

SB 524_McGrath.HealthyBuildingNetwork_Fav.pdf

Uploaded by: Austin Wiebe

Position: FAV



Date: February 15, 2022

To: The Honorable Delores G. Kelley, The Honorable Brian J Feldman, The Honorable C.T. Wilson, The Honorable Brian M. Crosby

From: Teresa McGrath, Chief Research Officer, Healthy Building Network

Bill: SB 524

Position: Favorable

Subject: SB 524 and HB 108 - Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing.

The non-profit Healthy Building Network (HBN) is one of the nation's leading authorities on building material composition, and the analysis of hazards associated with chemicals used in building products. HBN has published [comprehensive analyses of insulation products](#), including [purchasing guidance](#) for the affordable housing industry.

Healthy Building Network supports the language in SB 524 and HB 108 to protect the most vulnerable populations from hazardous chemicals. The language prevents the use of formaldehyde, a carcinogen, present in some mineral wool batts and boards that use a formaldehyde-based binder.

The language also prevents the use of any category 1 respiratory sensitizer, which includes diphenylmethane diisocyanate (MDI), the main component of spray foam insulation (SPF).

The language would ensure that the worst in class insulation product types, from a chemical hazards perspective, are not used in new construction and retrofits. This is a practical approach for the following reasons:

1. Safer, effective, affordable insulation materials are available today.
2. Elimination of hazards is the most effective way of protecting people.
3. Impacts of these hazardous chemicals extend beyond the building and into fenceline communities, and in the case of MDI used in spray foam insulation (aka SPF), raising environmental justice concerns.

This bill takes an important first step toward health and environmental justice, minimizing or eliminating hazardous chemical exposures and pollution, including protecting workers, residents and families of affordable housing units, as well as fenceline communities living near production facilities that often have a higher percentage of people of color, children, and people with low incomes.

Excerpt A. from SB 524 and HB 108

(5) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE
15 PROGRAMS AND SERVICES PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION
16 MAY NOT USE THERMAL INSULATING MATERIALS FOR BUILDING ELEMENTS,
17 INCLUDING WALLS, FLOORS, CEILINGS, ATTICS, AND ROOF INSULATION, THAT
18 CONTAIN:

19 1. FORMALDEHYDE; OR

20 2. ANY SUBSTANCE THAT IS A CATEGORY 1

21 RESPIRATORY SENSITIZER AS DEFINED IN 29 C.F.R. PART 1910 (APPENDIX A).

22 (II) THERMAL INSULATING MATERIALS FOR BUILDING

23 ELEMENTS MAY NOT CONTAIN A SUBSTANCE UNDER SUBPARAGRAPH (I) OF THIS
24 PARAGRAPH IF THE SUBSTANCE:

25 1. WAS INTENTIONALLY ADDED; OR

26 2. IS PRESENT IN THE PRODUCT AT GREATER THAN 0.1%

27 BY WEIGHT.

1. Safer, effective, affordable insulation materials are available today.

The 2018 report "[Making Affordable Multifamily Housing More Energy Efficient. A Guide to Healthier Upgrade Materials](#)" compares different insulation and sealant materials from a cost, performance, and healthier materials perspective. Spray foam insulation was ranked lowest (worst) of all insulation materials from a healthier materials perspective.

Examples of insulation products that would be acceptable for use under SB 524 and HB 108 include, but are not limited to:

1. Expanded cork (Note - cork is not considered an affordable product type)
2. Blown-in fiberglass (loose fill, dense pack, and spray-applied)
3. Kraft-faced and unfaced fiberglass batts
4. Formaldehyde-free mineral wool batts
5. Unfaced cellulose/cotton batts
6. Blown-in cellulose (loose fill, dense pack, and wet-blown)

Product types that MAY meet this requirement include:

7. PSK- or FSK-faced fiberglass batts or blankets that are formaldehyde-free

It is worth noting that all low-density fiberglass insulation batt manufactured in North America has been formaldehyde-free since 2015¹, and The Home Depot announced in 2017 that 100% of these products offered for sale in its North American stores were formaldehyde-free.

1

<https://healthybuilding.net/blog/446-new-research-shows-formaldehyde-no-longer-used-in-residential-fiber-glass-insulation>

2. Hierarchy of controls suggests that elimination of hazards is the most effective way of protecting people.

The National Institute for Occupational Safety and Health (NIOSH) developed a framework called the “Hierarchy of Controls” used in occupational safety. Elimination and substitution of hazards are the most effective strategies. Administrative controls and personal protective equipment (PPE) are the least effective controls. (See Image 1)

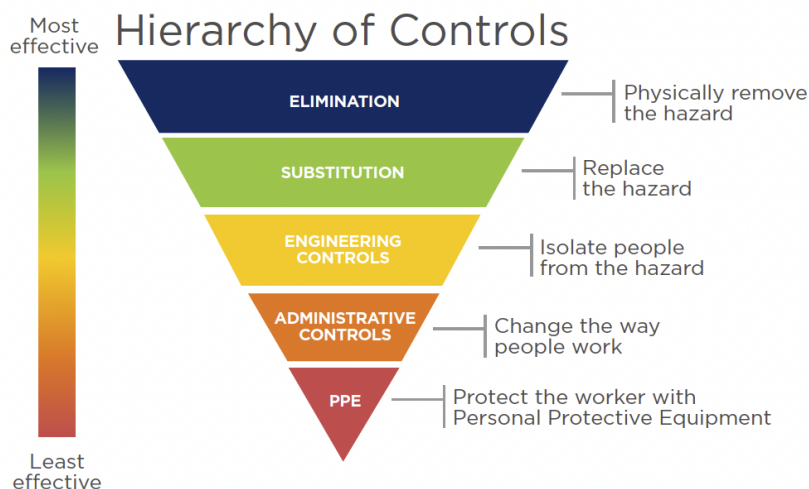


Image 1: Hierarchy of Controls

SPF is a type of insulation material that, unlike any other insulation material, is reacted on site. The reactants include MDI, which is a category 1 respiratory sensitizer. Anyone installing reactive products based on MDI or isocyanate chemistry may become exposed by touch or breathing.

“The controls currently recommended by the SPF industry include the least effective controls: administration controls (such as policies and training), PPE, and engineering controls (like ventilation). The California Department of Toxic Substances Controls states ‘PPE and engineering controls are considered the lowest tiers in the hierarchy of controls against occupational hazards because any user-error or malfunction can result in exposure to the hazard...Because SPF applications produce measurable concentrations of airborne [isocyanates] in the breathing zone, any person involved in, or near, the application risks exposure to [isocyanates] even when protective measures are used.’”²

Avoiding SPF altogether is the best way to avoid exposures both to MDI and to the other

² Quote from “[Making Affordable Multifamily Housing More Energy Efficient. A Guide to Healthier Upgrade Materials](#)” by Energy Efficiency for All (EEFA). Citation from Centers for Disease Control and Prevention, Hierarchy of Controls, 2016, www.cdc.gov/niosh/topics/hierarchy/; Dennis Fengmao Guo et al., Summary of Technical Information and Scientific Conclusions for Designating Spray Polyurethane Foam Systems with Unreacted Methylene Diphenyl Diisocyanates as a Priority Product.

chemicals of concern commonly present in SPF. With many safer, affordable alternative insulation materials available, there is no reason to continue its use.

3. Environmental Justice Impacts: Negative impacts of hazardous spray foam chemicals extend beyond the building and into fenceline communities.

The negative impacts of spray foam insulation are not isolated to installation. The manufacturing of MDI, the main reactive component of SPF, impacts the workers and surrounding communities through the release of toxic pollution into the environment from facilities. Communities located near manufacturing facilities are often referred to as “fenceline communities.” In a recent analysis, we found that three out of the four main MDI manufacturing facilities in the US had significant violations of environmental regulations in the last three years. Fifty percent (50%) of those facilities had significant violations of environmental regulations EVERY QUARTER OF THE LAST THREE YEARS.³ Compare this to glass fiber manufacturing facilities (the main component in fiberglass insulation), where only 9% of facilities (2 of 22 facilities) had significant violations of environmental regulations every quarter of the last three years.

MDI Manufacturer	Location	Number of Quarters with Significant Violations
Covestro	Baytown, TX	12 of 12
Dow	Freeport, TX	12 of 12
BASF	Geismar, LA	8 of 12
Rubicon	Geismar, LA	0 of 12

The MDI facilities are located in fenceline communities that are disproportionately people of color (59% people of color in MDI fenceline vs. 39% US Average). These fenceline communities also have a greater percentage of children than in the US overall (30% vs. 23%). SPF manufacture and use places a disproportionate and unacceptable burden of hazardous chemical exposure on children, low-income families, and people of color.

Safer, affordable insulation options are available. This bill takes an important first step toward protecting workers, residents of affordable housing units, and fenceline communities from exposure to hazardous chemicals.

