

FROM	NAME & TITLE	AVA RICHARDSON, ACTING SUSTAINABILITY DIRECTOR	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	OFFICE OF SUSTAINABILITY 8 <sup>TH</sup> FLOOR, 417 EAST FAYETTE STREET		
	SUBJECT	CITY COUNCIL BILL #22-0193 / REAL PROPERTY TAX CREDIT FOR ENERGY CONSERVATION DEVICES		

DATE: May 3, 2022

TO

The Honorable President and  
 Members of the City Council  
 City Hall, Room 400  
 100 North Holliday Street  
**Position: Support with amendments**



Chair Costello and Members of the Committee, please be advised that the Office of Sustainability supports City Council Bill #22-0193 - Real Property Tax Credit for Energy Conservation Devices.

City Council Bill #22-0193 provides homeowners a financial incentive to install solar or geothermal energy devices through tax credits. The bill sets standards for applicants who seek the tax credit and caps the total amount allocated for the program at \$750,000, annually.

The 2019 Sustainability Plan (formally adopted by the Planning Commission on April 22, 2019) encourages households and homeowners to take advantage of opportunities for solar tax credits to increase clean energy generation.

Improving the efficiency is one of the least expensive, most abundant, and most underused ways to save money, reduce energy waste, and stimulate the clean energy economy by creating jobs. The bill provides a much-needed incentive to expand renewable energy usage in residential structures while allowing homeowners, renters and landlords to reap the benefits of transitioning to more sustainable energy sources. However, more mechanisms are needed to address the financial burden placed on many low-income households due to energy expenses. The bill could include energy efficiency approaches such as weatherization and retrofitting for homes as qualifying expenses under the energy conservation tax credits. Diversifying the types of improvements which qualify for the energy conservation tax credit provides an incentive to those who may not be able to install solar or geothermal energy devices on their homes.

The goals of CCB #22-0193 are in alignment with the citywide goal to reach carbon neutrality by 2045 and provide a mechanism to implement specific goals in the Energy and Housing Affordability chapters in the 2019 Sustainability Plan as outlined below.

**Buildings**

- Strategy 1: Expand awareness of and funding models for energy efficiency and renewable energy.

- *Action 1:* Expand outreach to private landlords of low-income and affordable housing units to familiarize them with the benefits of conducting energy and water efficiency upgrades to reduce maintenance costs, and encourage landlords to lower tenants' utility burden.
- *Action 2:* Seek increased financing for energy programs including home efficiency and improvement programs, energy assistance, and weatherization, solar, battery storage, microgrids, and alternative vehicles.
- *Action 3:* Analyze long-term return on investment opportunities for deep energy and water retrofits in the low-income housing market; develop a financial decision tool to help affordable housing providers assess incremental costs, benefits, and greenhouse gas emission savings for implementing energy measures.
- *Action 4:* Increase workforce programs in energy efficiency, renewable energy and health upgrades, emphasizing local hiring. Promote apprenticeships for local workers

### **Energy:**

- Strategy 1: Expand awareness of and funding models for energy efficiency and renewable energy.
  - *Action 1:* Expand outreach to private landlords of low-income and affordable housing units to familiarize them with the benefits of conducting energy and water efficiency upgrades to reduce maintenance costs, and encourage landlords to lower tenants' utility burden.
  - *Action 2:* Seek increased financing for energy programs including home efficiency and improvement programs, energy assistance, and weatherization, solar, battery storage, microgrids, and alternative vehicles; explore ways for low-income residents, community groups and others to become investors and participate in revenues generated by community solar projects
- Strategy 2: Speed the path to decarbonization through increased deployment of renewable energy and electric vehicles.
  - *Action 1:* Increase the supply of clean, renewable electricity and battery storage, including community solar and rooftop solar opportunities for low-income homeowners and renters, and tie to building improvements.
- Strategy 3: Support and deploy innovative technologies and programs to reduce energy use in buildings and transportation.

### **Housing Affordability:**

- Strategy 3: Enable homeowners—especially older adults, people of color, and people with low-incomes—to maintain their homes.
  - *Action 1:* [...] Encourage households to take advantage of opportunities for solar tax credits and community solar to increase clean energy generation.

The Office of Sustainability respectfully requests a favorable report with amendments to include weatherization and retrofitting as energy efficiency upgrades which qualify for the referenced tax credit, on City Council Bill #22-0193. The goals of the bill align with renewable

energy strategies outlined in the 2019 Sustainability Plan and the citywide goal to reach carbon neutrality by 2045, however this amendment can address financial impediments to installing solar or geothermal energy devices which some Baltimore City households may face.

cc: Ms. Natasha Mehu, Mayor's Office  
Ms. Nina Themelis, Mayor's Office  
The Honorable Eric Costello, Council Rep. to Planning Commission  
Mr. Matthew Stegman, City Council President's Office  
Ms. Nikki Thompson, City Council President's Office  
Ms. Elena DiPietro, Law Dept.  
Ms. Natawna Austin, Council Services  
Ms. Alice Kenedy, Housing Department  
Mr. Chris Ryer, Planning Department