual and cumulative energy savings targets through a portfolio of energy efficiency programs.

Recommended Standard

Minimally 2% annual reduction of previous year retail electricity sales

Mandatory/Voluntary
Mandatory

Net Metering Standards

Net Metering Standards require electric utility companies to provide retail credit for net renewable energy produced by a consumer.

Capacity Limit Recommendation

Per System: 2,000 kW (minimally)

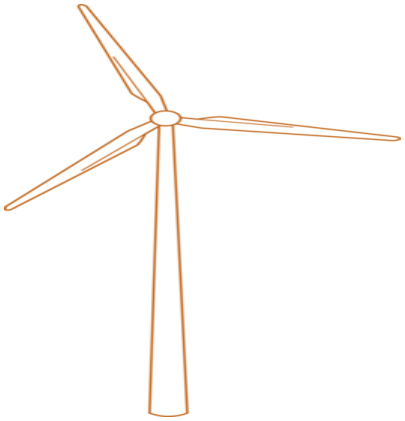
Mandatory/Voluntary
Mandatory

Allowable Sources

Definition includes renewable electric energy sources, which naturally replenish over a human, rather than geological, period. The sources the NAACP supports are wind, solar, and geothermal.

Local Hire

Local Hire is a goal or requirement to hire people who live near their place of work. States achieve this goal by requiring contractors with publicly funded projects to recruit a specified proportion of local residents as workers on the project. *The practice ensures that tax dollars are invested back into the local economy, reduces the environmental impact of commuting, fosters community involvement, and preserves local employment opportunities in construction.*



Components of Provision

- Extra renewable energy credit multipliers for in-state installation and in-state manufactured content;
- Renewable energy credits for a utility providing incentives to build a plant in-state;
- Renewable energy credits for a utility that makes an investment in a plant located in-state;
- Quota for government assisted construction project employers to hire a percentage of workers locally;
- Bidding preferences for companies that hire a percentage of their employees in-state for state-funded public works projects and service contracts.

Minority Business Enterprise

A Minority Business Enterprise is a business that is at least 51% owned, operated, and controlled on a daily basis by people who identify with specific ethnic minority classifications, including African American, Asian American, Hispanic American, and Native American. MBEs can be self-identified, but are typically certified by a city, state, or federal agency. The predominant certifier for minority businesses is the National Minority Supplier Development Council. Often publically funded projects set a requirement or goal to source MBEs as suppliers.

Components of Provision/Certification

The MBE certification process is administered at the state level and may include the following:

- Provide training opportunities;
- Notify MBEs of state business opportunities;
- Set-aside funds for MBEs.

This provision establishes requirements for a certain percentage of the dollar amount spent on construction, professional services, materials, supplies, equipment, alteration, repair, or improvement by a state governmental entity to go toward MBEs.

SUMMARY OF FINDINGS

This report catalogs a wealth of state level information on Renewable Porfolio Standards, Energy Efficiency Resource Standards, Net Metering Standards, and Economic Opportunities for Local and Workers and Minority Business Enterprises (MBEs).

In studying the Renewable Portfolio Standards of the 50 states, we found the following:

- 29 states, plus the District of Columbia have Mandatory Renewable Portfolio Standards, while 9 states have Voluntary Renewable Energy Portfolio Goals.
  - The states with mandatory standards include: Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Washington, and Wisconsin.
  - Out of these 29 states and the District of Columbia, the states that meet or exceed the NAACP recommended standard of 25% by 2025 are: California, Colorado, Connecticut, Hawaii, Illinois, Maine, Minnesota, Nevada, New York, and Oregon.
- The states that have Voluntary Renewable Portfolio Goals are: Alaska, Indiana, North Dakota, Oklahoma, South Dakota, Utah, Vermont, Virginia, and West Virginia.
- Each state could tighten up on their definitions of renewable energy to comply with the NAACP recommended energy sources which are wind, solar, and geothermal, as all state RPS's include sources that are potentially harmful.