³ EPA’s ECHO database. Significant Violations of EPA Regulations for the Most Recent 12 Quarters (3 Years) as of May 2021

AmendmentSB0524-503924-01.pdf

Uploaded by: Brian Feldman

Position: FAV



SB0524/503924/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

10 FEB 22
14:19:23

BY: Senator Feldman
(To be offered in the Finance Committee)

AMENDMENTS TO SENATE BILL 524
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 10, strike “Commission” and substitute “Department”; in line 14, strike the first “a”; and in the same line, strike “date” and substitute “dates and with a certain frequency”.

AMENDMENT NO. 2

On page 3, in line 10, strike “**2022–2024**” and substitute “**2021–2023 AND 2024–2026**”; in the same line, strike “**CYCLE**” and substitute “**CYCLES**”; and in lines 24, 27, and 29, in each instance, strike “**2019**” and substitute “**2016**”.

On page 4, strike beginning with the colon in line 18 down through “**1.**” in line 19; and strike beginning with “**; OR**” in line 19 down through “**(APPENDIX A)**” in line 21.

On page 5, in line 26, strike “**COMMISSION**” and substitute “**DEPARTMENT**”.

On page 6, in line 4, strike “**THE 2 SUBSEQUENT CALENDAR YEARS**” and substitute “**2023**”; after line 4, insert:

“(2) ON OR BEFORE SEPTEMBER 1, 2023, AND EVERY 3 YEARS THEREAFTER, THE DEPARTMENT SHALL SUBMIT A PLAN TO THE COMMISSION THAT DETAILS PROPOSALS FOR ACHIEVING THE ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGET UNDER SUBSECTION (B) OF THIS SECTION FOR THE 3 SUBSEQUENT CALENDAR YEARS.”;

(Over)

and in lines 5, 18, and 22, strike “**(2)**”, “**(3)**”, and “**(4)**”, respectively, and substitute “**(3)**”, “**(4)**”, and “**(5)**”, respectively.

SB0524_Energy_Efficiency_MLC_FAV.pdf

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0524
Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing

Bill Sponsor: Senator Feldman

Committee: Finance

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0524 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state with well over 30,000 members.

In 2008, the EmPOWER program was first enacted with a goal of reducing electricity usage by 15% by 2015. Maryland has benefited this program and its work to achieve better energy efficiency. However, low-income households have been left behind in this transition to greater energy efficiency because they tend to live in older homes that need health and safety remediation such as lead and mold removal before their homes can be weatherized to achieve energy efficiency.

As a result, low-income households in Maryland dedicate 13% of their annual incomes to energy costs and pay 550% more as a percent of income than non-low-income households. The majority of these (55%) are Black, Hispanic, or Asian households. Because of these and other barriers, it is more difficult for low-income households to benefit from the EmPOWER program, as compared to high-income households.

This bill would codify a complementary performance driven goal for low-income housing. This will ramp up to a 1% energy savings goal and will allow Maryland to retrofit the 450,000 eligible low-income residents at least 100 years sooner than the 130 years projected under the current program. We believe that we should encourage programs that support our low-income residents and help them lower their energy costs and reap the benefits of energy efficiency.

We support this bill and recommend a **FAVORABLE** report in committee.

Copy of SB524-CJW-Low Income Energy Efficiency-Fin

Uploaded by: Diana Younts

Position: FAV



Committee: Finance Committee

Testimony on: SB524 - Public Utilities – Energy Efficiency & Conservation Programs–Energy Performance Targets and Low-Income Housing

Organization: MLC Climate Justice Wing

Person

Submitting: Diana Younts, co-chair

Position: Favorable

Hearing Date: February 15, 2022

Dear M. Chair and Committee Members,

Thank you for allowing our testimony today in support of SB524. MLC’s Climate Justice Wing is a statewide coalition of over 50 grassroots and grasstops organizations focused on climate justice.

Energy efficiency is a proven, cost-effective way to both lower the cost of energy and reduce carbon emissions. Since 2008, when the EmPOWER program was first enacted with a goal of reducing electricity usage by 15 percent by 2015, Maryland has benefited from a performance-target-driven energy efficiency portfolio.

Low-Income households have been left behind in this transition to greater energy efficiency because they tend to live in older homes that need health and safety remediation such as lead and mold removal before their homes can be weatherized.

As a result, because energy is a regressive cost, low-income households in Maryland dedicate 13% of their annual incomes to energy costs and pay 550% more as a percent of income than non low-income households. The majority of these (55%) are Black, Hispanic, or Asian households. Because of these and other barriers it is more difficult for low-income households to benefit from the EmPOWER program, as compared to high-income households.

The legislature now has an opportunity to fix this, by codifying a complementary performance driven goal for low-income housing. This new, common sense, ramp up to a 1% energy savings goal will allow Maryland to retrofit the 450,000 eligible low-income residents at least 100 years sooner than the 130 years projected under the current program.

Lessons learned from the rest of the portfolio, and from energy efficiency resource standards such as EmPOWER Maryland generally, show that they benefit from specific performance targets. Electric utilities under Maryland's portfolio are performance-driven, thanks to the initial 15% by 2015 target and the current 2% target. Neither are there performance goals for low-income households under programs administered by the Department of Housing and Community Development. Now is the time to rectify that.

Energy efficiency has already saved Maryland consumers billions of dollars, reduced air pollution and created new economic activity including good jobs. A performance goal for low-income programs is overdue.

For these reasons we urge you to vote favorably for SB524.

MLC Climate Justice Wing:

Assateague Coastal Trust
Maryland Legislative Coalition
MD Campaign for Environmental Human Rights
Chesapeake Climate Action Network
WISE
Frack Free Frostburg
Mountain Maryland Movement
Clean Water Action
Howard County Indivisible
Howard County Sierra Club
Columbia Association Climate change and sustainability advisory committee
HoCo Climate Action
CHEER
Climate XChange - Maryland
Mid-Atlantic Field Representative/
National Parks Conservation Association
350 Montgomery County
Glen Echo Heights Mobilization
The Climate Mobilization Montgomery County
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Takoma Park Mobilization Environment Committee
Audubon Naturalist Society
Cedar Lane Unitarian Universalist Church

Environmental Justice Ministry
Coalition For Smarter Growth
DoTheMostGood Montgomery County
MCPS Clean Energy Campaign
MoCo DCC
Potomac Conservancy
Casa de Maryland
Nuclear Information & Resource Service
Clean Air Prince Georges
Laurel Resist
Greenbelt Climate Action Network
Maryland League of Conservation Voters
Unitarian Universalist Legislative
Ministry of Maryland
Concerned Citizens Against Industrial Cafos
Wicomico NAACP
Chesapeake Physicians for Social Responsibility
Chispa MD
Climate Law & Policy Project
Maryland Poor Peoples Campaign
Labor for Sustainability
The Nature Conservancy
Clean Air Prince Georges
350 Baltimore
Maryland Environmental Health Network
Climate Stewards of Greater Annapolis
Talbot Rising

Adat Shalom Climate Action
Mid-Atlantic Earth Holders
Climate Parents of Prince Georges
Echotopia
Maryland NAACP State Conference,
Environmental Justice Committee

CLPP testimony SB524 021422.pdf

Uploaded by: Donald M. Goldberg

Position: FAV

Committee: Finance

Testimony on: SB524 Public Utilities – Energy Efficiency and Conservation Programs – Energy Performance Targets and Low-Income Housing

Submitted by: Donald M. Goldberg, Executive Director

Position: Favorable

Hearing Date: February 15, 2022

Climate Law & Policy Project urges a favorable report on Senate Bill 524.

For too long, low-income households have been unable to receive their share of benefits provided by Maryland’s clean energy and energy efficiency programs. The EmPower Maryland Program is required to improve statewide energy efficiency by 2% per year, but although low-income households pay into the EmPOWER program at the same rate as other electricity customers, they receive a very small fraction of that improvement as a percentage of their energy consumption.

Low-income households in Maryland dedicate 13% of their annual incomes to energy costs and pay 550% more as a percent of income than non low-income households. The majority of these are Black, Hispanic, or Asian households. Low-Income homes have been left behind in the transition to greater energy efficiency because they tend to be older and in need of health and safety remediation such as lead and mold removal before they can be weatherized.

The legislature now has an opportunity to fix this, by codifying a complementary performance driven goal for low-income housing. This new, common sense, ramp up to a 1% energy savings goal will allow Maryland to retrofit the 450,000 eligible low-income residents at least 100 years sooner than the 130 years projected under the current program.

It is not conscionable to withhold assistance to low-income households from Maryland’s energy programs that is readily available to Maryland’s wealthier citizens.

We urge a favorable report on Senate Bill 524.

SB 524 - Energy Performance Targets and Low-Income

Uploaded by: Donna Edwards

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

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President

Donna S. Edwards

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Gerald W. Jackson

**SB 524 – Public Utilities – Energy Efficiency and Conservation Programs –
Energy Performance Targets and Low-Income Housing
Senate Finance Committee
February 15, 2022**

SUPPORT

**Donna S. Edwards
President**

Maryland State and DC AFL-CIO

Madam Chair and members of the Committee, thank you for the opportunity to submit testimony in support SB 524 – Public Utilities – Energy Efficiency and Conservation Programs – Energy Performance Targets and Low-Income Housing. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 340,000 union members, I offer the following comments.

