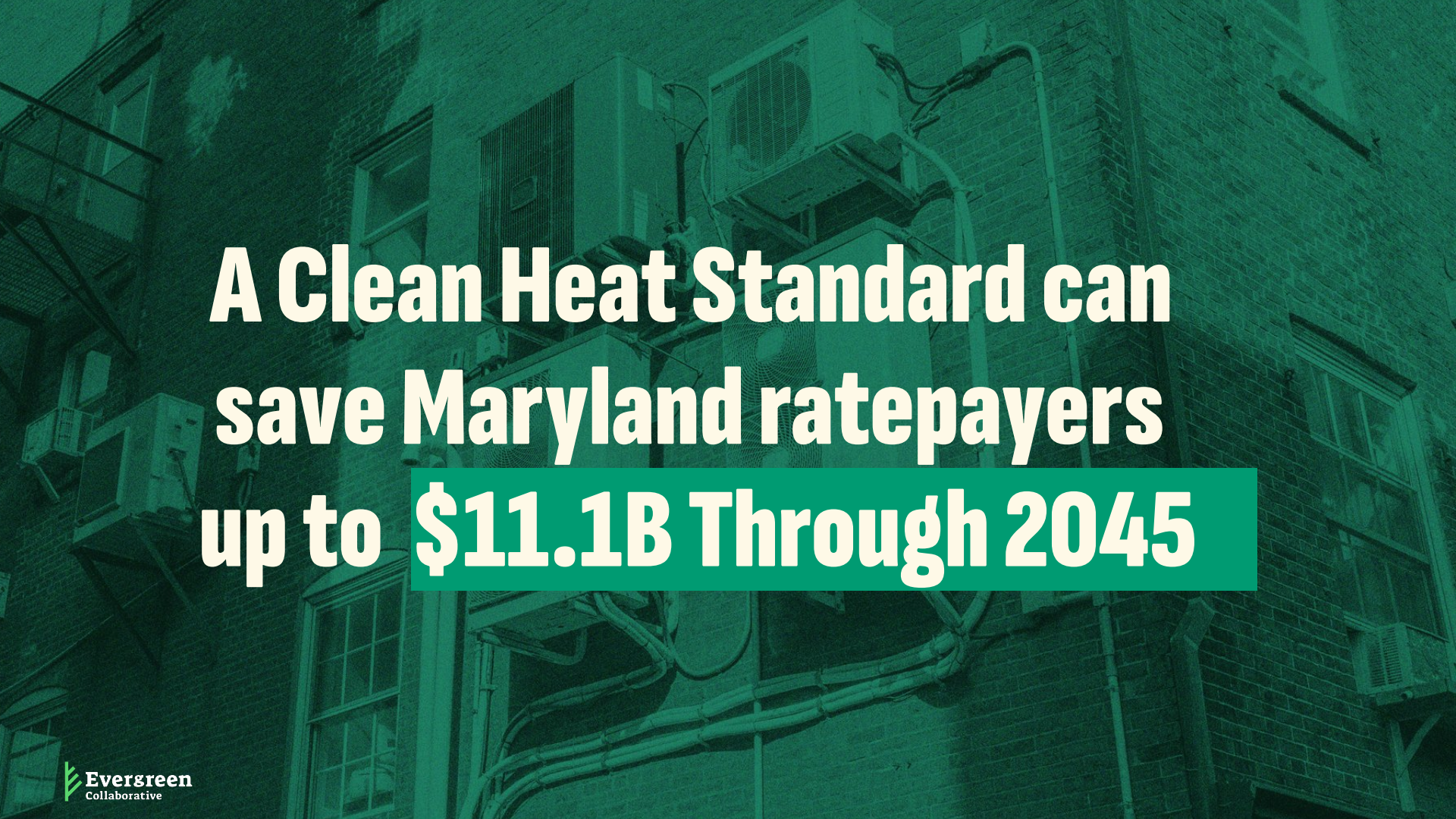
Clean Heat Standard for Maryland

A Solution for Affordability, Health, and Climate



Evergreen Collaborative


A Clean Heat Standard can save Maryland ratepayers up to $11.1B Through 2045
Evergreen Collaborative



Three Crises One Solution.

51%

ENERGY AFFORDABILITY
Electricity price have risen **51%** since 2020. Residential methane gas prices have **risen 23% since 2020.**

1.3B

PUBLIC HEALTH
Health impacts from burning fossil fuels in buildings cost Marylanders **$1.3 billion per year**.

16%

CLIMATE
Buildings sector is responsible for **16%** of Maryland's climate pollution.

Clean Heat attacks all these crises at once.

