



Testimony on HB169: Energy Performance Targets and Low-Income Housing
Economic Matters Committee
Thursday, March 2, 2023
FAVORABLE

Maryland PIRG is a state based, small donor funded public interest advocacy organization with grassroots members across the state. We work to find common ground around common sense solutions that will help ensure a healthier, safer, more secure future

We thank all of you who were legislators in 2022 for voting in favor of the previous version of this bill, which passed the Maryland State Senate with unanimous support. Maryland PIRG was disappointed that Gov. Hogan vetoed that bill. We hope you will move quickly to pass it.

Increasing energy efficiency is a win-win for the state and consumers. It helps lower energy bills and reduces harmful pollution and greenhouse gases from energy generation.

This bill is critically needed, as is documented in a [recent report from Maryland PIRG Foundation](#):

- **To date, the EmPOWER program has allocated disproportionately few resources to limited income ratepayers.** While limited income homes represent at least 26.5% of Maryland households, only 17.5% of residential spending is allocated for them, meaning that low- and moderate-income ratepayers receive disproportionately few efficiency services.¹ Limited income households may receive some benefits from utility-run efficiency programs, narrowing the discrepancy between limited income and other residents, but Maryland’s least-resourced residents still receive too few benefits.
- In 2021, the limited income program achieved only 9% of its non-binding energy savings target for limited income multifamily residences and only 70% of its goal for limited income

¹ Here, “limited-income” includes households with incomes up to 250% of the federal poverty level: David S. Lapp et al., Office of People’s Counsel, Filing submitted to PSC, *Re: Case No. 9648 – OPC additional comments to EmPOWER Future Programming Work Group on cost recovery and limited-income goals – REVISED*, 29 March 2022, pp. 2 and 4.

single-family buildings.²

- The Office of People's Counsel calculates that the DHCD-run limited income EmPOWER programs account for just 3% of the total planned lifetime electricity savings from residential EmPOWER programs statewide, despite limited income households using approximately 11% of the state's electricity.³
- Between the inception of EmPOWER and 2021, the limited-income EmPOWER programs served just 47,476 households, though recent estimates count nearly 590,000 limited income households in Maryland.⁴ At its current rate of implementation, EmPOWER would take between 130-148 years to serve all the limited income households in Maryland.⁵

How the bill does address these issues:

This bill sets up a 1% goal for the limited income EmPOWER Maryland programs managed by DHCD. Setting a required level of energy savings for the limited income programs will ensure the limited income programs help more households in need and deliver greater benefits. The bill will also help maximize federal funds coming to Maryland for this purpose and increase EmPOWER funding for the Maryland Department of Housing & Community Development's Multifamily Energy Efficiency & Housing Affordability program (MEEHA) and the Low-Income Energy Efficiency Program (LIEEP) to help achieve the goals.

The bill also requires DHCD to make a plan to retrofit all limited income households with energy efficiency improvements by 2030, which will accelerate the rate at which limited income households receive help, and will require DHCD and the PSC to work together.

We respectfully request a favorable report.

² The Public Service Commission of Maryland, [The EmPOWER Maryland Energy Efficiency Act Report of 2022](#), May 2022, p. 13, archived.

³ From the 2021-2023 EmPOWER plans. 3% of electricity savings on p. 2 and total limited income retail sales of electricity on p. 5: David S. Lapp et al. Office of People's Counsel, Filing submitted to PSC, *Re: Case No. 9648 – OPC additional comments to EmPOWER Future Programming Work Group on cost recovery and limited-income goals – REVISED*, 29 March 2022; Maryland total retail sales of electricity: U.S. Energy Information Administration, [Electricity Data Browser](#), accessed 4 November 2022.

⁴ The Public Service Commission of Maryland, [The EmPOWER Maryland Energy Efficiency Act Report of 2022](#), May 2022, p. 2, archived. Applied Public Policy Research Institute for Study and Evaluation, [Maryland Energy Affordability Study: Final Report](#), 15 December 2022, p. 5, accessed 11 January 2023.

⁵ 130 years: Susan Stevens Miller, Earthjustice, "[Earthjustice support of HB 108: Public Utilities – Energy Efficiency and Conservation Programs – Energy Performance Targets and Low-Income Housing](#)," 8 February 2022, p. 2, archived at; 148 years: it took 13 years to serve 47,476 households, and there are 587,768 limited income households in the state, leaving 540,292 households left to serve at the rate of 3,652 households per year.

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