Taxpayer funding for any program should reflect our values. When we invest taxpayer dollars into increased energy efficiency programs for Marylanders, we need to demand that the workers doing the weatherization are paid good wages and benefits to ensure that they are not added to the working families struggling to make ends meet and eligible for these programs being installed by their employer.

We are investors in these energy efficiency projects, and, as an investor, we should have demands on what our investment should produce. If we do not, then these hard-working Marylanders, the beneficiaries of these energy efficiency projects, are paying taxes to create low-quality jobs for other workers. In effect, they would be investing in bringing down the quality of life for all workers. We cannot allow that to happen. Increasing DHCD funding to procure or provide energy efficiency and conservation programs for those in need is an integral and necessary move to help these working families.

However, we cannot simply use workers' taxpayer money to procure the cheapest goods and services to get the job done. SB 524 increases DHCD funding for these critical programs and demands high labor standards for a contractor to be added to the Department's approved contractor list. To be approved the following labor standards must apply to the workers of all the

contractors and subcontractors on the project: Career Advancement, the right to Collectively Bargain, Paid Leave, Unemployment Insurance and Workers' Compensation verification, employer provided health insurance, and a salary of at least 150% of minimum wage. Moreover, it also demands that funding only go to businesses that have followed Federal and State wage and hour laws for the preceding three years.

We need to help Marylanders struggling to make ends meet by investing in making their homes more energy efficient, and we need to ensure that every dollar we spend is advancing our values to create family-sustaining careers. We must do both.

For these reasons we ask for a favorable report on SB 524.

SB0524 OPC FAV

Uploaded by: Fred Hoover

Position: FAV

DAVID S. LAPP
PEOPLE'S COUNSEL

WILLIAM F. FIELDS
DEPUTY PEOPLE'S COUNSEL

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BRANDI NIELAND
DIRECTOR, CONSUMER
ASSISTANCE UNIT

February 22, 2022

VIA EMAIL

Senator Delores Kelley
Chair
Senator Brian Feldman
Vice-Chair
Senate Finance Committee

Re: SB 524 - Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing

Dear Senator Kelley and Senator Feldman:

I write to express the Office of People Counsel's support of Senate Bill 524, Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing. OPC supports SB 524 requirements for the Department of Housing and Community Development (DHCD) to procure or provide energy efficiency and conservation (EE&C) programs and services for electricity customers for the 2022-2024 EmPOWER Maryland Program cycle. The EE&C programs and services must be designed to achieve a target annual incremental gross energy savings of at least 0.4% per year, compared to 2019, starting in 2023.

OPC supports SB 524's intent that an extension of the EmPOWER Program beyond 2023 should target annual incremental gross energy savings increases to 0.53% in 2024, 0.72% in 2025 and 1% in 2026. The bill accounts for the unique challenges of low-income program delivery and facilitates EmPOWER Maryland's delivery of energy savings benefits to low-income populations. The benefits to low-income customers from energy efficiency activities and weatherization improvements contribute to customers' well-being and lower costs for essential energy services.

OPC looks forward to participating in the Green and Healthy Task Force created by SB 524 with government and public sector stakeholders to examine low-income housing and energy needs. The Green and Healthy Task Force will present

recommendations on these critical issues to the Governor and the General Assembly next year.

OPC asks the Finance Committee to grant SB 524 with a favorable report. We thank the Committee for your continued efforts on this matter.

Sincerely,



David S. Lapp
People's Counsel

Takoma Park 2022 - SB 524 FAV - Energy Efficiency

Uploaded by: Jamal Fox

Position: FAV



CITY OF TAKOMA PARK, MARYLAND

**SB 524
Support**

Senate Finance Committee

SB 524 Public Utilities - Low-Income Housing - Energy Performance Targets and Low-Income Housing

City Contact: Cindy Dyballa, Ward 2 City Council Member

cindydy@takomaparkmd.gov

The City of Takoma Park supports and urges favorable consideration of this bill.

This bill sets a modest target for reducing energy use in lower-income residential buildings, which will help low-income households with their significant energy burden. The programs set in motion by this bill would address inequities in the impact of energy costs, improve the quality and comfort of lower-income housing, and contribute to the state's goal of reducing climate-changing greenhouse gas emissions.

This bill would apply to a significant number of residents in communities across the state with a mix of renters and homeowners across the income spectrum, such as the City of Takoma Park, a densely developed municipality of almost 18,000 in Montgomery County, Maryland. Nearly 40% of Takoma Park residents are housing cost burdened, with energy services a part of this burden. The City's residential housing stock is about half multi-family rental buildings, and 70% of these residential buildings are older structures built before 1940 with a strong need for energy efficiency improvements.

Lower-income Marylanders who rent, including those in Takoma Park, must use a much greater portion of their limited income for energy services. In the Washington DC area, for example, low-income multifamily households pay an average of over 2 ½ times more of their income for energy than households with the area median. And a quarter of low-income households have an energy burden more than 7 times the area median.

Current energy efficiency programs largely benefit homeowners and those with greater incomes and ability to take advantage of incentives. This bill would address these glaring inequities. Multifamily building residents would directly benefit from the energy efficiency targets in this bill, through improved home comfort and safety and reduced energy costs.

This bill supports Takoma Park's climate change, housing and equity priorities. Our City has committed to aggressive measures to achieve net zero greenhouse gas emissions by 2035, and to an aggressive housing and economic development plan that prioritizes protecting local affordable housing. Achieving these goals requires attention to multifamily residents and their buildings, and few tools are available to do this. This bill would provide effective mechanisms to deliver energy efficiency services to this difficult to reach group, with all the attendant benefits.

In sum, the City of Takoma Park supports SB 524, and encourages a favorable vote.

JLewis Testimony - SB 524.pdf

Uploaded by: Jamal Lewis

Position: FAV

February 15, 2022

Senator Dolores G. Kelley, Chair
Senate Finance Committee
Miller Senate Office Building, 3 East
11 Bladen St., Annapolis, Maryland 21401

RE: Senate Bill 0524

Thank you, Chair Kelley and Vice Chair Feldman, for holding this important hearing. My name is Jamal Lewis and I am testifying in support of SB 524. While EmPOWER has provided significant benefits to the state of Maryland, the program has struggled to benefit low-income Marylanders since its conception.

Fourteen years ago, in 2008, the Maryland General Assembly passed the EmPOWER Maryland Energy Efficiency Act, which required each electric and gas utility to reduce per capita electricity consumption 15% of the 2007 baseline by 2015.¹ In 2011, after just 3 years of EmPOWER implementation, the Maryland Public Service Commission (PSC) found that the utilities were underperforming in the low-income housing market – achieving just 21% of the expected participation rates.²

In response, in 2012, the PSC transferred implementation of the EmPOWER's low-income portfolio away from the electric utilities to Maryland's Department of Housing and Community Development (DHCD).³ This decision was significant. The utilities were no longer on the hook for delivering energy efficiency services to low-income Marylanders but were still required to achieve the 15% savings target established by the 2008 law. On the other hand, since DHCD is not a utility, the agency was not required to contribute to the 15% target. When the initial phase of EmPOWER ended in 2015, the analysis showed that the utilities exceeded the 15% target largely from serving non-low-income Marylanders.

The inequity continued into the next phase of the program. The original 2008 legislation only set targets through 2015. So, in 2015, the PSC issued in order continuing the program and setting an annual goal of 2% energy consumption reduction. It wasn't until 2017 when the General Assembly passed new legislation that officially extended EmPOWER through 2023 and codified the 2% goal.⁴ Similar to the 2008, the 2017 law only required Maryland's utilities to contribute to the energy consumption savings, not DHCD. Once again, DHCD was left out. DHCD's exclusion from the requirement established by the law created a perverse incentive for

¹ <https://energy.maryland.gov/Pages/Facts/empowerPlanning.aspx>

² <https://energy.maryland.gov/Pages/Facts/empowerPlanning.aspx>

³ https://www.epa.gov/sites/default/files/2017-07/documents/empower_maryland_case_study_7-19-17.pdf

⁴ <https://mgaleg.maryland.gov/2017RS/bills/sb/sb0184T.pdf>

the PSC to prioritize funding the utilities to ensure that their annual targets are met. As you can see from the charts below, the EmPOWER budgets in the 2019 and 2020 program cycles for Maryland's utilities were six times the budget for DHCD. You can also see from the charts below, that the utilities' actual spending was much less than the budgets, while DHCD's spending was higher than its budget.

