

HOUSE BILL 169

C5, M5
HB 108/22 – ECM

3lr0438
CF SB 144

By: **Delegate Charkoudian**

Introduced and read first time: January 16, 2023

Assigned to: Economic Matters

A BILL ENTITLED

AN ACT concerning

Public Utilities – Energy Efficiency and Conservation Programs – Energy Performance Targets and Low–Income Housing

FOR the purpose of requiring the Public Service Commission to include certain information on low–income energy efficiency and conservation programs in a certain annual report to the General Assembly; requiring the Department of Housing and Community Development to procure or provide for electricity customers energy efficiency and conservation programs and services designed to achieve certain target annual incremental gross energy savings in certain years; requiring certain contractors used for the programs under this Act to meet certain job requirements; requiring the Department to update the weather–normalized gross retail sales against which savings are measured for certain plans; requiring the target annual incremental gross energy savings to be achieved based on an average of certain Department plans; requiring the Department, on or before certain dates and with a certain frequency, to submit a plan to the Commission for achieving the electricity savings and demand reduction target; requiring the Department to develop a plan to coordinate and leverage funding sources to support certain energy efficiency and other home upgrades and a plan to provide energy efficiency retrofits to all low–income households by a certain date; establishing the Green and Healthy Task Force to analyze and advance the coordination of resources to address the housing needs of low–income communities; and generally relating to energy performance targets and low–income housing.

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 7–211(k)
Annotated Code of Maryland
(2020 Replacement Volume and 2022 Supplement)

BY adding to
Article – Public Utilities

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Section 7–211.1 and 7–211.2
 Annotated Code of Maryland
 (2020 Replacement Volume and 2022 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 That the Laws of Maryland read as follows:

Article – Public Utilities

7–211.

(k) On or before May 1 of each year, the Commission, in consultation with the Maryland Energy Administration, shall report, subject to § 2–1257 of the State Government Article, to the General Assembly on:

(1) the status of programs and services to encourage and promote the efficient use and conservation of energy, including an evaluation of the impact of the programs and services that are directed to low-income communities, low- to moderate-income communities to the extent possible, and other particular classes of ratepayers;

(2) a recommendation for the appropriate funding level to adequately fund these programs and services; [and]

(3) FOR THE LOW-INCOME PROGRAMS UNDER § 7–211.1 OF THIS SUBTITLE, INFORMATION THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PROVIDES TO THE COMMISSION UNDER § 7–211.1(H) OF THIS SUBTITLE; AND

[(3)] (4) in accordance with subsection (c) of this section, the per capita electricity consumption and the peak demand for the previous calendar year.

7–211.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DEPARTMENT” MEANS THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.

(3) “LOW-INCOME PROGRAM” MEANS A PROGRAM THAT DELIVERS ENERGY EFFICIENCY AND CONSERVATION MEASURES TO REDUCE UTILITY EXPENSES FOR BUILDING OWNERS, MANAGERS, AND TENANTS OF HOUSING WITH RESIDENTS WHO QUALIFY FOR THE DEPARTMENT’S LOW-INCOME ASSISTANCE PROGRAMS, INCLUDING:

(I) THE EMPOWER MARYLAND PROGRAM;

(II) THE MULTIFAMILY ENERGY EFFICIENCY AND HOUSING AFFORDABILITY PROGRAM; AND

(III) THE WEATHERIZATION ASSISTANCE PROGRAM.

(4) “LOW-INCOME RESIDENTIAL” MEANS A COMMUNITY, BUILDING, OR HOUSEHOLD WITH RESIDENTS WHO QUALIFY FOR THE DEPARTMENT’S LOW-INCOME PROGRAMS.

(5) “TASK FORCE” MEANS THE GREEN AND HEALTHY TASK FORCE ESTABLISHED UNDER § 7-211.2 OF THIS SUBTITLE.

(B) (1) FOR THE 2024-2026 PROGRAM CYCLE, THE DEPARTMENT SHALL PROCURE OR PROVIDE FOR ELECTRICITY CUSTOMERS ENERGY EFFICIENCY AND CONSERVATION PROGRAMS AND SERVICES.

