

February 12, 2021

**Testimony of Bryan Howard
Director, State Policy, American Council for an Energy-Efficient Economy
Regarding Senate Bill 0462**

On behalf of the American Council for an Energy-Efficient Economy (ACEEE), I write in support of Senate Bill 0462 (SB 462). ACEEE is a nonprofit research organization based in Washington, D.C. that conducts research and analysis on energy efficiency policy and programs. We have been active on energy efficiency issues at the national, state, and local level for more than forty years, collecting extensive best-practice information on topics including energy efficiency programs.

In 2020 ACEEE released an updated analysis on household energy burdens and found that high energy burdens remain a persistent national challenge. Of all U.S. households, 25% (30.6 million) face a high energy burden (i.e., pay more than 6% of income on energy bills) and 13% (15.9 million) of U.S. households face a severe energy burden (i.e., pay more than 10% of income on energy)¹. This is particularly acute for communities of color, older adult households, as well as families residing in low-income multifamily housing, manufactured housing, and older buildings.

This research also examined energy burdens in Baltimore, and the results are troubling. We found that in the Baltimore metro area (pre-pandemic), the median energy burden of low-income households is four times higher than non-low-income households, and Black households pay 34% more of their income on energy bills than non-Hispanic white households. In addition, at least one-quarter of low-income households have energy burdens above 18%, which is nine times higher than the average U.S. household². High energy bills like those in Baltimore continue cycles of poverty with dire consequences to families and communities³.

The state of Maryland needs to invest in efforts to support low-income energy efficiency efforts, and SB 462 sponsored by Senator Feldman—is an important step in this effort. The bill will provide important support to low-income Marylanders by requiring that designated state programs achieve 1% energy consumption savings by 2026 for low-income households.

Not only would this bill have a positive result in reducing energy burdens for Marylanders but expanding energy efficiency investments would also have additional benefits. Often energy efficiency upgrades can make for more comfortable and healthier homes. These benefits are even more important as individuals are spending more time in their homes due to COVID-19.

Establishing energy efficiency targets for low-income customers can also support economic recovery in light of the current health and jobs crises. Energy efficiency programs stimulate jobs with local contractors, jobs that cannot be outsourced to other states or countries. Recent analysis documents that over 8,000 jobs in the clean

¹Drehobl, A., L. Ross, and R. Ayala. 2020. *How High Are Household Energy Burdens?* Washington, DC: ACEEE.

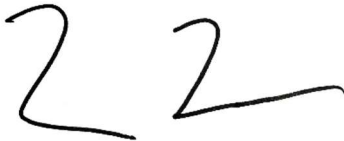
² More information on Baltimore area energy burdens is available on the ACEEE website: https://www.aceee.org/sites/default/files/pdfs/aceee-01_energy_burden_-_baltimore.pdf

³ Why the Poor in Baltimore Face Such Crushing 'Energy Burdens': <https://insideclimatenews.org/news/12022021/energy-burdens-low-income-baltimore/>

efficiency have been lost in Maryland since the public health emergency.⁴ While a broader response will be needed to address the economic downturn, this bill can help to provide immediate opportunities for many individuals who have suffered recent job losses.

We urge support of SB 462, which would provide important relief to families across Maryland. I appreciate your time and consideration today and please contact me with any questions you may have.

Sincerely,

A handwritten signature in black ink, consisting of two stylized, connected '2' characters.

Bryan Howard
Director, State Policy
American Council for an Energy-Efficient Economy

⁴ Jordan, P. 2021. Clean Energy Employment Initial Impacts from the COVID-19 Economic Crisis.
https://bwresearch.com/covid/docs/BWResearch_CleanEnergyJobsCOVID-19Memo_Dec2020.pdf