Separately, there's another reason why EmPOWER has struggled to serve low-income Marylanders. In 2012, when the PSC transferred the implementation of the low-income EmPOWER programs to DHCD, the Commission cited DHCD's experience in implementing the Weatherization Assistance Program since the 1970s and in successfully deploying \$114 million in funding from the American Recovery and Reinvestment Act (ARRA) stimulus in 2009.⁵ Unfortunately, there are many U.S. households that are unable to benefit from WAP as well. These households often occupy old, deteriorated housing with health and safety hazards that must be addressed prior to weatherization. As a result, these households would get deferred until they could find the resources to address the issues. Though WAP has been around since the 1970s, it was only recently when the federal government took actions to help these often-low-income households address the health and safety issues so they could benefit from WAP. In 2020, DOE partnered with HUD to leverage HUD's lead hazard control and healthy homes program to address the health and safety issues prior to DOE performing weatherization.⁶ Also in 2020, Congress authorized DOE to create a weatherization readiness fund to help low-income households address the health and safety issues that prevented weatherization in the past.⁷ These solutions will be helpful in increasing the number of U.S. households that can benefit from WAP.

Nationwide, we're starting to see more state and utility programs recognize the embedded inequities that have existed and incorporate solutions to overcome them. In Illinois, the 2017 *Future Energy Jobs Act* mandated that investor-owned electric utilities realize yearly energy savings goals, while meeting a minimum spending level specifically for low income households.⁸ In Minnesota, the ECO Act increased the amount of amount that electric and gas utilities must contribute to low-income energy efficiency and allowed 15% of program funds to be used for pre-weatherization (health and safety) measures.⁹ In New York, the Climate Leadership and Community Protection Act (CLCPA) required that a minimum of 40% of the benefits of energy and climate programs must accrue to disadvantaged communities.¹⁰ Finally, the Biden administration's Justice40 initiative, which was inspired by New York's law, requires 40% of funding to benefit disadvantaged communities nationwide.¹¹

⁵ https://www.epa.gov/sites/default/files/2017-07/documents/empower_maryland_case_study_7-19-17.pdf

⁶ https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps/fy20_healthyhomes_weatherization

⁷ <https://www.energy.gov/articles/doe-announces-186-million-expand-weatherization-assistance-program> ill

⁸ <https://www.mwalliance.org/blog/illinois-passes-climate-and-equitable-jobs-act-sb-2408>

⁹ <https://www.mwalliance.org/blog/minnesota-passes-eco-act-modern-and-expansive-update-its-ee-framework>

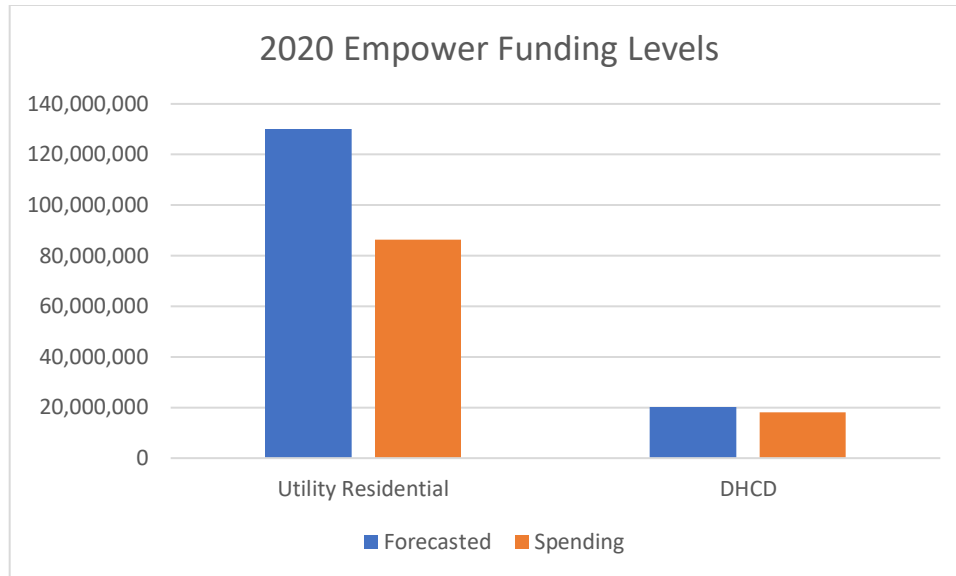
¹⁰ <https://climate.ny.gov/Our-Climate-Act>

¹¹ <https://www.whitehouse.gov/omb/briefing-room/2021/07/20/the-path-to-achieving-justice40/>

SB 524, if passed, will increase the number of low-income Marylanders that benefit from EmPOWER. This is a tremendous opportunity for our state to prioritize our most vulnerable neighbors. I urge a favorable report from this committee. Thank you for your consideration.

Sincerely,

Jamal Lewis



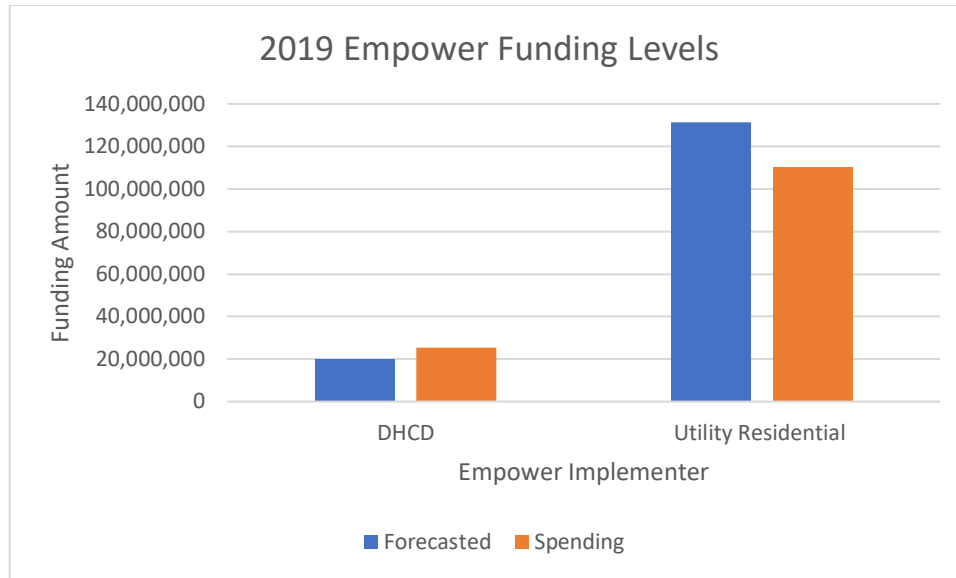
Source: <https://www.psc.state.md.us/wp-content/uploads/2021-EmPOWER-Maryland-Energy-Efficiency-Act-Standard-Report.pdf>

Table 18 Forecasted 2020 EE&C Budgets

Utility	Residential	C&I	DHCD Limited-Income Program	Total
BGE	\$71,996,225	\$55,720,010	\$15,967,824	\$143,684,059
DPL	\$8,608,200	\$22,447,251	\$0	\$31,055,451
PE	\$16,221,721	\$19,800,699	\$4,231,223	\$40,253,644
Pepco	\$22,158,040	\$67,939,894	\$0	\$90,097,934
SMECO	\$11,091,204	\$10,419,821	\$0	\$21,511,025
Total	\$130,075,390	\$176,327,676	\$20,199,047	\$326,602,113

Table 19 Reported 2020 EE&C Spending

Utility	Residential	C&I	DHCD Limited-Income Program	Total
BGE	\$42,459,727	\$57,665,578	\$8,649,526	\$108,774,831
DPL	\$6,090,134	\$18,376,468	\$3,726,181	\$28,192,783
PE	\$9,917,856	\$15,867,043	\$2,683,983	\$28,468,881
Pepco	\$17,714,838	\$46,711,423	\$2,912,267	\$67,338,528
SMECO	\$10,171,728	\$4,635,515	\$10,906	\$14,818,149
Total	\$86,354,283	\$153,173,883	\$17,982,862	\$257,511,029



Source: <https://www.psc.state.md.us/wp-content/uploads/2020-EmPOWER-Maryland-Energy-Efficiency-Act-Standard-Report.pdf>

Table 18 Forecasted 2019 EE&C Budgets

Utility	Residential	C&I	DHCD Limited-Income Program	Total
BGE	\$71,853,705	\$55,568,398	\$15,967,824	\$143,389,927
DPL	\$7,803,565	\$17,628,208	\$0	\$25,431,774
PE	\$17,885,523	\$17,258,428	\$4,141,043	\$39,284,994
Pepco	\$22,398,531	\$51,629,482	\$0	\$74,028,013
SMECO	\$11,384,760	\$6,039,412	\$0	\$17,424,172
Total	\$131,326,084	\$148,123,928	\$20,108,867	\$299,558,879

Table 19 Reported 2019 EE&C Spending

Utility	Residential	C&I	DHCD Limited-Income Program	Total
BGE	\$57,978,980	\$57,283,384	\$14,117,353	\$129,379,717
DPL	\$7,632,874	\$13,886,761	\$4,967,888	\$26,487,523
PE	\$13,838,225	\$13,822,840	\$2,140,657	\$29,801,722
Pepco	\$20,987,505	\$49,520,165	\$4,194,954	\$74,702,624
SMECO	\$10,040,803	\$5,090,347	\$10,505	\$15,141,655
Total	\$110,478,387	\$139,603,497	\$25,431,357	\$275,513,241

SB524-FAVORABLE-MAP.pdf

Uploaded by: Laurel Peltier

Position: FAV



TESTIMONY IN **SUPPORT** OF SB524

Energy Efficiency & Conservation Programs
1% Energy Performance Low-Income Housing Targets

Member Agencies:

211 Maryland

Advocates for Children and Youth

Baltimore Jewish Council

Behavioral Health System Baltimore

CASH Campaign of Maryland

Catholic Charities

Energy Advocates

Episcopal Diocese of Maryland

Family League of Baltimore

Fuel Fund of Maryland

Health Care for the Homeless

Homeless Persons

Representation Project

Job Opportunities Task Force

Laurel Advocacy & Referral Services,
Inc.