(2) (I) SUBJECT TO PARAGRAPH (3)(III) OF THIS SUBSECTION, THE PROGRAMS AND SERVICES REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE DESIGNED TO ACHIEVE TARGET ANNUAL INCREMENTAL GROSS ENERGY SAVINGS OF:

1. 0.53% IN 2024;
2. 0.72% IN 2025; AND
3. 1% IN 2026.

(II) THE DEPARTMENT MAY USE THE SAVINGS ACHIEVED THROUGH ALL FUNDING SOURCES TOWARD CALCULATING THE TARGET ANNUAL INCREMENTAL GROSS ENERGY SAVINGS, IF THE FUNDING SOURCES MEET THE STANDARDS OF PROGRAMS FUNDED THROUGH:

1. THE EMPOWER SURCHARGE; OR
2. THE U.S. DEPARTMENT OF ENERGY.

(3) (I) THE ENERGY SAVINGS DESCRIBED IN PARAGRAPH (2) OF THIS SUBSECTION SHALL BE CALCULATED AS A PERCENTAGE OF THE 2016 WEATHER-NORMALIZED GROSS LOW-INCOME RESIDENTIAL RETAIL SALES FOR ALL ELECTRIC COMPANIES.

(II) THE 2016 WEATHER-NORMALIZED GROSS LOW-INCOME

RESIDENTIAL RETAIL SALES FOR ALL ELECTRIC COMPANIES SHALL BE DETERMINED BY MULTIPLYING THE AVERAGE 2016 RESIDENTIAL HOUSEHOLD ELECTRICITY USAGE FOR ALL ELECTRIC COMPANIES BY THE NUMBER OF HOUSEHOLDS:

1. WITH INCOMES BELOW 250% OF THE FEDERAL POVERTY LEVEL AS DETERMINED BY THE FEDERAL CENSUS; OR

2. THAT MEET THE ELIGIBILITY CRITERIA APPROVED BY THE COMMISSION FOR LOW-INCOME PROGRAMS.

(III) THE TARGET ANNUAL INCREMENTAL GROSS ENERGY SAVINGS REQUIRED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION APPLIES TO ALL ENERGY TYPES SUBJECT TO THE TARGETED ANNUAL INCREMENTAL GROSS ENERGY SAVINGS REQUIRED UNDER § 7-211(G) OF THIS SUBTITLE.

(4) FOR WEATHERIZATION OF LEASED OR RENTED RESIDENCES, THE DEPARTMENT SHALL ADOPT REGULATIONS TO ENSURE THAT:

(I) THE BENEFITS OF WEATHERIZATION ASSISTANCE, INCLUDING UTILITY BILL REDUCTION AND PRESERVATION OF AFFORDABLE HOUSING STOCK, ACCRUE PRIMARILY TO LOW-INCOME TENANTS OCCUPYING A LEASED OR RENTED RESIDENCE; AND

(II) THE RENT ON THE RESIDENCE IS NOT INCREASED AND THE TENANT IS NOT EVICTED AS A RESULT OF WEATHERIZATION PROVIDED UNDER THIS SECTION.

(5) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE PROGRAMS AND SERVICES PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT USE THERMAL INSULATING MATERIALS FOR BUILDING ELEMENTS, INCLUDING WALLS, FLOORS, CEILINGS, ATTICS, AND ROOF INSULATION, THAT CONTAIN FORMALDEHYDE.

(II) THERMAL INSULATING MATERIALS FOR BUILDING ELEMENTS MAY NOT CONTAIN FORMALDEHYDE IF THE FORMALDEHYDE:

1. WAS INTENTIONALLY ADDED; OR

2. IS PRESENT IN THE PRODUCT AT GREATER THAN 0.1% BY WEIGHT.

(6) (I) THE DEPARTMENT SHALL GIVE PREFERENCE TO CONTRACTORS THAT ARE MINORITY-OWNED, WOMEN-OWNED, OR

VETERAN-OWNED BUSINESSES IN THE STATE FOR PROCUREMENT PROCESSES RELATED TO EMPOWER PROGRAMS.

