Testimony of Stephanie Anderson
As Executive Director, Heating & Air Conditioning Contractors of Maryland
Before the
Maryland Senate Finance Committee
February 4th Bill Hearing: SB224 "Clean Energy Jobs – Workforce Development – Scope"
Position: Support

Chair Kelley, Vice Chair Feldman, and members of the Committee, thank you for the opportunity to testify today on SB224 "Clean Energy Jobs – Workforce Development – Scope." The Heating & Air Conditioning Contractors of Maryland (HACC) strongly supports this bill which would make a small fix to the Clean Energy Jobs Act to ensure energy efficiency is appropriately included in the section on grants for clean energy apprenticeship programs. As you may know, energy efficiency is the cornerstone for building a clean energy economy: advancing energy efficiency in Maryland will help us to meet our renewable goals of 50% by 2030, by reducing the amount of energy needed in the first place, while also being an engine for job growth and economic opportunity. The energy efficiency sector, and HVAC in particular, offer a number of local job opportunities with significant growth projected into the future which I will discuss in greater detail below. Policies aimed at helping energy efficiency and HVAC apprenticeship programs grow will not only help more Marylanders get trained for these high-demand jobs but will also help to build the robust, qualified workforce that Maryland needs to achieve energy savings at the speed and scale necessary to meet the state's clean energy goals.

I am Executive Director of HACC, a trade association for independent heating, ventilation, air conditioning and refrigeration (HVACR) contractors in Maryland. It is important to note that HVACR jobs are clean energy jobs. Given that heating and cooling represent the largest energy use in homes and the HVAC systems being installed today will be in place for the next 10-20 years, this industry has an important role for saving energy and addressing climate change. HACC has 145 member companies, representing clean energy jobs and small businesses in the HVACR industry across the state of Maryland. The association also runs an HVACR apprenticeship program, established in 1996, at Carroll Community College, Cecil College, Harford Community College, and Howard Community College. Our four-year program currently has 270 students who are training to earn their journeyman's license. I am pleased to represent HACC, our members, and our Apprenticeship Program here today.

Why *SB224 "Clean Energy Jobs – Workforce Development – Scope"* is Needed

The Clean Energy Jobs Act established that money be moved from the Strategic Energy Investment Fund to create a Clean Energy Workforce Account within the MD EARN program to provide grants for clean energy apprenticeship programs. The law establishes two buckets of money within the Clean Energy Workforce Account: (1) $1.5 million for grants to pre-apprenticeship jobs training programs, starting in fiscal year 2021 until amounts are spent and (2) $6.5 million for youth apprenticeship programs and registered apprenticeship programs starting in fiscal year 2021 until amounts are spent. For the second bucket, the law specifies that the grants must go to programs that prepare workers for careers in the solar and wind

sectors. Energy efficiency was left out, and this was a critical oversight. Energy efficiency, and HVAC in particular, are critical to achieving Maryland's clean energy goals and a trained workforce is needed to meet those needs. SB224 makes a simple fix to the Clean Energy Jobs Act, adding in energy efficiency (page 3, line 26) to ensure that energy efficiency apprenticeship programs, including HVAC, preparing Marylanders for careers in these local trades, would also be eligible for the aforementioned grants from the Clean Energy Workforce Account.

In order for Maryland to meet its clean energy goals we need to not only increase renewables, but also reduce overall demand. Buildings—and their heating and cooling systems—are responsible for a significant portion of that demand. In fact, the residential sector accounts for approximately 30% of total energy consumption in Maryland[1], and more than half of an average household's annual energy consumption is for space heating and air conditioning (HVAC).[2] It is therefore critical that as a state we support workforce development and apprenticeship training programs for energy efficiency and HVAC, to ensure that there is a trained workforce equipped to do the work of improving efficiency and reducing energy demand in buildings across Maryland.

We urge the Senate Finance Committee to vote in favor of this bill to (1) ensure Maryland can achieve its clean energy goals with a trained energy efficiency workforce, (2) prepare more Marylanders for local energy efficiency and HVAC jobs that are in high demand, (3) help local HVAC companies—many of them small businesses—find trained workers and fill open positions, (4) subsequently help Maryland families and businesses save money on their energy bills.

(1) Help achieve Maryland's clean energy goals.

