

Montgomery County Green Bank - Funding - Fuel energy tax revenue

Bill 44-21

December 7, 2021

Mr. Tom Hucker, County Council President
Montgomery County Council
Joint Committee
Stella Werner Council Office Building
100 Maryland Ave, Rockville, MD 20850

Re: Written Testimony in favor of Bill 44-21, Montgomery County Green Bank - Funding - Fuel Energy tax revenue

To: County Council President Tom Hucker,

Thank you for the opportunity to provide written testimony regarding Bill 44-21, directing 10% of the fuel energy tax to the Montgomery County Green Bank (MCGB). My personal and professional capacities have focused on breaking down structural barriers facing low-income communities and communities of color in addressing concurrent challenges of climate change, including increased likelihood of severe climate impacts and growing inequality. In my professional role, I work alongside partners across the country to advance effective investment strategies for community development projects that integrate racial equity, climate resilience, and health-equity outcomes for underserved communities of color.

The County Fuel Energy tax is regressive - meaning that it burdens our lowest income renters, homeowners, and small businesses, while being less likely to reap the direct benefits. However, the proposed bill would help to address this. Struggling families sometimes spend more than 20% of their incomes on electricity and heat - far more than the national average of 2.7%. On top of this, many low-income and vulnerable households have fewer residential options and rely on housing with deferred maintenance needs -- these households then pay more on energy costs to live in less efficient homes.

The MCGB is an important institution for responding to the intersecting challenges of climate, health, and inequity in the County. An established County source of funding for MCGB through the fuel-energy tax revenue is a step towards reducing the regressive nature of the energy tax by making it easier for people in our community to access the benefits of climate smart solutions like energy and water efficiency, solar, and resilience measures. The MCGB's mission is focused on climate-smart solutions that are inclusive and equitable, ensuring that everyone in our county can participate in a clean energy economy. Unlike traditional and big banks, MCGB has positioned itself as a trusted partner for residents and businesses in the community and has a track record for engaging with a diverse set of stakeholders, from other financial partners, contractors, community-based organizations, and leaders --including, as a

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partner along with NRDC and the Maryland Energy Advocates in supporting energy efficiency for low-income renters.

A secure revenue source for the Green bank will also support the ability to provide the necessary influence to achieve the County's ambitious climate goals, including implementing the Building Energy Performance Standards. It will allow the bank to keep the cost of climate solutions affordable and reduce barriers to climate and financial resources and technical assistance for our community, ensuring that no one will be left behind in the transition to a greener economy.

Like other sectors, energy efficiency, renewable energy, and resilience solutions are in the midst of disruptions from COVID-19, amplifying and impacting the health and well-being of small and minority households and businesses. Many businesses and homeowners are just beginning to resume making energy efficiency improvements and investments, making an intentional effort to spur avenues for advancing these efforts locally, timely and necessary. As a resident of Montgomery County as well as a member of the Board of Directors for the MCGB, I believe we have an opportunity now for our community to people first while building a local, healthy, and green economy. We must grow the ability to create good paying green jobs and ensure that our homes and buildings are efficient, safe, and affordable. In implementing Bill 44-21, it is crucial that we approach the work beyond cost and GHG savings measures, but instead also with core equity principles that realize energy justice is critical.

These priorities for the funds include:

- Reducing energy burdens for low-income households and businesses of color
- Addressing past environmental justice harms of the fossil energy industry by reducing reliance on fossil fuels and repairing past injustices
- Ensuring active engagement with Black, Brown, and Indigenous communities in the clean energy economy, technology, and innovation

This engagement on these priorities can take several forms – whether a community space on the Board, or a formal engagement with resident boards who have been active with the County, such as those engaged in the County Action Plans. Furthermore, this also includes developing inclusive key performance indicators (KPIs) and designing revenue uses around these measures to better represent the value of this equity-focused work in our community.

Again, I appreciate the opportunity to testify today. For more information, please reach out to me at marissa.ramirez@gmail.com.

Sincerely,

Marissa Ramirez
Board of Directors, MCGB
Resident, Montgomery County