

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 744
Economic Matters

(Delegate Stein, *et al.*)

Electric and Gas Companies - Energy Audits

This bill requires each electric and gas company operating in Maryland, at the request of a residential customer, to provide a home energy audit to estimate energy use of structures and equipment, identify ways to lower consumption, and estimate the savings that could be realized from each replacement or alteration of equipment or practice. The fee that an electric company or gas company charges cannot exceed the cost to perform the energy audit. All or part of the cost of an audit may be recovered in a tariff filed by the company. A company is not required to perform more than one full energy audit of a property each year, but may be required to perform a supplementary audit to measure the impact of efficiency measures implemented.

Fiscal Summary

State Effect: None. The Public Service Commission could handle the proposed requirements with existing resources.

Local Effect: None.

Small Business Effect: Potential meaningful impact.

Analysis

Current Law: Subject to the review and approval by the Public Service Commission (PSC), each gas company and electric company must develop and implement programs and services to encourage and promote the efficient use and conservation of energy. The

commission may allow costs of approved efficiency programs to be recovered through the rate-making process.

Background: A professional home energy audit includes a detailed examination of the structure and a review of past electricity usage. Most professional audits include a blower door test, which measures the effective leaks in the building envelope, and infrared cameras that can help reveal hard-to-detect areas of air infiltration and missing insulation. A comprehensive home energy audit typically costs between \$300 and \$500 depending on services provided.

MEA and PSC indicate that currently no energy companies are performing comprehensive home energy audits. MEA is involved with a range of activities relating to energy efficiency. For example, MEA's Energy Star® Marketing Campaign educates consumers about the benefits of purchasing Energy Star® appliances and homes. MEA also administers a training program to educate heating and cooling contractors on installation techniques to improve efficiency.

The District of Columbia Department of the Environment, in partnership with the Honeywell Corporation, is offering free home energy audits to District residents who own single-family homes. A certified energy auditor will provide cost-effective recommendations to reduce energy loss, and a list of financial institutions can be provided to help with energy efficiency improvement loans.

Small Business Effect: Depending on the level of demand for home energy audits, an energy company would likely utilize independent contractors. This requirement may create additional demand for professional home energy analysts.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Energy Administration, Public Service Commission, District of Columbia Department of the Environment, Department of Legislative Services

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