League of Women Voters of Maryland

Loyola University Maryland

Maryland Catholic Conference

Maryland Center on Economic Policy

Maryland Community Action
Partnership

Maryland Family Network

Maryland Food Bank

Maryland Hunger Solutions

Paul's Place

Public Justice Center

St. Vincent de Paul of Baltimore

Welfare Advocates

Marylanders Against Poverty

Julia Gross, Co-Chair

P: 410-528-0021 ext 6029

E: jgross@mdhungersolutions.org

Kali Schumitz, Co-Chair

P: 410-412- 9105 ext 701

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Senate Finance

February 15, 2022

Submitted by Laurel Peltier, MAP & Energy Advocates

Marylanders Against Poverty (MAP) strongly supports SB524, which sets energy performance benchmarks for DHCD and increases DHCD's weatherizing funding for low-income residences. Twenty percent of Maryland's families are low-income with average incomes of \$16,000 per year. Seniors are 41% of this target.

Problem:

1. Budget-busting BGE, Pepco, SMECO, Delmarva utility bills. 13% energy burden utility bills for 400,000 families in the "low income" target. Average utility bills are ~\$2,000 per year! After rent, (70% of this target are renters) there's not enough cash left for food, meds, clothing, and life.

2. Leaky homes coupled with very low participation rates for low-income weatherization. DHCD has a big job, it's tricky, and increased focus & metrics is greatly needed to improve results.

Time is running out. It's estimated to take 130 years to retrofit this target's homes with today's DHCD processes and funding levels.

Solution is SB524:

1. Set measurable, accountable target to decrease the energy usage for the target by 1%
2. Shrink time to 13 years, from 130 years, for most low-income homes to be made energy efficient.
3. Increases funding by encouraging Maryland to access more state, federal funding sources.

SB524 is a key lever to help DHCD and Maryland achieve its clean energy goals. We must focus on, and ensure, that low-income homes are more energy efficient. Then we can realistically reach 100% emission-free.

MAP appreciates your consideration and urges the committee to issue a favorable report for SB524.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.

sb524, energy efficiency, DHCD, 2022.pdf

Uploaded by: Lee Hudson

Position: FAV



Delaware-Maryland Synod
Evangelical Lutheran Church in America
God's work. Our hands.

Testimony Prepared for the
Finance Committee
on
Senate Bill 524
February 15, 2022
Position: **Favorable**

Madam Chair and members of the Committee, thank you for this opportunity to testify about affordable housing and an energy regime that helps care for creation. I am Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod, Evangelical Lutheran Church in America. We are a faith community with three synods in every part of our State.

We believe that lowering energy costs for consumers is a benefit of transitioning to carbon-reduction energy policy. Years ago, Baltimore Gas and Electric testified in the Maryland General Assembly that loss of Maryland's robust efficiency programs contributed to spikes in utility costs as a result of the deregulation of its market (Senate Finance, 2007). Price volatility was substituted for energy management and at least one result was to offer up low- and moderate-income households to price shocks.

Energy is essential for adequate housing, another concern of our community. We know now that lowering energy consumption lowers cost, as it presents the value of lowering carbon emissions. **Senate Bill 524** would contribute to both goals, more equitable housing and carbon reductions, by accessing Department of Housing and Community Development authority in the State's low-income housing stock. DHCD would procure or provide efficiency product and services in the next EmPOWER program cycle for deployment in the housing stock it manages.

We have long held that efficiency is one of the better ways to achieve lower cost and carbon emissions. For both reasons, and because more equitable housing may result, we support **Senate Bill 524** and urge a favorable report.

Lee Hudson

MBIA Letter of Support SB 524.pdf

Uploaded by: Lori Graf

Position: FAV

February 15, 2022

The Honorable Delores G. Kelley
Senate Finance Committee
Miller Senate Office Building,
3 East Wing 11 Bladen St.,
Annapolis, MD, 21401

RE: Support SB 524 Public Utilities – Energy Efficiency and Conservation Programs – Energy Performance Targets and Low–Income Housing

Dear Chairwoman Kelley:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **SB 524 Public Utilities – Energy Efficiency and Conservation Programs – Energy Performance Targets and Low–Income Housing**. MBIA **Supports** the Act in its current version.

This bill would require the Department of Housing and Community Development to procure new efficiency and conservation programs for low income customers. MBIA wholeheartedly supports this measure. In the battle against climate change MBIA recognizes the need for more energy efficient building standards to be put into effect. However, these upgrades come at a cost which is often born on the backs of lower income people that are unable to make the expensive transition in a timely manner. This bill would allow for tenants, who are more likely to be low income individuals to have a share in the economic benefits of electrification without having to bear the burden of the up-front cost. Stopping the costs of energy efficiency upgrades from getting passed to tenants and sharing the savings among all the Residents of Maryland is something we should all support.

For these reasons, MBIA respectfully requests the Committee give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Finance Committee

SB 524 testimony_NRDC.pdf

Uploaded by: Lucy Laflamme

Position: FAV



February 15, 2022

Maryland Senate
Finance Committee
Senator Delores G. Kelley
Senator Brian J. Feldman

Testimony of Lucy Laflamme, Natural Resources Defense Council, in support of Senate Bill 524

Dear Chairwoman Kelley, Vice-Chairman Feldman, and members of the Finance Committee,

I write today in strong support of Senate Bill 524. Energy efficiency is a proven, cost-effective way to both lower the cost of energy and reduce carbon emissions. Since 2008, when the EmPOWER program was first enacted with a goal of reducing electricity usage by 15 percent by 2015, Maryland has benefited from a performance-target-driven energy efficiency portfolio.ⁱ In 2017, the legislature improved the program by passing legislation to amend EmPOWER with a two-percent-per-year target, codifying what the PSC ordered in 2015 through 2023.ⁱⁱ That'll be 15 years of sustained energy efficiency portfolio performance, recognized by ACEEE as among the best in the country.ⁱⁱⁱ

One thing we have learned though, is energy efficiency is easiest to address in newer homes and buildings. This means a large portion of residential building in Maryland are being left behind. Low-income homes face more barriers to address energy efficiency including mold, lead and other health and safety issues because they tend to live in older buildings. These and other barriers (e.g., lack of access to capital and split incentives) make it more difficult for low-income families to benefit from the EmPOWER program, as compared to high-income households and businesses. The legislature now has an opportunity to fix this, by codifying a complementary

NATURAL RESOURCES DEFENSE COUNCIL

1152 15TH STREET NW | WASHINGTON, DC | 20005 | T 202.289.6868 | F 202.289.1060 | NRDC.ORG

performance driven goal for low-income housing. This new, commonsense 1% energy savings goal will allow Maryland to retrofit the 450,000 eligible low-income residents in just 13 years as opposed to 130 years projected under the current program.

The Department of Housing and Community Development (DHCD) implements low-income programs within the EmPOWER energy efficiency portfolio (these programs are currently known as the Low-Income Energy Efficiency Program or LIEEP and the Maryland Energy Efficiency and Housing Affordability program or MEEHA). DHCD has been recognized for its effective work to improve low-income homes by our ally the Stewards for Affordable Housing for the Future (SAHF).^{iv} This is encouraging. However, DHCD's overall delivery of retrofits to homes has lagged the rest of the EmPOWER portfolio, with a recent analysis finding that "Excluding multifamily housing, DHCD served 9% of income-eligible households from 2010 to 2017 and served 6% of income-eligible households when including multifamily housing."^v

This is not surprising. Lessons from the rest of the portfolio, and from energy efficiency resource standards such as EmPOWER Maryland generally, show that they benefit from specific performance targets. Electric utilities under Maryland's portfolio are performance-driven, thanks to the initial 15 percent by 2015 target and the current two-percent-per-year one. DHCD has no such performance goal. Now is the time to rectify that. Energy efficiency has already saved Maryland consumers billions of dollars, reduced air pollution and created new economic activity including good jobs.^{vi} This mirrors what is happening across the United States. In fact, in 2018 the energy efficiency sector grew by more than 3.4 percent nationwide, creating more than 2 million jobs.^{vii} In 2019, the sector is expecting even more growth, with estimates as high as 7.8 percent growth in projected new jobs related to energy efficiency.¹ A forthcoming March report from Energy Efficiency for All examines the job potential specifically

¹ Ibid

from retrofitting multifamily housing (which is served by the underfunded MEEHA program). In Maryland, it projects that retrofitting subsidized and market rate multifamily housing alone would create more than 29,000 jobs. A performance goal for low-income programs is overdue. For the last seven years the Maryland Energy Efficiency Advocates (which includes NRDC) and our allies worked with the Public Service Commission to create a saving goal for low-income residents, participating in two separate low-income working groups, repeatedly filing comments about the EmPOWER portfolio's limited, inequitable reach into and servicing of low-income buildings and residents. These proceedings have yielded no progress as stakeholders have been unable to reach consensus. As the saying goes, "Justice delayed is justice denied." Low-income Marylanders deserve equitable access to the benefits from energy efficiency that are increasingly available and normal for the rest of the state.