In examining the Energy EfficiencyResource Standards of the 50 states, we found the following:

- Eighteen states have Mandatory Energy Efficiency Resource Standards, and 8 states have Voluntary Energy Efficiency Resource Standards.
  - The states with mandatory goals are: Arizona, California, Colorado, Connecticut, Hawaii, Illinois, Indiana, Iowa, Maryland, Massachusetts, Minnesota, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Washington, and Wisconsin.
  - The states with Voluntary Energy Efficiency Resource Goals are: Arkansas, Delaware, Maine, Missouri, Oregon, Texas, Vermont, and Virginia.
- The state standards that are comparable to the NAACP Recommended Standard of 2% annual reduction of previous year retail electricity sales are: Arizona, Delaware, Illinois, Indiana, Massachusetts, New York, and Vermont.

In reviewing the Net Metering Standards of the 50 states, we found the following:

- Net Metering Standards are the most pervasive standards in the United States with 43 states plus the District of Columbia having Mandatory Net Metering Standards, while 3 states have Voluntary Net Metering Goals.
  - The states with Net Metering Standards are: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.
- The states with Voluntary Net Metering Goals are: Idaho, South Carolina, and Texas.
- States that meet or exceed the NAACP recommended standard for Net Metering with a maximum of 2,000 kW or more are: Arizona, California, Colorado, Connecticut, Delaware, Florida, Maryland, Massachusetts, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Utah, Vermont, and West Virginia.

In investigating the economic opportunity provisions for local workers and MBEs in energy policies for the 50 states, we found the following:

- Only 9 states had explicit Local Hire provisions within the Renewable Portfolio Standards, Energy Efficiency Resource Standards, and Net Metering Standards.
  - The states with Local Hire Provisions are: Arizona, California, Delaware, District of Columbia, Maine, Massachusetts, Michigan, Minnesota, and Montana.
- There were no states with Minority Business Enterprise provisions specific to energy policies.

MARYLAND

ENERGY EFFICIENCY AND RENEWABLE ENERGY POLICY PROFILE

A REVIEW OF MARYLAND'S STATE POLICIES

Current Status and Recommendations

The following assessment highlights the shortcomings and the attributes of Maryland's status in relation to NAACP's three focal energy policies:

Renewable Portfolio Standards

Maryland has a mandatory renewable energy standard of 20% by 2022. Laudably, Maryland's RPS contains a 2% minimum for solar energy development. Beyond 2022 Maryland must expand its RPS to minimally 25% by 2025 to meet our goal, but ideally 40% by 2025 for increased ambition in meeting the state's potential. Maryland must also focus on the development of solar, wind, and geothermal sources as the best possible options for clean energy development. Thus, ideally, the solar energy development minimum will increase beyond 2% accordingly.

Energy Efficiency Resource Standards

Maryland has a mandatory energy efficiency standard of 15% per capita reduction over the 2007 base year level by 2015. Maryland's current EERS equates to approximately, a 1.88% annual reduction, which is close to the recommended level of a 2% annual reduction over each previous year's retail electric sales. Beyond 2015, however, Maryland must maintain a 2% annual reduction.

Net Metering Standards

Maryland has a mandatory net metering policy requiring electric utility companies to provide retail credit for ratepayers with system capacities up to 2,000 kW with a statewide cap at 1,500 MW (or ~8% of peak demand). Maryland's net metering standard allows customers to generate twice their electricity usage. Maryland's net metering standards are on par with the recommended level. Ideally, however, the state will expand or remove the cap limiting net metering to 1,500 MW to maximize the impact of customer-led renewable energy development.

Local Hire

Maryland lacks a local hire provision. Notably, Baltimore has sought to establish a local hire provision. Maryland must adopt a statewide policy. Establishing a local hire provision that encompasses energy projects would significantly increase the amount of tax dollars that Maryland reinvests into the local economy by providing local jobs to enable people to work near where they live.

Minority Business Enterprise

Maryland's Office of Minority Business Enterprise in the state Department of Transportation certifies minority business enterprises including minority owned businesses and women owned businesses for work on state transportation projects. Maryland has a laudable 29% goal of MBE participation in contracts using the state's transportation funds. Ideally, they would expand this program to include energy projects, as well as other sectors. Additionally, Maryland should expand training programs and establish a proactive notification system to alert DBEs of procurement opportunities.

