



March 10, 2020

Maryland General Assembly
Finance Committee
Senator Delores G. Kelley, Chair
Senator Brian J. Feldman, Vice Chair

Testimony of Lauren Urbanek, Natural Resources Defense Council, in support of Senate Bill 740,

Dear Senator Kelley, Senator Feldman and members of the Senate Finance Committee.

I write today in strong support of Senate Bill 740, an act concerning energy performance targets for low and middle income housing. I make these comments on behalf of the Natural Resources Defense Council and our nearly 10,000 members in Maryland. However, my interest in this bill goes further than my present position: before working at NRDC, I worked from 2009 to 2015 on the EmPOWER Maryland program in my role at the Maryland Energy Administration (MEA).

During my time at MEA, I was focused on improving energy efficiency of the state through utility state programs and policies. I spent much of my time working with utilities, the Public Service Commission, the Department of Housing and Community Development, and other stakeholders on ideas that would improve and expand access to energy efficiency. While Maryland's utilities have made outstanding progress on efficiency in recent years, buoyed by strong regulatory and legislative goals, most low and moderate income Marylanders still have not been able to reap the benefits of efficiency.

Maryland's low-income energy efficiency programs have historically struggled to gain traction and make the kind of progress necessary to serve

the needs of the Marylanders most in need of energy efficiency improvements. The EmPOWER Maryland programs have now been in existence for more than a decade, yet it is still the case that hundreds of thousands of Marylanders who are eligible for low cost or no cost energy efficiency improvements have not been able to take advantage of the program.

Maryland is a leader in energy efficiency (ranked 7th in the country by the American Council for an Energy Efficient Economy), progress for low-income residents has lagged behind. Nationally, low-income residents pay about 8 percent of their annual income to energy costs. In Maryland, this proportion is much higher: a whopping 13 percent. Low and moderate income often live in older, poorer quality housing, and their households can least afford high energy bills. So far, the EmPOWER Maryland program has largely failed this vulnerable population. This bill will provide crucial relief to lower energy bills, improve equitable access to energy efficiency, and make the housing stock healthier, safer, and more resilient.

Progress to date on programs serving market-rate consumers has been driven by the aggressive – yet achievable – goals which the utility companies are obligated to meet. Utilities showed that they could achieve a 15% reduction by 2015, and are now focused on achieving a 2 percent annual savings goal. The low and moderate income programs, administered by the Department of Housing and Community Development, have had no such goal. While DHCD has done laudable work, their efforts can be enhanced by a formal, funded goal. This bill will set a goal of 1% annual energy savings for low and moderate income households. This goal will give DHCD a tangible target while also ensuring that they have the funding to achieve the goal and help more of the Marylanders who need it most.

We strongly support this bill and encourage the legislature to pass it without delay to continue and expand Maryland's energy efficiency legacy.

Sincerely,

Lauren Urbanek

Lauren Urbanek
Senior Energy Policy Advocate