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PUBLIC SERVICE COMMISSION

January 18, 2022

Chair Guy Guzzone Budget and Tax Committee Miller Senate Office Building, 3 West Annapolis, MD 21401

RE: FAVORABLE - SB 45 - Income Tax - Credit for Energy Efficiency Upgrades - Passive Houses

Dear Chair Guzzone and Committee Members:

I write today in support of Senate Bill 45 – Income Tax – Credit for Energy Efficiency Upgrades – Passive Houses. Recognizing that energy efficiency is one of the least expensive ways to meet electricity demands for consumers, the Maryland General Assembly passed the EmPOWER Maryland Energy Efficiency Act in 2008. This Act established the EmPOWER Maryland Program and the State goal of reducing electricity consumption and peak demand. The General Assembly passed legislation in 2017 that updated Maryland's energy efficiency goal and extended the EmPOWER Maryland Program through 2023.

The Maryland Public Service Commission oversees implementation of the EmPOWER Maryland Program by the participating utilities in Maryland. Through June 30, 2020, EmPOWER has saved over 12.6 million MWh and 2,702 MW of peak demand and generated \$1.29 in benefits to Marylanders for every \$1.00 invested in the programs. This is equivalent to reducing 8.97 million metric tons of carbon dioxide emissions.

The EmPOWER Maryland experience shows that weatherization can achieve significant energy savings in a residential property. Therefore, the energy efficiency upgrades and Passive House Standard included in Senate Bill 45 can help customers further reduce their energy usage, control their utility bills, and add value and comfort to their homes. By offering a tax credit to customers for meeting Passive House Standards, the State will further its objectives established under the EmPOWER Maryland Act and encourage customers to make energy efficiency upgrades.

WILLIAM DONALD SCHAEFER TOWER 6 ST. PAUL STREET BALTIMORE, MARYLAND 21202-6806

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For these reasons, I support Senate Bill 45 and urge a favorable report. Thank you for your consideration of this information. Please contact Lisa Smith, Director of Legislative Affairs, at (410) 336-6288 if you have any questions.

Sincerely,

Jason M. Stanek

for M. Stands

Chairman