MARYLAND

The Old Line State[10]

State Facts
Capital: *Annapolis*
Area: *10,441 sq mi*
Population: *5,773,552*
State Bird: *Baltimore Oriole*
State Flower: *Black-Eyed Susan*[11]

Renewable Portfolio Standards

Policy Name and Date
Senate Bill 209, April 24, 2008

Standard
20% renewable by 2022 (including 2% from solar power)

Mandatory/Voluntary
Mandatory

Allowable Sources
Solar Water Heat, Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Municipal Solid Waste, Anaerobic Digestion, Tidal Energy, Wave Energy, Ocean Thermal, Fuel Cells using Renewable Fuels[12]

Maryland Energy Fact
In April 2013, the Maryland Offshore Wind Energy Act was passed. This law creates a mechanism to incentivize the development of up to 500 megawatts (MW) of offshore wind capacity, at least ten nautical miles off of Maryland's coast. The law requires electricity suppliers in Maryland to get up to 2.5 percent of their power from offshore wind by as early as 2017. http://www.governor.maryland.gov/wind.asp

MARYLAND at a Glance:

- ✓ Renewable Portfolio Standards
- ✓ Energy Efficiency Resource Standards
- ✓ Net Metering Standards

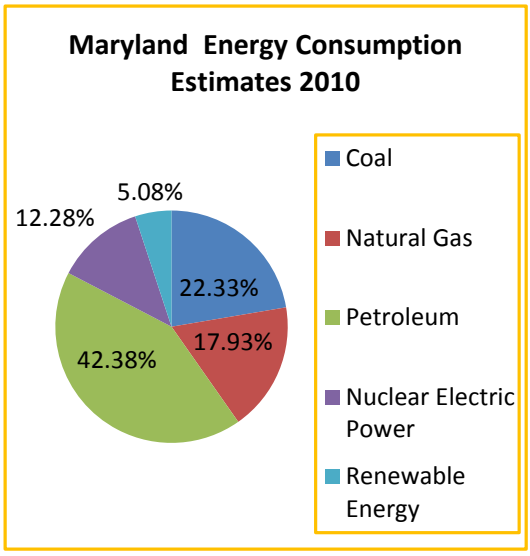
Energy Efficiency Resource Standards

Policy Name and Date
EmPOWER Maryland Efficiency Act, April 2008

Standard
15% reduction in per capita energy consumption by 2015, compared to 2007; 15% reduction in per capita peak demand by 2015, compared to 2007 (1.88% annual reduction rate)

Mandatory/Voluntary
Mandatory[13]

Status
A coalition of environmental organizations including CCAN, Environment Maryland, Interfaith Power and Light, and Maryland League of Conservation Voters are advocating an extension to the EmPOWER Maryland mandate from 2015 to 2020.



Net Metering Standards

Capacity Limit
Per System: 2000 kW (30 kW for micro-CHP); also limited to that needed to meet 200% of baseline customer electricity usage
Entire State: 1,500 MW (~8% of peak demand)

Mandatory/Voluntary
Mandatory

Allowable Sources
Photovoltaics, Wind, Biomass, Fuel Cells, CHP/Cogeneration, Anaerobic Digestion, Small Hydroelectric, Fuel Cells using Renewable Fuels[16]

ECONOMIC OPPORTUNITIES

Local Hire Provision: NO

Baltimore City Council President Young introduced a bill requiring businesses receiving city contracts or financing to hire Baltimore residents for at least 51% of the jobs created by those funds.[14]

MBE Provision/Certification: YES

Maryland's Office of Minority Business Enterprise certifies MBEs.[15]

Clean Energy Potential in Maryland

Background

Maryland has been actively seeking to diversify its electricity portfolio through increased wind and solar power generation, which show strong potential in the state.

Solar: Maryland has urban utility-scale PV potential of 28,551 GWh (65.47% of total net generation), rural utility-scale PV potential of 585,949 GWh (over 100% of total net generation), and rooftop PV potential is 14,850 GWh (34.05% of total net generation).

