



Committee: Education, Energy, and Environment Committee
Testimony on: SB144 - Public Utilities – Energy Efficiency & Conservation Programs – Energy Performance Targets & Low-Income Housing
Organization: MLC Climate Justice Wing
Person Submitting: Laurie McGilvray, Co-Chair
Position: Favorable
Hearing Date: January 31, 2023

Dear Chair and Committee Members,

Thank you for allowing our testimony today in support of SB144. The Maryland Legislative Coalitions Climate Justice Wing is a statewide coalition of over 50 grassroots and environmental advocacy organizations focused on climate justice.

Energy efficiency is a proven, cost-effective way to both lower the cost of energy and reduce carbon emissions. Since 2008, when the EmPOWER program was first enacted with a goal of reducing electricity usage by 15 percent by 2015, Maryland has benefited from a performance-target-driven energy efficiency portfolio. However, low-income households have been left behind in this transition to greater energy efficiency. They tend to live in older homes that need health and safety remediation, such as lead and mold removal, before their homes can be weatherized. As a result, low-income households in Maryland dedicate 13% of their annual incomes to energy costs and pay 550% more as a percent of income than other Maryland households, because energy is a regressive cost. A majority of these households are Black, Hispanic, or Asian (55%). Because of these and other barriers, it is more difficult for low-income households to benefit from the EmPOWER program, as compared to high-income households.

The legislature now has an opportunity to fix this, by codifying a complementary performance-driven goal for low-income households. This new, common sense goal to ramp up to a 1% energy savings will allow Maryland to provide the 450,000 eligible low-income residents energy efficiency retrofits at least 100 years sooner than the 130 years projected under the current program. Lessons learned from the rest of the portfolio, and from energy efficiency resource standards such as EmPOWER generally, show that they benefit from specific performance targets. Electric utilities under Maryland's portfolio are performance-driven, thanks to the initial 15% by 2015 target and the current 2% target. There are no performance goals for low-income households under programs administered by the Department of Housing and Community Development. Now is the time to rectify that.

Energy efficiency has already saved Maryland consumers billions of dollars, reduced air pollution, and created new economic activity including good jobs. A performance goal for low-income programs is overdue.

For these reasons, we urge you to vote favorably for SB144.