(II) THE DEPARTMENT'S APPROVED CONTRACTORS USED FOR THE PROGRAMS UNDER THIS SECTION SHALL MEET THE FOLLOWING JOB REQUIREMENTS:

- 1. PAY AT LEAST 150% OF THE STATE MINIMUM WAGE;**
- 2. PROVIDE CAREER ADVANCEMENT TRAINING;**
- 3. AFFORD EMPLOYEES THE RIGHT TO BARGAIN COLLECTIVELY FOR WAGES AND BENEFITS;**
- 4. PROVIDE PAID LEAVE;**
- 5. BE CONSIDERED COVERED EMPLOYMENT FOR PURPOSES OF UNEMPLOYMENT INSURANCE BENEFITS IN ACCORDANCE WITH TITLE 8 OF THE LABOR AND EMPLOYMENT ARTICLE;**
- 6. ENTITLE THE EMPLOYEE TO WORKERS' COMPENSATION BENEFITS IN ACCORDANCE WITH TITLE 9 OF THE LABOR AND EMPLOYMENT ARTICLE;**
- 7. BE COMPLIANT WITH FEDERAL AND STATE WAGE AND HOUR LAWS FOR THE PREVIOUS 3 YEARS;**
- 8. OFFER EMPLOYER-PROVIDED HEALTH INSURANCE BENEFITS WITH MONTHLY PREMIUMS THAT DO NOT EXCEED 8.5% OF THE EMPLOYEE'S NET MONTHLY EARNINGS; AND**
- 9. OFFER RETIREMENT BENEFITS.**

(C) THE WEATHER-NORMALIZED GROSS RETAIL SALES AGAINST WHICH THE SAVINGS ARE MEASURED SHALL:

(1) REFLECT SALES ASSOCIATED WITH THE LOW-INCOME RESIDENTIAL CUSTOMER CLASS SERVED BY PROGRAMS ADMINISTERED BY THE DEPARTMENT; AND

(2) BE UPDATED BY THE DEPARTMENT FOR EACH PLAN SUBMITTED UNDER SUBSECTION (E) OF THIS SECTION.

(D) THE TARGET ANNUAL INCREMENTAL GROSS ENERGY SAVINGS SHALL BE

ACHIEVED BASED ON THE 3-YEAR AVERAGE OF DEPARTMENT PLANS SUBMITTED IN ACCORDANCE WITH SUBSECTION (E) OF THIS SECTION.

(E) (1) ON OR BEFORE SEPTEMBER 1, 2023, THE DEPARTMENT SHALL SUBMIT A PLAN TO THE COMMISSION THAT DETAILS PROPOSALS FOR ACHIEVING THE ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGET UNDER SUBSECTION (B) OF THIS SECTION FOR 2024.

(2) ON OR BEFORE SEPTEMBER 1, 2024, AND EVERY 3 YEARS THEREAFTER, THE DEPARTMENT SHALL SUBMIT A PLAN TO THE COMMISSION THAT DETAILS PROPOSALS FOR ACHIEVING THE ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGET UNDER SUBSECTION (B) OF THIS SECTION FOR THE 3 SUBSEQUENT CALENDAR YEARS.

(3) THE PLAN SHALL INCLUDE:

(I) A DESCRIPTION OF THE PROPOSED ENERGY EFFICIENCY AND CONSERVATION PROGRAMS AND SERVICES;

(II) A DESCRIPTION OF THE STEPS PROPOSED TO ENSURE INSULATION MATERIALS MEET THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION;

(III) ANTICIPATED COSTS;

(IV) PROJECTED ELECTRICITY SAVINGS;

(V) A PROPOSED AVERAGE LIFETIME MEASURE THRESHOLD THAT ENCOURAGES THE DELIVERY OF INSULATION AND WEATHERIZATION MEASURES, DEVELOPED THROUGH A STAKEHOLDER ENGAGEMENT PROCESS; AND

(VI) ANY OTHER INFORMATION THAT THE COMMISSION REQUESTS.

(4) THE DEPARTMENT SHALL PROVIDE THE COMMISSION WITH AN UPDATE EVERY 6 MONTHS ON PLAN IMPLEMENTATION AND PROGRESS TOWARD ACHIEVING THE ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGET UNDER SUBSECTION (B) OF THIS SECTION.

(5) THE COMMISSION SHALL REVIEW A PLAN TO DETERMINE WHETHER THE PLAN IS ADEQUATE FOR ACHIEVING THE TARGET.