Wind: The onshore wind power potential is 3,632 GWh (8.32% of total net generation) and offshore wind power potential is 200,852 GWh (over 100% of total net generation).

Geothermal: Enhanced geothermal systems potential is 86,649 GWh (over 100% of total net generation).[17]

Incentives in Maryland

Type	Incentives	Description
Statewide	Be SMART Business Efficiency Loan Program	Under the Be SMART Business Program, the Maryland Department of Housing and Community Development (DCHD) offers loans to small businesses and commercial property owners within certain communities (see list below) for the purpose of making energy efficiency improvements.
	Be SMART Home Efficiency Loan Program	Under the Be SMART Homes Program, the Maryland Department of Housing and Community Development offers loans to homeowners for energy efficiency retrofit projects in their primary residence.
	Be SMART Home Efficiency Rebate Program	The Maryland Department of Housing and Community Development (DHCD) offers rebates to homeowners for the installation of energy efficiency improvements in single-family and town homes.
	Be SMART Multi-Family Efficiency Loan Program	Under the Be SMART Multi-Family Program, the Maryland Department of Housing and Community Development (DHCD) offers loans for energy efficiency improvements in existing multi-family rental properties.
	Bio-Heating Oil Tax Credit (Corporate)	Maryland allows individuals and corporations to take an income tax credit of $0.03/gallon for purchases of biodiesel used for space heating or water heating.

Type	Incentives	Description
Statewide	Bio-Heating Oil Tax Credit (Personal)	Maryland allows individuals and corporations to take an income tax credit of $0.03/gallon for purchases of biodiesel used for space heating or water heating.
	Clean-Burning Wood Stove Grant Program	The Maryland Energy Administration (MEA) now offers the Clean Burning Wood Stove Grant Program as part of its Residential Clean Energy Grant Program.
	Clean Energy Production Tax Credit (Corporate)	Maryland offers a production tax credit to corporations for electricity generated by wind, geothermal energy, solar energy, hydropower, hydrokinetic, municipal solid waste and biomass resources.
	Clean Energy Production Tax Credit (Personal)	Maryland offers a production tax credit to individuals for electricity generated by wind, geothermal energy, solar energy, hydropower, hydrokinetic, municipal solid waste and biomass resources.
	Commercial Clean Energy Grant Program	The Maryland Energy Administration (MEA) is offering grants for mid-sized photovoltaic (PV) systems and solar water heating systems (SWH) installed by businesses, non-profits, and local governments.
	EmPOWER Maryland Low Income Energy Efficiency Program	EmPOWER Maryland Low Income Energy Efficiency Program helps qualifying low-income residents increase the energy efficiency of their homes at no cost to program participants.

Type	Incentives	Description
Statewide	Geothermal Heat Pump Grant Program	The Maryland Energy Administration (MEA) offers rebates of $3,000 for residential geothermal heat pump systems and up to $4,500 for non-residential geothermal heat pump systems.
	Home Energy Loan Program	The Maryland Energy Administration (MEA) joins the Maryland Clean Energy Center (MCEC) in offering low interest loans for projects, which increase the energy efficiency of participating residences.
	Jane E. Lawton Conservation Loan Program	The Jane E. Lawton Conservation Loan Program (JELLP) provides local governments, non-profits, and businesses, loans for conservation improvements to reduce their operating expenses.
	Local Option - Property Tax Credit for High Performance Buildings	Similar to Maryland's Local Option Property Tax Credit for Renewable Energy, Title 9 of Maryland's property tax code creates an optional property tax credit for high performance buildings.
	Local Option - Property Tax Credit for Renewables and Energy Conservation Devices	Title 9 of Maryland's property tax code provides local governments the option to allow a property tax credit for buildings equipped with a solar, geothermal or qualifying energy conservation device.
	Property Tax Exemption for Solar and Wind Energy Systems	In May 2007, Maryland established a property tax exemption for residential solar energy systems.

