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Committee: Economic Matters

Testimony on: HB379 – “Low-Income Housing -- Energy Performance Targets”

Position: Support

Hearing Date: February 4, 2021

The Maryland Sierra Club strongly supports this legislation, and urges a favorable report by this Committee.

This bill would create new mechanisms to substantially improve energy efficiency for the residences of low-income Marylanders, thereby providing important cost savings and, as well, advancing the state’s efforts to increase energy efficiency throughout the state, a key component of Maryland’s efforts to reduce greenhouse gas emissions and mitigate climate change. The Green and Healthy Task Force initiated by the bill is a critical step in Maryland’s efforts to align funding streams for whole-home retrofits. We also believe the Task Force can be strengthened with two limited amendments to better align its activities with recommendations recently made by the Maryland Commission on Climate Change, and we set out these suggestions below.

High energy costs burden the lives of Maryland’s low-income residents. As a percentage of income, they pay over five times more for energy than other Marylanders. Excess money spent on utility bills limits their ability to obtain other necessities, including food and medical care. A disproportionate percentage of these negatively impacted households are Black, Hispanic, and Asian.

Their high energy costs, in significant part, result from the fact that many low-income Marylanders live in housing that is energy inefficient. They often live in poorly insulated homes and apartments, with broken HVAC systems, drafty windows, and unreliable electrical systems. They also must deal with the relatively high energy costs that affect all Maryland residents.

This legislation would establish energy consumption savings targets and a task force of state agencies and key stakeholders to develop a plan to improve low-income housing conditions and energy efficiency. The aim is to provide government-funded home energy performance audits in qualified low-income homes, and fund needed energy efficiency improvements such as new insulation, better windows, EnergyStar® appliances, and LED lightbulbs.

Energy efficiency, overall, saves homeowners, renters, and business owners money, creates jobs, and reduces our state’s dependency on polluting power plants. In particular, energy efficiency mitigates the amount of electricity needed on peak power days, lessening the climate, air, and water pollution generated by fossil fuel plants that come online during very cold and very hot days.

The state’s energy efficiency program, EmPOWER Maryland, has long been one of our state’s most important and successful climate action programs. At the same time, however, much more

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needs to be done. One way in which it has fallen short, and which this legislation would help address, is the failure to adequately remedy energy inefficiencies in low-income housing.

Other measures also are needed to improve the EmPOWER program. This session's proposed "Climate Solutions Now Act" would increase EmPOWER's annual savings target and establish a new program to ensure energy efficiency and conservation performance standards.

In addition, as recommended by the Maryland Commission on Climate Change in its 2020 Annual Report, EmPOWER needs to be updated so its incentives address the fact that the direct combustion of fossil fuels in Maryland buildings (for heating and for other appliances) accounts for more climate pollution than our coal-fired power plants. Electrifying Maryland's homes and businesses with air- and ground-source heat pumps and induction stoves will reduce climate pollution, decrease harmful indoor air pollution, and put thousands of people to work to retrofit our buildings.

To align the bill more closely with the Commission's recommendations on building electrification, we suggest two additions to the bill's description of what the Green and Healthy Task Force will be required to do (on page 8, lines 10-12 and lines 15-17) (new language is in bold):

- "(2) ADVANCE THE ALIGNMENT, BRANDING, AND COORDINATION OF RESOURCES TO MORE EFFECTIVELY DELIVER GREEN, **ENERGY EFFICIENT, ALL-ELECTRIC**, AND HEALTHY HOUSING FOR LOW-INCOME HOUSEHOLDS IN THE STATE"; and
- "(4) DEVELOP POLICY AND STATUTORY RECOMMENDATIONS TO ELIMINATE BARRIERS FROM LOW-INCOME HOUSEHOLDS ACHIEVING HEALTHY, ENERGY-EFFICIENT, **ALL-ELECTRIC**, AND AFFORDABLE HOUSING".

The Maryland Sierra Club recommends a favorable report on this legislation.

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