



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 379 - PUBLIC UTILITIES - LOW-INCOME HOUSING - ENERGY PERFORMANCE
TARGETS

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN

FEBRUARY 4, 2021

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. ¹

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. ²

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. HB379 would help solve this problem by setting a goal for annual energy savings for low-income households (income below 200% of the Federal poverty level). This bill, with amendments, will establish a goal of 0.4% savings by 2023 with the intent to increase that goal to 1% by 2026 if EmPOWER is reauthorized. The savings over the past few years have been as follows: 2016 - 0.18%; 2017 - 0.10%; 2018 - 0.04%, and 2019 - 0.15%.

¹ How 1 Percent Energy Savings Will Help Lower Energy Costs for Low-Income Marylanders; [EnergyEfficientMaryland.org](https://static1.squarespace.com/static/5b294ecec258b4a050850d46/t/5e34713c95862d328a88f9e2/1580495164717/How+1+Percent+Energy+Savings+Will+Benefit+Low-Income+Marylanders+%28Final%29.pdf); <https://static1.squarespace.com/static/5b294ecec258b4a050850d46/t/5e34713c95862d328a88f9e2/1580495164717/How+1+Percent+Energy+Savings+Will+Benefit+Low-Income+Marylanders+%28Final%29.pdf>

² 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>

The savings would be achieved by increasing funding for the Maryland Department of Housing and Community Development's Multifamily Energy Efficiency and 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. The bill also requires DHCD to better coordinate and leverage a range of funding sources to address other home health and safety improvements, which are necessary in order to conduct the upgrades needed for energy efficiency.

Expansion of these programs could generate over \$500 million in benefits for the State, if they continue to the 1% goal in 2026. The upgrades provide customers with immediate financial relief in the form of bill savings, as well as other benefits including improved indoor air quality, comfort, and safety enhancements.⁴

Other significant benefits of expanding the program through the 2026 1% goal include:

- Direct bill savings to customers participating in programs, of more than \$165 million, which provides immediate direct financial relief to low-income customers;
- Stimulating economic growth in the state, increasing Maryland's GDP by more than \$150 million and creating over 2,600 jobs;
- \$1.35 in benefits for every dollar spent as a result of lower wholesale prices for energy, savings from reduced need to build new power plants and power lines, reduced air pollution, and reduced need for electricity production;
- Total lifetime energy savings of more than 2.2 million megawatt-hours, equivalent to the electricity used by 185,000 residential customers for one year; and,
- Reduced emissions by over 1.4 million tons of carbon dioxide, 812 tons of sulfur dioxide, 917 tons of nitrogen oxides, and 71 tons of particular matter.⁴

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 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.¹

I respectfully request a favorable report on HB 379.

¹ How 1 Percent Energy Savings Will Help Lower Energy Costs for Low-Income Marylanders; [EnergyEfficientMaryland.org; https://static1.squarespace.com/static/5b294ecec258b4a050850d46/t/5e34713c95862d328a88f9e2/1580495164717/How+1+Percent+Energy+Savings+Will+Benefit+Low-Income+Marylanders+%28Final%29.pdf](https://static1.squarespace.com/static/5b294ecec258b4a050850d46/t/5e34713c95862d328a88f9e2/1580495164717/How+1+Percent+Energy+Savings+Will+Benefit+Low-Income+Marylanders+%28Final%29.pdf)

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

⁴ <http://gabellassociates.com/wp-content/uploads/2021/01/Maryland-Low-Income-EE-Benefits-Report-11.27.21.pdf>