Type	Incentives	Description
Statewide	Residential Clean Energy Grant Program	Maryland's Residential Clean Energy Grant Program, administered by the Maryland Energy Administration (MEA), provides financial incentives to homeowners that install solar water-heating systems or solar electric (PV) systems.
	Rural Business Energy Efficiency Improvement Loan Program	The Maryland Agricultural and Resource Based Industry Development Corporation (MARBIDCO) offers low interest loans for energy efficiency improvements to farms and rural businesses through the Rural Business Energy Efficiency Improvement Loan Program.
	Sales and Use Tax Exemption for Renewable Energy Equipment	In April 2008, Maryland enacted legislation exempting geothermal and solar energy equipment from the state sales and use tax.
	Sales and Use Tax Exemption for Residential Solar and Wind Electricity Sales	In May 2011, Maryland enacted legislation providing a sales and use tax exemption for sales of electricity from qualifying solar energy and residential wind energy equipment to residential customers.
	Sales Tax Holiday for Energy-Efficient Appliances	In November 2007, Maryland enacted legislation creating a sales and use tax "holiday" for certain energy efficient appliances, beginning in 2011.
	Solar Renewable Energy Certificates (SRECs)	Maryland's Renewable Energy Portfolio Standard, enacted in May 2004 and revised in 2007 and 2008, requires electricity suppliers (all utilities and competitive retail suppliers) to use renewable energy sources to generate a minimum portion of their retail sales.

Type	Incentives	Description
Statewide	Special Property Assessment for Renewable Heating & Cooling Systems	Title 8 of Maryland's property tax code includes a statewide special assessment for solar and geothermal heating and cooling systems.
	State Agency Loan Program	Through this revolving loan program, the Maryland Energy Administration (MEA) provides loans to state agencies for cost-effective energy efficiency improvements in state facilities.
	Windswept Grant Program	The Maryland Energy Administration (MEA) provides rebates for the installation of residential and non-residential wind energy systems through the Windswept Program, which is part of the Clean Energy Grant Program.
	Wood Heating Fuel Exemption	This statute exempts from the state sales tax all wood or "refuse-derived" fuel used for heating purposes.
Utility-Specific	Baltimore Gas & Electric Company - Home Performance with Energy Star Rebates	The Baltimore Gas & Electric Company (BG&E) offers the Home Performance with Energy Star Program that provides incentives for residential customers who have audits performed by participating contractors.
	Baltimore Gas & Electric Company (Electric) - Commercial Energy Efficiency Program	Baltimore Gas and Electric (BGE) provides incentives for technical assistance, retrofitting inefficient equipment, starting a new construction project, launching a major renovation, purchasing new equipment, or replacing equipment at the end of its lifespan.
	Baltimore Gas & Electric Company (Electric) - Residential Energy Efficiency Rebate Program	The Baltimore Gas & Electric Company (BGE) offers rebates for residential customers to improve the energy efficiency of eligible homes.

Type	Incentives	Description
Utility-Specific	Baltimore Gas & Electric Company (Gas) - Residential Energy Efficiency Rebate Program	The Baltimore Gas & Electric Company (BGE) offers the Smart Energy Savers Program for residential natural gas customers to improve the energy efficiency of eligible homes.
	Delmarva Power- Commissioning and Operations Incentive Programs	Delmarva's Enhanced Commissioning Program offers building design and commissioning incentives to commercial, industrial, governmental and institutional customers planning large new buildings.
	Delmarva Power- Commercial and Industrial Energy Savings Program	The Delmarva Power Commercial and Industrial (C&I) Energy Savings Program is designed to promote and encourage the incorporation of energy efficient equipment, products, and services into non-residential construction, renovation, and replacement projects, by offering cash incentives.
	Delmarva Power- Home Performance with Energy Star Incentive Program	Delmarva Power and Light Company offers the Home Performance with Energy Star Program, which provides incentives for residential customers who have audits performed by participating contractors.
	Delmarva Power- Residential Energy Efficiency Rebate Program	Delmarva Power offers a variety of rebates to residential customers who purchase and install energy efficient products or measures.
	FirstEnergy (Potomac Edison) - Commercial and Industrial Efficiency Rebate Program	FirstEnergy company Potomac Edison offers rebates to eligible commercial and industrial customers in Maryland service territory who are interested in upgrading to efficient equipment.
	FirstEnergy (Potomac Edison) - LEED for New Construction Program	FirstEnergy offers incentives for non-residential customers who construct or renovate buildings that implement a range of energy efficient techniques in construction and operation.