Support for jobs training is needed to develop an energy efficiency workforce that can achieve energy savings across the state at the speed and scale necessary to meet Maryland's clean energy goals. As you know, the Clean Energy Jobs Act set a new statewide Renewable Portfolio Standard (RPS) of 50% by 2030. Energy efficiency is critical to achieving the RPS because ultimately, the cleanest and cheapest energy is the energy we never use at all. By lowering overall energy demand, energy efficiency will ease the speed and scale of investment in renewable energy resources needed to reach 50% over the next decade. Energy efficiency can also help improve grid reliability, by lowering peak demand and mitigating grid stress, which will support the integration of more renewable energy onto the grid. HVAC in particular has an important role for saving energy and stemming climate change, given that heating and air conditioning represent the largest single energy use in homes.[3] There is opportunity to achieve significant energy savings and emissions reductions through proper installation and maintenance of HVACR systems, upgrading to more efficient systems, and through

[1] https://www.eia.gov/state/?sid=MD#tabs-2

[2] https://www.eia.gov/energyexplained/use-of-energy/homes.php

[3] The U.S. Energy Information Administration 2015 Residential Energy Consumption Survey found that, on average, more than half of a household's annual energy consumption is for just two energy end uses: space heating and air conditioning. https://www.eia.gov/energyexplained/use-of-energy/homes.php

homeowner education—and a trained workforce is needed to do that. ***Put simply, a robust, well-trained energy efficiency and HVAC workforce is critical to achieving Maryland's clean energy goals.***

(2) Prepare more Marylanders for local energy efficiency and HVAC jobs in high demand. Energy efficiency is a growing industry in Maryland, with tens of thousands of skilled jobs that cannot be outsourced. According to the 2019 Energy Efficiency Jobs in America Report, there are 70,530 energy efficiency jobs in Maryland, 65% of which are in heating, ventilation, and air conditioning (HVAC).[4] HVAC contractors are the "boots on the ground" of the clean energy industry—installing and maintaining energy efficient systems in homes and buildings in their communities. By their very nature, these jobs are inherently local and cannot be exported. Moreover, significant future growth is projected for the sector. Nationwide, HVACR employment is projected to grow 13% from 2018 to 2028, much faster than the average growth rate for all occupations,[5] and energy efficiency businesses are projecting 7.8% growth in jobs for 2019 alone.[6] ***SB224 would make energy efficiency eligible for apprenticeship program grants and help these programs expand to prepare more Marylanders for high-demand clean energy jobs in their communities.***

(3) Help local HVAC companies—many of them small businesses—hire trained workers. While Maryland has energy efficiency jobs, many businesses in the energy efficiency industry struggle to find trained workers to fill open positions. In fact, hiring trained workers is the top challenge facing HACC member companies. A majority of energy efficiency companies in Maryland are small businesses[7] and they need support when it comes to investing in jobs training and finding qualified workers for continued growth. Supporting energy efficiency apprenticeship jobs training programs will result in more trained workers and will help small energy efficiency businesses grow. ***SB224 would ensure that the energy efficiency sector and these small businesses can also benefit from the clean energy apprenticeship grants established in the Clean Energy Jobs Act, in addition to the wind and solar sectors.***

(4) Subsequently help Maryland families and businesses save money on their energy bills. In addition to preparing more Marylanders for local clean energy jobs, energy efficiency apprenticeship programs are creating a workforce of today and the future that will help save energy in homes and buildings across Maryland. Energy savings from improved efficiency means direct cost savings for Maryland families and businesses. Having a

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[4] https://e4thefuture.org/wp-content/uploads/2018/09/MARYLAND_2019_Final.pdf

[5] https://www.bls.gov/ooh/installation-maintenance-and-repair/heating-air-conditioning-and-refrigeration-mechanics-and-installers.htm

[6] https://e4thefuture.org/wp-content/uploads/2019/09/Energy-Efficiency-Jobs-in-America-2019-National-Summary.pdf

[7] 68% of Maryland's energy efficiency businesses have fewer than 20 employees, according to the 2019 Energy Efficiency Jobs in America report. https://e4thefuture.org/wp-content/uploads/2018/09/MARYLAND_2019_Final.pdf

trained workforce of HVAC contractors is especially key, since heating and air conditioning represent the largest single energy use in homes. Trained contractors can achieve significant energy savings through proper installation and maintenance of energy efficient HVAC systems. HVAC contractors are trusted advisors: they have established relationships with their customers, because HVAC maintenance is recurrent, and they are the primary educator of homeowners about HVAC systems and energy use and opportunities to save energy and lower their utility bills. ***Having a trained workforce of HVAC and other energy efficiency contractors will ultimately help keep more money in the pockets of Maryland families and businesses.***

Conclusion

In conclusion, Madam Chair and esteemed members of the committee, I ask you to support SB224 "Clean Energy Jobs – Workforce Development – Scope" to ensure that energy efficiency youth and registered apprenticeship programs, including programs training workers for careers in HVACR, are eligible for the grants from the Clean Energy Workforce Account established by the Clean Energy Jobs Act.