



National
Consumer Law
Center

NATIONAL HEADQUARTERS
7 Winthrop Square, Boston, MA 02110
(617) 542-8010

WASHINGTON OFFICE
Spanogle Institute for Consumer Advocacy
1001 Connecticut Avenue, NW, Suite 510
Washington, DC 20036
(202) 452-6252

NCLC.ORG

Maryland Senate Finance Committee
Hearing on **SB 740 – Public Utilities – Low-Income and Middle-Income Housing – Energy
Performance Targets**
Written Testimony of Olivia Wein, National Consumer Law Center
March 10, 2020

Position -- SUPPORT

To the Members of the Senate Finance Committee:

Thank you for holding this hearing on Senate Bill 740 – Public Utilities – Low-Income and Middle-Income Housing – Energy Performance Targets. My name is Olivia Wein, and I am a longtime resident of Montgomery County and an attorney at the National Consumer Law Center, where I focus on energy and utility matters that affect consumers. The National Consumer Law Center or NCLC is a nonprofit organization that, since 1969, has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people. We submit this testimony on behalf of our low-income clients.

NCLC is a member of the Maryland Energy Efficiency Advocates and has been actively involved in increasing investment in energy efficiency for low-income consumers, particularly low-income residents of affordable multifamily housing. **SB 740 would establish a 1% low-income energy savings goal for energy efficiency programs and services provided by the Department of Housing and Community Development (DHCD).** The 1% energy savings

goal will help lower the energy bills for low-income Marylanders in all parts of the state -- from rural to urban, living in all types of housing -- from single family homes to multi-family rental units. At the current pace of investment in low-income energy efficiency, it will take 130 years to provide long-term, money-saving efficiency upgrades to all the limited-income households in Maryland. This is too long to wait while vulnerable low-income households face unsafe heat waves and cold snaps in poorly insulated homes.

Low-income Marylanders pay an average of 13% of their income on energy costs, compared to non-low-income households.¹ This translates to an average annual low-income energy bill of \$2,658, but an average annual income of only \$20,038. Extremely poor households (0 to 75% of the federal poverty level) face an average annual energy bill that requires 43% of their annual income (e.g., average annual energy bill of \$2,541, but an average annual income of \$6,120).² SB 740 would achieve greater equity in energy efficiency investment, particularly for low-income minority households who face paying a greater portion of household income on energy bills.³ Low-income households face the dire choice of sacrificing other necessities such as food or medicine to pay their energy bills.

At the present time, Maryland lacks an energy efficiency goal for low-income households and SB 740 would solve this problem by establishing an energy savings goal for the low-income energy efficiency programs run by DHCD equal to 1% of annual low-income electricity demand and .5% of annual low-income natural gas demand. This translates into increased investment in

¹ Applied Public Policy Research Institute for Study and Evaluation (APPRISE), *Maryland Low-Income Market Characterization Report* (Oct 2018) at p.59. Available at <http://mlrt.opc.maryland.gov/pdf/APPRISE%20Maryland%20Low-Income%20Market%20Characterization%20Report%20-%20September%202018.pdf>.

² *Id.*

³ *Id.* at 26 (White households comprise 45% of the low-income households in Maryland, followed by Black households (39%), Hispanic households (9%), 5% of Asian households (5%) and other (2%)).

home energy performance audits in low-income housing, insulation, EnergyStar appliances, efficient lighting and other cost-effective measures.

In conclusion, NCLC supports SB 740 to establish a 1% low-income energy savings goal for energy efficiency programs and services. If you have questions regarding this testimony, please contact Olivia Wein, Staff Attorney, National Consumer Law Center, at owein@nclc.org or 202-452-6252, x103.

Sincerely,

Olivia Wein, Staff Attorney
National Consumer Law Center, on behalf of our low-income clients