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MARYLAND'S CLEAN HEAT POLICIES

The Clean Heat Standard is a core Affordability + Climate Policy

The Clean Heat Standard

01 Requires gradual phase-in of "clean heat" to reduce emissions in the heating sector

02 Similar to Maryland's Renewable Portfolio Standard (RPS)

03 Fuel providers retire increasing levels of "clean heat credits"

04 Credits generated for each ton of GHG reduced in the building sector

Complements and supports existing and planned policies

+ Zero-Emission Heating Equipment Standards
+ Building Energy Codes
+ EmPOWER Maryland
+ Gas system planning

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MARYLAND'S CLEAN HEAT STANDARD IMPACT

Savings

$15.3B
Invested in Clean Heat Upgrades

$13.4B
in Savings Through Energy Efficiency and Fuel Switching

$13B
in Savings Through Reduced Gas System Spending Yields

$11.1B
Net Energy Bill Savings

+

$9.2B
Saved From Reduced Health Impacts from On-Site Pollution

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MARYLAND'S CLEAN HEAT STANDARD IMPACT

$15.3B

in incentives

$10.1B in residential upgrades

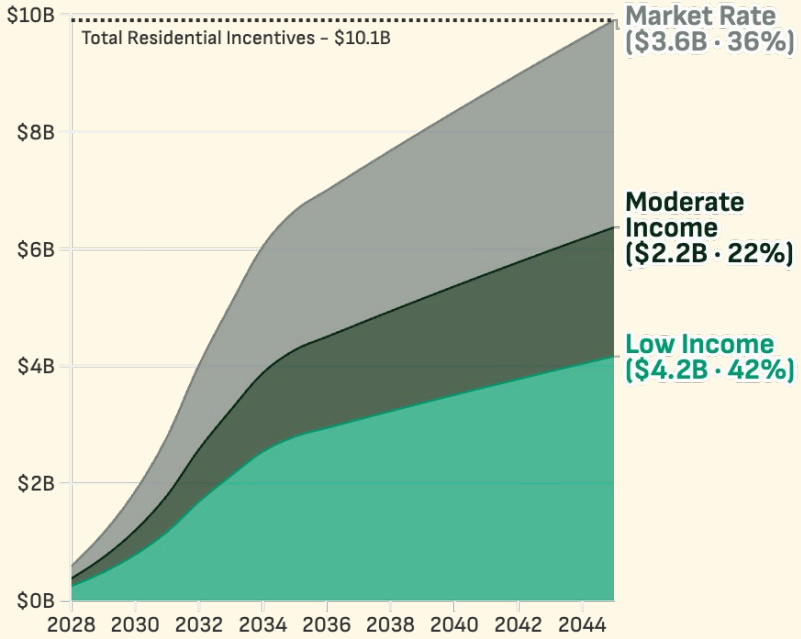
$4.24B in low income households

$2.24B in moderate income households

$3.60B in market rate household

$5.2B in commercial upgrades

Cumulative clean heat incentives for residential dwellings by income



Source: Current Energy, Evergreen Collaborative

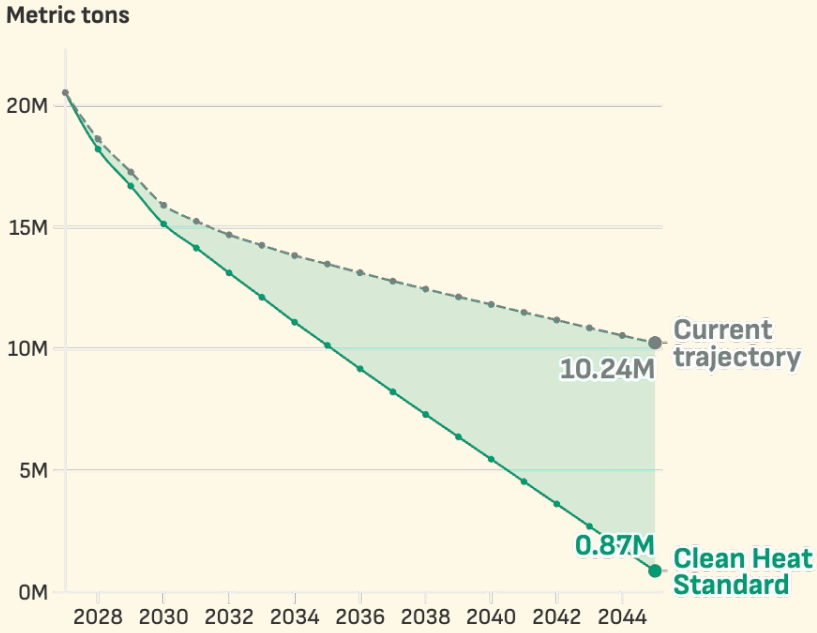
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MARYLAND'S CLEAN HEAT STANDARD IMPACT