Type	Incentives	Description
Utility-Specific	FirstEnergy (Potomac Edison) - Municipal and Street Lighting Program	FirstEnergy offers several incentives for non-residential and municipal customers to upgrade traffic signals, pedestrian signals, and streetlights to more efficient fixtures.
	FirstEnergy (Potomac Edison) - Residential Energy Efficiency Rebate Program	FirstEnergy (Potomac Edison) offers incentives to Maryland residential customers who are interested in upgrading to more energy efficient appliances and HVAC systems.
	PEPCO - Commercial and Industrial Energy Efficiency Incentives Program	Pepco provides a range of rebates for prescriptive measures in existing and new facilities.
	PEPCO - Commissioning and Operations Incentive Programs	Pepco's Enhanced Commissioning Program offers building design and commissioning incentives to commercial, industrial, governmental and institutional customers planning large new buildings.
	PEPCO - Home Performance with Energy Star Incentive Program	The Potomac Electric Power Company (PEPCO) offers the Home Performance with Energy Star Program that provides incentives for residential customers who have audits performed by participating contractors.
	PEPCO - Residential Energy Efficiency Rebate Program	PEPCO offers a variety of rebates to Maryland customers who purchase select energy efficient products.
	SMECO - Non-Residential Energy Efficiency Rebate Program	Southern Maryland Electric Cooperative's (SMECO) Non-Residential Energy Efficiency Program provides technical assistance and a range of incentives to commercial, industrial, municipal and institutional customers who employ energy efficient measures in new and existing facilities.

Type	Incentives	Description
Utility-Specific	SMECO - Residential Energy Efficiency Rebate Program	Southern Maryland Electric Cooperative's (SMECO) Residential Energy Efficiency Program helps residential customers save energy by providing rebates for home weatherization and the installation of energy efficient equipment.
Local	Anne Arundel County - High Performance Dwelling Property Tax Credit	The state of Maryland permits local governments (Md Code: Property Tax § 9-242) to offer property tax credits for high performance buildings, if they choose to do so.
	Anne Arundel County - Solar and Geothermal Equipment Property Tax Credits	Anne Arundel County offers a one-time credit from county property taxes on residential dwellings that use solar and geothermal energy equipment for heating and cooling, and solar energy equipment for water heating and electricity generation.
	Baltimore County - Property Tax Credit for High Performance Buildings and Homes	The state of Maryland permits local governments (Md Code: Property Tax § 9-242) to offer property tax credits for high performance buildings if they choose to do so.
	Baltimore County - Property Tax Credit for Solar and Geothermal Devices	The state of Maryland permits local governments (Md Code: Property Tax § 9-203) to offer property tax credits for energy conservation devices, if they choose to do so.
	Carroll County - Green Building Property Tax Credit	The state of Maryland permits Carroll County (Md Code: Property Tax § 9-308(e)) to offer property tax credits for high performance buildings, if it chooses to do so.
	Harford County - Property Tax Credit for Solar and Geothermal Devices	Harford County offers a tax credit from real property taxes imposed on residential buildings, non-residential buildings, or other structures that use solar or geothermal devices for heating, cooling, water heating or generating electricity for on-site consumption.

