



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 108 – PUBLIC UTILITIES- ENERGY EFFICIENCY AND CONSERVATION
PROGRAMS- ENERGY PERFORMANCE TARGETS AND LOW-INCOME HOUSING

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN

FEBRUARY 10, 2022

Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee,

Low-income residents often endure broken HVAC systems, drafty windows, and unreliable electrical systems which contribute to high energy bills and unhealthy living conditions. One result of this is that Maryland's low-income residents pay 550% more as a portion of income for energy than the average Marylander.¹

Using energy more efficiently is one of the easiest and most cost-effective ways to lower energy bills for these vulnerable households.² Still, Maryland currently has no goal or agency accountable for maximizing energy efficiency investments and promoting energy conservation in low-income households.

The federal government is investing significantly in low income energy efficiency programs at this time. The DOE WAP Program funding level was \$310 million in FY2021. The Infrastructure Bill that was signed into law on November 15, 2021, provides for \$3.5 billion in funding for the WAP Program nationwide to reduce energy loss in 700,000 low-income homes. While the final regulations have not been released by DOE, US DOE has confirmed to Green & Healthy Homes Initiative that the \$3.5 billion in funding will be in addition to the current WAP levels and will be distributed separately through an additional funding vehicle – these additional funds may be subject to additional requirements including adherence to Davis-Bacon wage scales and new approvals by local authorities. If the Bi-Partisan Infrastructure Bill spending is allocated over 10 years, this would result in a more than doubling of WAP funding bringing funding totals to more than \$660 million annually on a national level. Should DOE shorten the time frame for delivery and use of these funds, Maryland could see its total allocation climb. A state will receive one grant award for its regular allocated portion of the current budgeted funds, and then also receive, in another, separate grant award, for its proportional share of the \$3.5 BIL.

¹ October 2018 APPRISE Report, Maryland Office of People's Counsel

² <https://www.epa.gov/statelocalenergy/local-energy-efficiency-benefits-and-opportunities>

Based upon that federal funding level currently, as a percentage of total DOE WAP funding, Maryland DHCD (Department of Housing and Community Development) is projected to receive a combined \$74,316,000 in total (1.126% of total WAP funds) and \$7,431,600 annually in WAP funding from DOE over the next ten years.

This bill sets a standard of 1% annual energy efficiency improvement for low-income households through the weatherization and improvement in energy efficiency. This bill will coordinate, leverage, and maximize federal funds coming to Maryland for this purpose, including those outlined above. The bill will also increase EmPOWER funding for the Maryland Department of Housing & Community Development's Multifamily Energy Efficiency & Housing Affordability program (MEEHA) and the Low-Income Energy Efficiency Program (LIEEP). This coordination of federal, state, and EmPOWER funds will increase energy performance audits in low-income homes and fund necessary energy efficiency improvements such as new insulation, better windows, LED light bulbs, EnergyStar® appliances, and more. The bill also establishes the Green and Healthy Task Force to analyze and advance the coordination of federal and state resources to support these crucial energy performance targets in low-income housing units.

I respectfully request a favorable report on HB 108.