(F) THE COMMISSION SHALL WORK WITH THE DEPARTMENT TO ESTABLISH ANY PROCEDURES NECESSARY TO DEVELOP AND IMPLEMENT A PLAN FOR

ACHIEVING THE ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGET UNDER SUBSECTION (B) OF THIS SECTION, INCLUDING SECURING COOPERATION FROM ELECTRIC COMPANIES RELATED TO:

- (1) FUNDING;
- (2) COMMUNICATIONS;
- (3) REFERRALS;
- (4) DATA SHARING; AND

(5) ANY OTHER COOPERATION THAT THE COMMISSION DETERMINES IS NECESSARY TO ACHIEVE THE ELECTRICITY SAVINGS UNDER SUBSECTION (B) OF THIS SECTION.

(G) (1) THE DEPARTMENT SHALL DEVELOP A PLAN TO COORDINATE FUNDING SOURCES AND LEVERAGE THE GREATEST FUNDING POSSIBLE TO SUPPORT:

- (I) HEALTH AND SAFETY UPGRADES;
- (II) WEATHERIZATION;
- (III) ENERGY EFFICIENCY; AND
- (IV) OTHER GENERAL MAINTENANCE FOR LOW-INCOME

HOUSING.

(2) THE PLAN SHALL COORDINATE FUNDING AMONG:

- (I) THE STRATEGIC ENERGY INVESTMENT FUND;
- (II) FEDERAL WEATHERIZATION ASSISTANCE PROGRAMS;
- (III) RATEPAYER CONTRIBUTIONS TO:

1. THE EMPOWER MARYLAND LIMITED INCOME ENERGY EFFICIENCY PROGRAM; AND

2. THE MULTIFAMILY ENERGY EFFICIENCY AND HOUSING AFFORDABILITY PROGRAM;

- (IV) THE MARYLAND AFFORDABLE HOUSING TRUST FUND;

(V) U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS, INCLUDING:

- 1. COMMUNITY DEVELOPMENT BLOCK GRANTS;**
- 2. THE HOME INVESTMENT PARTNERSHIP GRANTS PROGRAM; AND**
- 3. LEAD HAZARD CONTROL AND HEALTHY HOMES GRANTS;**

(VI) U.S. DEPARTMENT OF AGRICULTURE PROGRAMS, INCLUDING THE HOME REPAIR PROGRAM;

(VII) THE HEALTHY HOMES FOR HEALTHY KIDS PROGRAM;

(VIII) THE ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM;

(IX) STATE APPROPRIATIONS; AND

(X) ANY OTHER SOURCE OF FUNDING THAT THE DEPARTMENT OR THE TASK FORCE IDENTIFIES.

(3) THE DEPARTMENT SHALL COLLABORATE WITH THE MEMBERS OF THE TASK FORCE AND IDENTIFY OTHER INTERESTED STAKEHOLDERS TO DEVELOP THE PLAN.

(4) ON OR BEFORE DECEMBER 31, 2023, THE DEPARTMENT SHALL SUBMIT THE PLAN TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

(H) (1) THE DEPARTMENT SHALL REPORT TO THE COMMISSION EACH YEAR ON:

(I) FOR THE PROGRAMS THAT CONTRIBUTE TO ENERGY EFFICIENCY AND WEATHERIZATION, DISAGGREGATED BY FUEL SOURCE AND FUNDING SOURCE OR DEVELOPMENT FINANCE EFFORTS:

- 1. THE NUMBER OF PARTICIPANTS SERVED; AND**
- 2. THE AMOUNT OF ENERGY SAVINGS; AND**

(II) THE AMOUNT OF FUNDING THAT THE DEPARTMENT

RECEIVES, AND IS PROJECTED TO RECEIVE, FOR ENERGY EFFICIENCY AND WEATHERIZATION FROM THE FUNDING SOURCES UNDER THIS SECTION.

(2) THE DEPARTMENT MAY SATISFY THE REPORTING REQUIREMENT UNDER THIS SUBSECTION BY INCLUDING THE REQUIRED INFORMATION IN THE 6-MONTH STATUS REPORTS TO THE COMMISSION.

(I) THE DEPARTMENT, THE MARYLAND ENERGY ADMINISTRATION, AND OTHER STATE AGENCIES SHALL APPLY FOR ALL FEDERAL FUNDING THAT MAY BECOME AVAILABLE TO CARRY OUT THIS SECTION.