We need you, the legislature, to act. It's time to codify a one-percent-per-year energy savings goal for low-income residents so the EmPOWER program benefits all Marylanders.

ⁱ <https://www.psc.state.md.us/electricity/empower-maryland/>

ⁱⁱ <https://www.aceee.org/blog/2015/07/three-cheers-maryland>,

<https://www.nrdc.org/experts/deron-lovaas/renewing-marylands-commitment-energy-efficiency>

ⁱⁱⁱ <https://www.utilitydive.com/news/maryland-sees-biggest-energy-efficiency-improvements-kentucky-largest-decl/564111/>

^{iv} <https://www.sahfnet.org/media-center/news/maryland-efficiency-program-brings-sustainability-home-annapolis>

^v Apprise Report. <http://mlrt.opc.maryland.gov/pdf/APPRISE%20Maryland%20Low-Income%20Market%20Characterization%20Report%20-%20September%202018.pdf>

^{vi} <https://www.aceee.org/white-paper/empowering-maryland-0317>

^{vii} <https://www.usenergyjobs.org/>

MD Catholic Conference_FAV_SB0524.pdf

Uploaded by: MJ Kraska

Position: FAV



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

February 15, 2022

SB 524

**Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance
Targets and Low-Income Housing**

Senate Finance Committee

Position: Support

The Maryland Catholic Conference (“Conference”) represents the public policy interests of the three Roman Catholic (arch) dioceses serving Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington.

Senate Bill 524 requires the Department of Housing and Community Development (DHCD) to procure or provide energy efficiency and conservation (EE&C) programs and services for electricity customers for the 2022-2024 EmPOWER Maryland Program cycle, subject to specified requirements. The EE&C programs and services must be designed to achieve a target annual incremental gross energy savings of at least 0.4% per year, compared to 2019, starting in 2023. The bill also establishes (1) the Green and Healthy Task Force, staffed by DHCD and (2) several reporting and planning requirements for DHCD and the Public Service Commission (PSC), including that DHCD develop a plan to provide energy efficiency retrofits to all low-income households.

The Conference supports environmental legislation that recognizes the integral ecosystem in which we live and promotes diversity and inclusion in pursuit of the common good. In his encyclical, *On Care for Our Common Home (Laudato Si’)*, Pope Francis states that “*We are faced not with two separate crises, one environmental and the other social, but rather with one complex crisis which is both social and environmental. Strategies for a solution demand an integrated approach to combating poverty, restoring dignity to the excluded, and at the same time protecting nature.*”

Laudato Si’ is not an endorsement of specific public policy proposals; rather, it seeks to illustrate the importance of protecting our common home and issue guidance as to how to listen to all voices in solving this massive global crisis. Pope Francis explains that “*The human environment and the natural environment deteriorate together; we cannot adequately combat environmental degradation unless we attend to causes related to human and social degradation. In fact, the deterioration of the environment and of society affects the most vulnerable people on the planet... The impact of present imbalances is also seen in the premature death of many of the poor.*”

The Conference appreciates your consideration and, for these reasons, respectfully requests a favorable report on Senate Bill 524.

SB0524_QVM_Testimony_SUPPORT.pdf

Uploaded by: Molly Finch

Position: FAV



February 11, 2022

Dear Chairman Kelley and Members of the Committee,

Quaker Voice of Maryland is submitting this testimony in FAVOR of SB0524– *Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing.*

Low and very low-income Marylanders continue to face a disproportionate share of costs for electricity and other utilities. It is estimated that on average, low-income households pay 13% of their income for electricity and for very low-income households this cost is estimated to be over 30% of household income. These high costs can be contributing factors leading to health-related issues and homelessness.

Quaker Voice of Maryland acknowledges the Department of Housing and Community Development for their current efforts to address this issue. However, we also believe that as housing and other costs continue to rise, those whose incomes are the lowest will continue to be the most impacted. DHCD's current targets for addressing this problem are not sufficient to meet the very real crisis that many low and very low-income households are facing today.

We encourage a FAVORABLE report for this essential legislation.

Sincerely,

Molly Finch

Working Group Member, on behalf of Quaker Voice of Maryland

Personal email: mgsfinch@gmail.com

Organization email: quakervoice.md@gmail.com

Charkoudian Low Income Energy 2022 Efficiency.pdf

Uploaded by: nanci Wilkinson

Position: FAV

Committee: Senate Finance

Legislation: SB0524/HB 0108 Requiring the Department of Housing and Community Development to procure or provide for electricity customers energy efficiency and conservation programs and services designed to achieve an annual incremental gross energy savings of at least 0.4% starting in 2023; requiring the Department to develop a plan to coordinate and leverage funding sources to support certain energy efficiency and other home upgrades and a plan to provide energy efficiency retrofits to all low-income households by 2030; etc.

Organization: Environmental Justice Ministry Cedar Lane Unitarian Universalist Church

Position: Favorable

Hearing: February 15, 2022

Dear Committee Chair and Committee Members,

SB 0524 and companion bill HB 0108 are excellent bills to support climate equity in the difficult area of energy efficiency retrofits in low-income households. The Environmental Justice Ministry holds the inherent worth and dignity of every person and justice equity and compassion as principles of our faith. These bills provide the fair distribution of energy resources that will benefit all Marylanders and will help reduce greenhouse gas emissions.

Please vote in favor of SB 0524.

Nanci Wilkinson

Environmental Justice Ministry Team

Cedar Lane Unitarian Universalist Church

SB0524-FAV-DTMG-2-15-22.pdf

Uploaded by: Olivia Bartlett

Position: FAV



Olivia Bartlett, DoTheMostGood Maryland Team

Committee: Finance

Testimony on: SB0524 – Public Utilities – Energy Efficiency and Conservation Programs – Energy Performance Targets and Low-Income Housing

Position: Favorable

Hearing Date: February 15, 2022

Bill Contact: Senator Brian Feldman

DoTheMostGood (DTMG) is a progressive grass-roots organization with more than 3000 members across all districts in Montgomery County as well as a number of nearby jurisdictions. DTMG supports legislation and activities that keep residents healthy and safe in a clean environment and which promote equity across all our diverse communities. DTMG strongly supports SB0524 because it will provide greater energy equity and a healthier environment for low-income Maryland residents and will help reduce greenhouse gas emissions that drive climate change.

Energy efficiency is a proven, cost-effective way to lower the cost of energy for residents and to reduce greenhouse gas emissions across Maryland. Since 2008, when the EmPOWER program was first enacted with a goal of reducing electricity usage by 15 percent by 2015, Maryland has benefited from a performance target-driven energy efficiency portfolio.

However, low-income households have been left behind in this transition to greater energy efficiency. Low-income families tend to live in older homes that need health and safety remediation, such as lead and mold removal, before their homes can be weatherized. Although using energy more efficiently is one of the most cost-effective ways to lower utility bills and stabilize electricity prices for vulnerable households, Maryland currently has no goal or agency accountable for maximizing energy efficiency in the low-income households most in need of energy savings. As a result, too many low-income Marylanders continue to face high energy bills and unhealthy living conditions because of broken HVAC systems, drafty windows, and unreliable electrical systems. Low-income households in Maryland are also disproportionately (55%) Black, Hispanic, or Asian families.

A variety of barriers make it more difficult for low-income households to benefit from the current EmPOWER program compared to high-income households and Maryland lags behind other states in helping low-income residents achieve energy savings and lower energy costs. Nationally, low-income households need about 8% of their annual incomes to cover their energy costs, while energy costs for Maryland's low-income households are about 13%. Low-income households that can least afford it pay an average of 550% more for energy as a percent of income than most Marylanders.

Energy efficiency resource standards benefit from specific performance targets. However, there are no performance goals for low-income households under programs administered by the Department of Housing and Community Development.

