



REIA #26-2 Energy Conservation: MCG (No. P507834)

Requesting Agency/Department(s)	Dollar Amount
Department of General Services	\$1,163,055
Funding Source	County Match Amount
Utility Incentives	N/A

Finding

The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #26-2 Energy Conservation: MCG (No. P507834) is inconclusive. The supplemental appropriation could advance racial equity and social justice in Montgomery County by reducing greenhouse gas emissions, which contribute to climate change. Climate change disproportionately harms Black, Indigenous, and People of Color (BIPOC) communities and low-income communities. However, there was insufficient information about the site selection process or the specific project design to determine whether the supplemental appropriations would, in fact, advance racial equity and social justice in the County.

Background

Purpose

The purpose of SA #26-2 is to allocate \$1,163,055 in utility incentive funds to the Capital Improvements Program (CIP) Energy Conservation: MCG (No. P507834) project. These funds will be used in energy savings, renewable energy installations, greenhouse gas reduction, and waste diversion projects in county facilities¹.

Additional Background Information (Optional)

The Energy Conservation: MCG CIP project FY26 funding schedule includes \$450,000 in G.O. bonds along with the \$1,163,055 in Utility Incentive funds. According to the Department of General Services, Office of Energy and Sustainability, FY24 Green Government Annual Report,

Racial Equity Impact Assessment (REIA)
Supplemental Appropriation (SA) #26-2 Energy Conservation: MCG (No. P507834)
Page 2

“The project supports efforts yielding financial returns to the County or substantial progress towards established environmental goals through implementation of 'Energy Efficiency Projects' and 'Advanced Energy Projects.'”² More specifically, activities involved with this CIP project help “to fulfill mandates of the County's Building Energy Design Standards (8-14a), Council Bill 2-14 Energy Performance Benchmarking, Council Bill 5-14 Social Cost of Carbon, Council Bill 6-14 Office of Sustainability, and Council Bill 8-14 Renewable Energy Technology, Council Bill 16-21 Building Energy Performance Standards, and Council Bill 13-22 Comprehensive Building Decarbonization”³. The project schedule is based on energy savings potential, reduced maintenance costs, overall cost savings, improved facility resilience, and quantifiable environmental benefits”⁴. Specific projects or project sites were not identified in the material that accompanied this particular supplemental appropriation request.

Relevant REIAs and Other Assessments

ORESJ has conducted REIAs since 2021. The following REIA(s) below are relevant to supplemental appropriation #26-2 Energy Conservation: MCG (No. P507834).

- [Racial Equity Impact Assessment \(REIA\) – Supplemental Appropriation #25-2 Energy Conservation: MCG \(\\$861,844\) & Supplemental Appropriation #25-31 Exelon-Pepco Merger Fund \(\\$504,662\)](#)
- [Racial Equity Impact Assessment \(REIA\) Supplemental Appropriation \(SA\) #25-14 FY25 Operating Budget-Energy Efficiency and Conservation Block Grant \(\\$764,010\)](#)
- [Racial Equity Impact Assessment \(REIA\) – Supplemental Appropriation #24-11 Energy Conservation: MCG \(\\$861,844\) & Supplemental Appropriation #24-12 Exelon-Pepco Merger Fund \(\\$504,662\)](#)
- [Racial Equity Impact Assessment \(REIA\) for Supplemental Appropriation \(SA\) #23-6 Energy Conservation \(No. 0507834\) and #23-7 Exelon-Pepco Merger Fund \(No.0362105\)](#)

Analysis

ORESJ Research & Analysis

Information about specific projects that will be funded with this appropriation was not available at the time of this analysis. It is therefore difficult to analyze and determine whether any specific racial disparities or inequities will be impacted by the appropriation. As previous REIAs related to this CIP project have noted, the County's Climate Action Plan⁵—aimed at reducing greenhouse

Racial Equity Impact Assessment (REIA)
Supplemental Appropriation (SA) #26-2 Energy Conservation: MCG (No. P507834)
Page 3

gas emissions in the County—highlights in a chapter⁶ called “Racial Equity and Social Justice” the many interlocking inequities in housing, transportation, and health that disproportionately impact Black Indigenous and People of Color and exacerbate the harms of climate change. The chapter concludes with a section on the impacts of environmental racism and racial equity and social justice guiding principles that should be considered across all areas of the CAP. Incorporating these guiding principles into site/project selection criteria (if they aren’t already), would enable the Energy Conservation: MCG CIP project to not only create energy savings but also address disproportionate impacts of greenhouse gas emissions on BIPOC and low-income communities in the County.

Caveats

This REIA has been conducted with the best available information at the time of writing, including department responses to the Racial Equity and Social Justice template and research conducted by ORESJ Policy Team Analysts. While the assessment examines the specific racial equity and social justice impacts of the funding request, it cannot fully address all systemic inequities affecting the communities in question, nor do we seek to examine impacts outside the scope of the funding request. We recommend using this assessment as a starting point for discussions about the impact of the program on advancing racial equity and social justice in Montgomery County.

References

¹ Memo from County Executive Marc Elrich to County Council President Kate Stewart. Subject: Supplemental Appropriation #26-02 to the FY26 Capital Budget Montgomery County Government Department of General Services Energy Conservation: MCG (No. P507834), \$1,163,055. Dated: September 29, 2025.

² Department of General Services, Office of Energy and Sustainability. FY24 Green Government Annual Report. Available at: <https://www.montgomerycountymd.gov/DGS-OES/Resources/Files/2024GreenGovernmentReport.pdf>

³ “Justification”. Montgomery County, MD Capital Budget. Energy Conservation: MCG. Available at: <https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Project.aspx?ID=P507834&CID=1&SCID=1>

⁴ “Estimated Schedule. Montgomery County, MD Capital Budget. Energy Conservation: MCG. Available at: <https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Project.aspx?ID=P507834&CID=1&SCID=1>

⁵ Montgomery County Climate Action Plan: Building a Healthy, Equitable, Resilient Community. June 2021. Available at: <https://www.montgomerycountymd.gov/green/Resources/Files/climate/climate-action-plan.pdf>

⁶ Montgomery County Climate Action Plan, Page 19-44. Available at: <https://www.montgomerycountymd.gov/climate/Resources/Files/climate/climate-action-plan.pdf>.