Reduce Building Sector Climate Emissions by 90%

+ 64% less energy wasted on inefficient fossil fuel and electric resistance heaters
+ 92% reduction in fossil fuel consumption
+ 2.4 million new home heat pumps
+ 2.6 million new heat pump water heaters

Total cumulative climate pollution from building heating and hot water systems



Source: Current Energy, Evergreen Collaborative

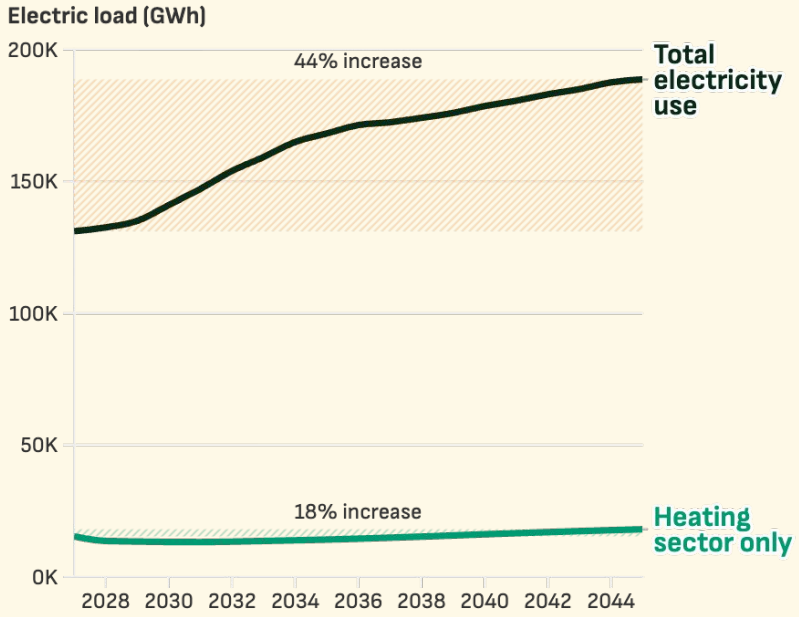
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MARYLAND'S CLEAN HEAT STANDARD IMPACT

Manageable Electric System Load Growth

+ **Maryland grid already has 2GW of winter capacity**, enough for 1.7 million heat pumps, according to RMI.
+ Grid remains **summer peaking through 2045**
+ **Electricity usage increases only 2.7TWh/year** for building heat through 2045, only 5% of system-wide projected load growth

Data centers drive much of the anticipated growth in electric load between 2027 and 2045



Source: Current Energy, PJM Interconnection, Evergreen Collaborative

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MARYLAND'S CLEAN HEAT STANDARD POLICY IMPLICATIONS

Planning and Coordination Maximize Savings

Rapid market transformation increases savings from the Clean Heat Standard and for building decarbonization.

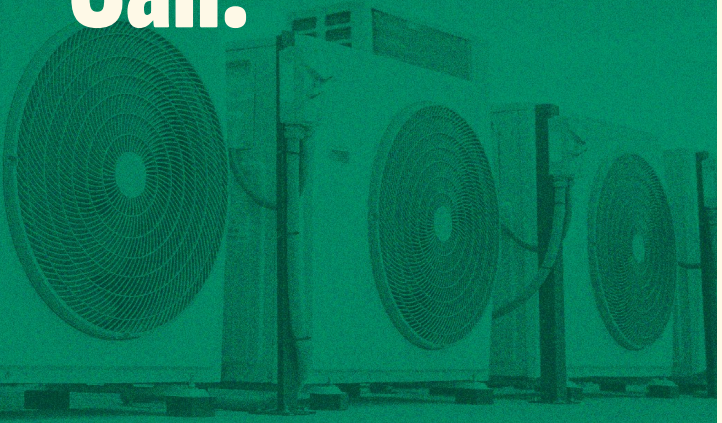
Long-term gas system planning is essential to maximize savings.

Clean heat credits can be used to lower EmPOWER costs which will reduce electricity rates.

Stronger building energy codes save money on each new home by lowering bills and reducing the need for future upgrades.

CONCLUSION

A Clean Heat Standard Can:



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$11.1B Save $11.1B on Energy Bills

90% Reduced Climate Pollution from Buildings by 90%

$9.2B Save $9.2B in Health Costs