The General Assembly has an important opportunity to fix these problems now by passing SB0524 to codify a complementary performance-driven goal for low-income housing. SB0524 includes a common-sense transition to a 1% annual energy savings goal for low-income households that will allow Maryland to retrofit the homes of 450,000 eligible low-income residents at least 100 years sooner than the 130 years projected under the current program. SB0524 will coordinate and consolidate a range of federal and state funding sources, enable state-funded home energy audits in qualified low-income homes, and increase Empower and state funding for programs targeting low-income households to make energy efficiency improvements, such as installation of new insulation, better windows, EnergyStar® appliances, LED light bulbs, and more.

SB0524 will therefore help low-income residents save energy and lower their energy costs. Energy efficiency has already saved Maryland consumers billions of dollars, reduced air pollution, and created new economic activity including good jobs. A performance goal for low-income programs is overdue.

For all these reasons, DTMG strongly supports SB0524 and urges a **FAVORABLE** report on this bill.

Respectfully submitted,

Olivia Bartlett
Co-lead, DoTheMostGood Maryland Team
olviabartlett@verizon.net
240-751-5599

SB0524_NHT_Nevo_FAVORABLE.pdf

Uploaded by: Raymond Nevo

Position: FAV



February 15, 2022

Maryland State Senate
Finance Committee
Senator Delores G. Kelley, Chair
Senator Brian J. Feldman, Vice Chair

Testimony of Raymond Nevo, National Housing Trust, in support of Senate Bill 0524

My name is Raymond Nevo, I am the State Policy and Equity manager at the National Housing Trust, a Maryland resident, and someone that grew up in subsidized housing that was not energy efficient. Today I write in support of SB0524 because had this legislation been in place while I was growing up, our family's long term and short-term hardships would have been significantly reduced.


During elementary school, my grandmother and I had to move twice within the same apartment complex because rain seeped through our roof causing several leaks in our ceiling. The asbestos in our apartments made them uninhabitable. Our windows leaked year-round, and our apartments were poorly insulated, but because we were on an extremely fixed income our methods to make our space bearable were layer up in the winter, or run a fan in the summer, and even then, our utility bills were often unexplainably high.

At the age of eight I was rushed to the hospital after suffering what I would later learn to be my first asthma attack. For almost 15 years I would need to manage my asthma almost daily. I missed days from school, spent additional money on transportation to the doctor and was never able to play soccer as much as I wanted to. A few years after my diagnosis, my grandmother, a cerebral hemorrhage survivor - was also diagnosed with asthma.

The Maryland Department of Housing and Community Development (DHCD) has reported that households receiving energy efficiency upgrades through their programs saved more than \$400 per year on average through lower energy bills.¹ However, those are only the measurable benefits. The time lost going to doctor's appointments, making up school work, worrying about the next water leak, utility bill, or asthma attack cannot not be made up. This legislation can relieve some of the stresses and anxieties that families like mine endure, and as these families fight to stabilize two years into the pandemic, every minute and dollar saved is critical.

My grandmother still lives in subsidized housing that is not energy efficient and continues to deal with her worsening health conditions. My mother, also a life-long tenant of subsidized housing with poor insulation, leaky windows, and visible mold, was diagnosed with COPD and has required oxygen for over 10 years.

¹ "2017.09.01DHCD_LimitedIncome_MD2018-2020_PlanFINAL_HighRes.Pdf," n.d.



These stories are tragic, but the data shows these stories are not uncommon. For two years the Maryland General Assembly has failed to act on this issue. This pandemic has exacerbated the health disparities of everyone, but those in low-income housing have suffered the most. As our country begins to prioritize environmental and racial justice, it would be wrong to once again bypass this opportunity to provide relief for communities that suffer most in times of crisis. I look forward to seeing Maryland follow suit with so many other states and make this commitment to its residents and to the environment.

Raymond Nevo
State & Equity Policy Manager
National Housing Trust

SB 524_Maryland Catholics for Our Common Home_FAV.

Uploaded by: Robert Simon

Position: FAV



Maryland Catholics for Our Common Home

Responding to the cry of the Earth
and the cry of the poor.

Hearing before the Senate Finance Committee
Maryland General Assembly
February 15, 2022

Statement of Support (FAVORABLE) of Maryland Catholics for Our Common Home on SB 524, Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing

Maryland Catholics for Our Common Home (MCCH) is a lay-led organization of Catholics from parishes in the three Catholic dioceses in Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington. It engages in education about, and advocacy based on, the teachings of the Catholic Church relating to care for creation. MCCH is a voice for the understanding of Catholic social teaching held by a wide array of Maryland Catholics, but should be distinguished from the Maryland Catholic Conference, which represents the public policy interests of the bishops who lead these three dioceses.

MCCH would like to express its strong support for passage of Senate Bill 524, Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing. As Catholics, we see a strong link between care for God's creation and concern for the poor, as both are an integral part of our faith. Pope Francis' 2015 encyclical, entitled *Laudato Si': On Care for Our Common Home* draws specific links between the climate crisis and its effects on vulnerable populations, noting that "Many of the poor live in areas particularly affected by phenomena related to warming" and that "Both everyday experience and scientific research show that the gravest effects of all attacks on the environment are suffered by the poorest."¹ We see these connections in Maryland, as well—as shown in a 2018 study that found that Baltimore residents "in the hottest parts of the city are more likely to be poor, to live shorter lives, and to experience higher rates of violent crime and unemployment."² The standards, programs, and resources that would be made available under the provisions of SB 524 will make a positive difference for low-income Marylanders. It will help them to achieve energy savings, to lower their energy costs, and to make their residences more resilient to the increased heat waves that climate models show will be the result of our past and projected emissions of greenhouse gases. We also applaud the provisions in SB 524 providing for fair worker pay, benefits, and training, which also align with Catholic social teaching.

Thank you for your consideration of our views and our respectful request for a **favorable** report on Senate Bill 524.

¹ *Laudato Si'*, no. 25 and 48, https://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20150524_enciclica-laudato-si.html.

² Ian Round et al., "In urban heat islands, climate crisis hits harder," Howard Center for Investigative Journalism, University of Maryland, September 3, 2019, <https://cnsmaryland.org/interactives/summer-2019/code-red/neighborhood-heat-inequality.html>.

GHHI Written Testimony - SB524.pdf

Uploaded by: Ruth Ann Norton

Position: FAV



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February 14, 2022

Senator Delores G. Kelley, Chair
Senate Finance Committee
3 East Miller Senate Building
Annapolis, Maryland 21401

Re: **SUPPORT** – SB524 – PUBLIC UTILITIES – ENERGY EFFICIENCY AND
CONSERVATION PROGRAMS – ENERGY PERFORMANCE TARGETS AND
LOW-INCOME HOUSING

Dear Chairman Kelley and Members of the Committee:

On behalf of the Green & Healthy Homes Initiative (GHHI), I offer this testimony in support of SB524. GHHI is a member of Energy Efficient Maryland and served recently on the New York State Climate Action Council Housing and Energy Efficiency Advisory Panel. In addition, I represent GHHI as a member of the EPA Children's Health Protection Advisory Committee, the Maryland Public Health Association Advisory Committee and the Maryland Lead Poisoning Prevention Commission. GHHI is dedicated to addressing the social determinants of health and advancing racial and health equity through the creation of healthy, safe and energy efficient homes. GHHI has been at the frontline of holistic healthy housing for over three decades.

Over its 30-year history, GHHI has developed the holistic energy efficiency, health and housing service delivery model that is implemented in our nationally recognized, Maryland-based direct service program. The model was adopted by the U.S. Department of Housing and Urban Development and is currently being advanced in partner jurisdictions nationally. In addition, GHHI helped to elevate Maryland as a national leader in healthy housing by helping reduce childhood lead poisoning by 99% in the state and helping design over 45 pieces of healthy housing legislation that became law in the State of Maryland and local jurisdictions. By delivering a standard of excellence, GHHI aims to eradicate the negative health impacts of unhealthy housing and unjust policies to ensure better health, economic, and social outcomes for children, seniors and families with an emphasis on black and brown low-income communities. GHHI's holistic intervention approach was recently cited by HUD as a model for effective coordination of federal healthy homes and weatherization programs and resources.

Through our own research and evidence-based practice, GHHI has found that a healthy and energy efficient home yields a multitude of energy and non-energy benefits for residents, particularly low-income residents who can benefit the most from such energy efficiency improvements in terms of economic mobility, housing stability and wealth retention over the long-term. We are deeply committed to advancing racial and health equity, economic mobility

and climate resiliency through efficiency standards for low-income housing, and thus write in support of SB524 which is a crucial lynchpin in the effort to advance energy equity and address home health for Maryland's low-income families and households.

What will SB524 Do?

