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Legislative District 20
Montgomery County

Economic Matters Committee

Subcommittees

Public Utilities

Workers' Compensation



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 982 - PUBLIC UTILITIES - LOW-INCOME AND MIDDLE-INCOME HOUSING
- ENERGY PERFORMANCE TARGETS

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN

FEBRUARY 27, 2020

Chair Davis, Vice-Chair Dumais, and Members of the Economic Matters Committee,

Today, low-income Marylanders face an unsustainable combination of high energy costs and poorly insulated homes and apartments. From rural Maryland to Baltimore City, these residents often endure broken HVAC systems, drafty windows, and unreliable electrical systems, all of which contribute to high energy bills and unhealthy living conditions.

Maryland's low-income residents pay 550% more as a portion of income for energy than non low-income Marylanders. The majority of these households (55%) are Black, Hispanic, or Asian households, meaning the racial disparities evident in the availability of quality, affordable housing also affects the distribution of high energy burdens. Money they spend on higher than average utility bills is money they cannot use for other daily necessities, from school supplies to medical bills.¹

Maryland lags behind other states in helping low-income residents achieve energy savings and lower their energy costs. Nationally, low-income households dedicate 8% of their annual incomes to energy costs, while Maryland's low-income households pay 13%.²

Right now, Maryland has no energy efficiency goal for low-income households. This means that Marylanders with the highest energy burden in the state get the least amount of benefit from customer-funded energy efficiency programs. HB982 would help solve this problem by setting a goal of 1% annual energy savings for low-income households (at or below 80% of the area median income). This would mean achieving energy consumption savings equal to 1% of annual low-income electricity demand and 0.5% of annual low-income gas demand in Maryland.

¹ Maryland Low-Income Market Characterization Report, Prepared for the Maryland Office of People's Counsel October 2018 , Applied Public Policy Research Institute for Study and Evaluation (APPRISE), <http://www.appriseinc.org>

² APPRISE Report (see 1)

At Maryland's current pace and funding levels, it will take 130 years for state programs to provide energy efficient upgrades in all 450,000 limited-income households. Marylanders can't afford to wait. Residents in low-income homes already endure dangerous heat in poorly insulated homes, including one Baltimore City child's bedroom where the heat index reached 113 degrees in July 2019.³

The savings would be achieved by increasing funding for the Maryland Department of Housing & Community Development's Multifamily Energy Efficiency & Housing Affordability (MEEHA) program and the Low Income Energy Efficiency Program (LIEEP) programs. These programs enable state-funded home energy performance audits in qualified low-income homes and then fund needed energy efficiency improvements such as new insulation, better windows, EnergyStar® appliances, LED lightbulbs and more.

I respectfully request a favorable report on HB 1017.

³ Capital News Service, Code Red: Heat & Inequality, September 2019, <https://cnsmaryland.org/interactives/summer-2019/code-red/neighborhood-heat-inequality.html>