(J) (1) THE DEPARTMENT SHALL COLLABORATE WITH THE MEMBERS OF THE TASK FORCE TO DEVELOP A PLAN, INCLUDING A BUDGET, A TIMELINE, AND POTENTIAL FUNDING SOURCES, TO PROVIDE ENERGY EFFICIENCY RETROFITS TO ALL LOW-INCOME HOUSEHOLDS BY 2031.

(2) THE DEPARTMENT, IN COLLABORATION WITH THE TASK FORCE, SHALL SUBMIT THE PLAN TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON OR BEFORE DECEMBER 1, 2023.

7-211.2.

(A) THERE IS A GREEN AND HEALTHY TASK FORCE.

(B) THE TASK FORCE CONSISTS OF THE FOLLOWING MEMBERS:

(1) TWO MEMBERS OF THE SENATE OF MARYLAND, APPOINTED BY THE PRESIDENT OF THE SENATE;

(2) TWO MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE;

(3) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, OR THE SECRETARY'S DESIGNEE;

(4) THE SECRETARY OF HUMAN SERVICES, OR THE SECRETARY'S DESIGNEE;

(5) THE DIRECTOR OF THE MARYLAND ENERGY ADMINISTRATION, OR THE DIRECTOR'S DESIGNEE;

(6) ONE REPRESENTATIVE OF THE OFFICE OF PEOPLE'S COUNSEL;
AND

(7) AS APPOINTED BY THE CHAIR OF THE TASK FORCE:

(I) ONE REPRESENTATIVE OF THE MARYLAND AFFORDABLE HOUSING TRUST;

(II) ONE REPRESENTATIVE OF THE GREEN AND HEALTHY HOMES INITIATIVE;

(III) ONE REPRESENTATIVE OF MARYLAND ENERGY EFFICIENCY ADVOCATES;

(IV) ONE MEMBER WHO IS AN EXPERT IN PUBLIC HEALTH;

(V) ONE MEMBER FROM A COMMUNITY CONCERNED WITH ENVIRONMENTAL JUSTICE;

(VI) ONE MEMBER WHO OWNS OR DEVELOPS AFFORDABLE HOUSING;

(VII) ONE MEMBER WHO HAS RECEIVED ASSISTANCE FROM A LOW-INCOME PROGRAM THAT DELIVERS ENERGY EFFICIENCY MEASURES; AND

(VIII) OTHER MEMBERS AS DETERMINED BY THE CHAIR OF THE TASK FORCE.

(C) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, OR THE SECRETARY'S DESIGNEE, SHALL SERVE AS CHAIR OF THE TASK FORCE.

(D) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL PROVIDE STAFF FOR THE TASK FORCE.

(E) A MEMBER OF THE TASK FORCE:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE TASK FORCE; BUT

(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(F) THE TASK FORCE SHALL:

(1) BEGINNING JULY 1, 2023, MEET QUARTERLY FOR A PERIOD OF 3 YEARS;

(2) ADVANCE THE ALIGNMENT, BRANDING, AND COORDINATION OF

RESOURCES TO MORE EFFECTIVELY DELIVER GREEN AND HEALTHY HOUSING FOR LOW-INCOME HOUSEHOLDS IN THE STATE;

(3) EXAMINE THE PUBLIC AND PRIVATE RESOURCES NEEDED TO ADDRESS THE HOUSING NEEDS OF LOW-INCOME COMMUNITIES;

(4) DEVELOP POLICY AND STATUTORY RECOMMENDATIONS TO ELIMINATE BARRIERS TO LOW-INCOME HOUSEHOLDS ACHIEVING HEALTHY, ENERGY-EFFICIENT, AND AFFORDABLE HOUSING; AND

(5) ENGAGE WITH INTERESTED PARTIES AND COLLABORATE WITH OTHER ENTITIES THAT CAN HELP ADVANCE THE GOALS OF THE TASK FORCE, INCLUDING EXPERTS IN THE FIELD OF HEALTHY AND ENERGY-EFFICIENT HOUSING.

(G) ON OR BEFORE JULY 1, 2024, AND EACH JULY 1 THROUGH 2027, THE TASK FORCE SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE SECRETARY OF HEALTH, THE SECRETARY OF THE ENVIRONMENT, THE COMMISSION, THE GOVERNOR, AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2023.