Type	Incentives	Description
Local	Howard County - High Performance and Green Building Property Tax Credit	The state of Maryland permits local governments (Md Code: Property Tax § 9-242) to offer property tax credits for high performance buildings and energy conservation devices (Md Code: Property Tax § 9-203), if they choose to do so.
	Montgomery County - Residential Energy Conservation Property Tax Credit	Montgomery County offers property tax credits on residential, owner-occupied structures for the installation of energy conservation devices.
	Montgomery County - High Performance Building Property Tax Credit	The state of Maryland permits local governments (Md Code: Property Tax § 9-242) to offer property tax credits for high performance buildings, if they choose to do so.
	Prince George's County - Solar and Geothermal Residential Property Tax Credit	In 2008, Prince George's County enacted legislation offering a property tax credit on residential structures equipped with solar and geothermal systems.
	Small Town Energy Program (STEP)	The Small Town Energy Program (STEP) offers guidance and rebates to residents for home energy efficiency measures.

CONCLUSION

When comparing Maryland's energy policies to the recommendations set forth by the NAACP, one can see that Maryland has the potential to become a national leader in just energy policies that catalyze clean energy development, and which have distinct health, environmental, and economic benefits.

In 2010, fossil fuel based energy accounted for 83% of the total energy (electricity and fuels) consumed in Maryland. For electricity specifically, Maryland's renewables accounted for 4.94% of electricity generation in September 2013 and 42.3% of Maryland's generation came from coal. Maryland has five power plants that received a failing environmental justice grade in the 2012 Coal Blooded Report. Coal based electricity production, from cradle to grave, has been proven to be unhealthy to humans and the environment.

Fortunately, Maryland has a mandatory state renewable portfolio standard of 20% by 2022 and has a technology minimum of 2% for solar power development. Under Maryland's RPS, however, allowable sources include options that have a history of proven harms, including biomass. Maryland should focus on solar, wind, and geothermal sources as the best possible options for clean energy development and also exhibit higher ambition to increase the proportion of renewables to 40% of its energy mix, on par with their vast potential. With this increase, given the significant PV capacity in Maryland, the minimum proportion of solar power development will be doubled, at least.

Maryland's current energy efficiency resource standard mandates a 15% per capita reduction of electricity use from its 2007 base level by 2015. To raise its rank from 9th of 50 states (plus the District of Columbia) in the American Council for an Energy-Efficient Economy's 2013 Scorecard[18], Maryland must raise its EERS to at least a 2% annual reduction for each previous year's retail electricity sales. Finally, Maryland's net metering standards are largely in step with recommended levels. Maryland's electric customers with systems up to 2,000 kW can sell electricity back to the grid, up to 200% of their electricity use level. Ideally, however, the state of Maryland should raise or eliminate its net metering cap of 1,500 MW or about 8% of the state's peak demand capacity to spur further renewables development at the customer level, which will help the state supply cleaner energy to its resident at affordable prices.

Fortunately, Maryland does have an array of state, local, and utility specific incentives. In order to cement its standing as a leader in just energy policies, however, Maryland will ideally bring these three focal energy policies up to or beyond the standards recommended by the NAACP.

Maryland must establish a local hire provision and improve its minority business enterprise model. Local hire provisions improve community resilience by maximizing the impact of local development on the state's local communities through employment opportunities and the reinvestment of tax dollars in community economies. Maryland must also improve its MBE model and expand it to encompass state energy projects to leverage the impact that minority owned businesses and women owned businesses can have on the state's clean energy development. The state of Maryland currently only certifies MBEs for DOT projects. Improving the MBE model by setting aside funds, strengthening training programs, and establishing a notification system that goes beyond a DBE directory can provide a framework for expanding the reach of DBEs into other sectors, like the state's energy industry.

Maryland has tremendous potential to meet the NAACP's recommended standards while increasing job opportunities and energy affordability for its residents. More aggressively tapping into its vast renewable energy sources like wind, solar, and geothermal will help Maryland become a more resilient state. Additionally, Maryland should expand on its current hiring and procurement policies to ensure that there is a focus on strengthening local economies so that local residents benefit from the energy sector's expansion.

The NAACP is committed to using this analysis of energy efficiency and renewable energy potential and policies, in tandem with economic development and equity models, as tools for the continued transformation of the energy sector. We will be hosting a series of meetings and events aimed at mobilizing our units, collaborating with our partners, and working with stakeholders in implementing these recommendations, as outlined in the soon-to-be-released Just Energy Policies Action Toolkit.

ENDNOTES

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