1. Establish a gross energy savings goal for Maryland for low-income housing of 0.40% starting in 2023 and increasing to 0.53%, 0.72% and 1.0% respectively in 2024, 2025 and 2026. This will result in greater EmPOWER weatherization resources being directed to low-income households in Maryland.
2. Set contract preferences for minority-owned, women-owned and veteran-owned contractors to increase their access to MDDHCD weatherization program contracts.
3. Enable DHCD to better leverage other federal and state housing resources. Effective braiding of federal resources with EmPOWER will both achieve savings targets and increase access to services to more comprehensively address other home-based environmental health hazards that may prevent energy efficiency upgrades.
4. Protects tenants from rent increases and eviction in properties benefitting from state weatherization program interventions.
5. Creates a Green and Healthy Task Force to develop a roadmap to increasing energy-efficiency in all low-income housing in the state by 2030, increasing holistic housing intervention programs and improving the health and safety of Maryland's housing stock.

Why is SB524 Needed?

Maryland has a nation-leading 2-percent-per-year electricity consumption savings target enacted by the legislature in 2017. However, these savings, which translate to lower energy bills, are not distributed equitably across all Marylanders. Currently, low income customers are not proportionally receiving the benefits of EmPOWER. Maryland's utilities are responsible for achieving the 2% target but do not adequately serve all Marylanders. In Maryland, the Department of Housing and Community Development (DHCD) administers EmPOWER programs for all low-income households across the state while Maryland's Utilities primarily cover the non-low-income populations in their respective service territories. As a result, almost all the benefits of the 2% savings target accrue to non-low-income households. By comparison, DHCD is driving electricity consumption savings of about 0.15% in low-income households. Through SB524, we are righting this inequity – creating equal access to the benefits of energy efficiency upgrades for our most vulnerable and under-resourced residents. SB524 will also help address the deep inequity in funding allocations for DHCD and Utility programs. For FY19 for example, the Utilities requested over \$131 million dollars from EmPOWER, while DHCD requested just over \$20 million – all of which was projected to be spent in the BGE and Potomac Edison service territories. Both requests were approved by the Public Service Commission. In terms of spending, the Utilities spent just over \$110 million (about \$20 million less than they requested) and DHCD spent over \$25 million (\$5 million more than they requested). Despite spending less than they requested, the Utilities exceeded their 2% electricity savings target. This

data shows that demand for low-income programs through EmPOWER exceeds what the DHCD funding can currently support. In fact, at Maryland's current funding levels, it will take 130 years for state programs to provide energy efficient upgrades in all 450,000 low-income households. Since the Utilities have a savings target and DHCD does not, the PSC has opted to allocate a disproportionate amount of funding to the Utilities. SB524 would establish a savings target for DHCD which we believe will enable DHCD to request more resources from the EmPOWER funding pot. The Fiscal Note does not accurately estimate the cost of SB524. It does not account for the increase in DHCD funding from a larger allocation of EmPOWER funds that will be offset by a reduction in unused energy efficiency program funds for the utility programs. In addition, DHCD's increased weatherization interventions in low income properties will still contribute to the overall energy savings goals.

All ratepayers in Maryland pay an EmPOWER surcharge on their utility bills every month and it is important for low-income households to derive greater benefits from the energy efficiency programs funded through EmPOWER than they are currently receiving. Throughout Maryland, low-income residents face disproportionately higher utility bills. As a proportion of total income, low-income residents in the state of Maryland pay 550% more as a portion of income for energy than non-low-income residents in the state. Some low-income Marylanders devote such an extremely high share of their income to energy services that up to 42 cents out of every dollar is spent on energy bills (APRISE: Applied Public Policy Research Institute for Study and Evaluation, 2018). Every dollar that low-income residents allocate to costly utility bills is a dollar that cannot be used on other household essentials ranging from affording medical bills and school supplies to food (APRISE: Applied Public Policy Research Institute for Study and Evaluation, 2018). Approximately 55% of Maryland's low-income households include Asian, Hispanic or Black residents. These residents have less access to affordable, energy efficient and healthy homes (Lucy Laflamme, N.D.). These disparities persist across the state, characterized by energy inefficient homes and health hazards like lead-based paint, leaky roofs, poor indoor air quality and mold. These conditions often cause DHCD to defer energy efficiency service delivery until all health and safety hazards are addressed. Deferral technically means that the services will be delivered eventually but most deferred cases never get the upgrades because there are not sufficient resources to help low-income households address the hazards themselves. EmPOWER has a \$1,000 health and safety budget per unit that can be used to perform pre-energy efficiency hazard remediation, but in many cases, this budget is not large enough to address all health and safety issues.

In situations where a household is unable to receive building shell measures like insulation or air sealing because of health and safety hazards, DHCD may perform cosmetic energy efficiency upgrades. Cosmetic energy efficiency upgrades refer to LED/CFL light bulb replacement and low flow faucet and shower heads and typically don't have as significant an impact on energy consumption and occupant well-being. Achieving a 0.4% savings goal will require DHCD to perform deep energy upgrades in low-income households, which also means that there needs to

be a mechanism to address health and safety hazards to allow for deep energy upgrades. SB524 addresses this problem in several ways:

- SB524 encourages DHCD to leverage additional sources of available funding for energy efficiency and healthy housing. These sources include DOE Weatherization Assistance Program, HHS Low-income Heating and Energy Assistance Program, HUD Community Development Block Grant, Lead Hazard Reduction and Healthy Homes Programs, Maryland's Strategic Energy Investment Fund, and others. These funding sources can be leveraged to 1) address health hazards in substandard housing and 2) fund deeper energy efficiency retrofits such as building shell measures.
- SB524 also establishes a Green and Healthy Task Force, comprised of state agencies and other stakeholders, to develop a plan for how the state will improve the conditions and energy efficiency of all low-income housing in the state.
- In order to measure impact accurately, the Bill requires DHCD to develop, in partnership with stakeholders, an average lifetime measure threshold, which is a numerical value that characterizes the average lifetime savings accrued by measures that DHCD installs through their programs. The EmPOWER program currently uses an annual savings model to determine success of the program. The annual savings measure introduces an incentive for DHCD and the Utilities to invest in measures that have a high annual savings projection, which are typically cosmetic upgrades such as light bulb replacement, and not building shell measures such as insulation and air sealing. Building shell measures typically have a significant lifetime savings projection but do not typically have a high annual savings projection. To incentivize building shell measures, SB524 requires DHCD to develop an average lifetime savings threshold that is high enough to encourage building shell measures.

Benefits of providing low-income households with energy efficiency upgrades

Achieving a 0.4% energy savings goal will cost money. Still, benefits that accrue to low-income households and communities as well as the state of Maryland far outweigh the costs. A recent Gabel Associates report found that a 5-year ramp up to a 1% energy savings goal will provide over \$509.9 million in benefits to the state compared to \$377.5 million in total costs (net present value over the 5-year period). Energy efficiency and weatherization interventions provide not only energy benefits, related to reductions in energy usage and costs, but also non-energy benefits as well. Non-energy benefits are considered the overall socio-economic benefits that are derived from energy efficiency improvements, aside from energy savings. Studies have shown that energy efficiency and weatherization can improve housing conditions relating to thermal comfort, indoor air quality, pest management, and fire safety. In the Gabel Associates report, non-energy benefits accounted for over half of the total benefits.

Furthermore, household energy efficiency upgrades can spur community benefits such as economic growth, neighborhood revitalization, and resilience. These investments can help to support and stimulate the local economy by providing families and individuals with greater disposable income, which can help alleviate poverty and increase purchasing power while

generating more local jobs (Bell 2014; IEA 2014). One study found that between 9 and 13 gross jobs are generated per every \$1 million investment in weatherization. By targeting energy efficiency upgrades at low-income households with SB524, all Marylanders will benefit.

Energy Equity and Safer Housing

As demonstrated by assorted research efforts, in the United States African Americans have the greatest likelihood of residing in older homes with compromised energy systems, aging or ineffective appliances and other assorted structural deficiencies, all of which contribute to making the home energy inefficient (Diana Hernández Yumiko Aratani Yang Jiang, 2014; Diana Hernández, Yang Jiang, Daniel Carrión, Douglas Phillips, and Yumiko Aratani, 2016). The often substandard state of such deprived households, specifically considering those in historically residentially segregated areas, typically contain assorted compromised components directly related to a home's energy inefficiency status. These include but are not limited to, inadequately sustained and inefficient ventilation (HVAC), cooling and heating systems, drafts or air leaks, and poor insulation (Ariel Drehobl and Lauren Ross, 2016; Diana Hernández and Douglas Phillips, 2015; Tony Gerard Reames, 2016; United States Census Bureau, 2015). These structural conditions, coupled with a household's inability to obtain energy – independent systems within higher quality homes, all contribute to increased costs for fundamental home utilities such as cooling and heating systems and lighting, through inefficient household energy usage (Jamal Lewis, Diana Hernández & Arline T. Geronimus, 2019).

Data demonstrates that African Americans are disproportionately subjected to trade-offs in expenditures, for instance choosing between paying energy expenses or food and medicine, with 28% of African Americans households reporting having waived food and medicine monthly in order to pay for energy, (James Berry, Independent Statistics & Analysis: U. S. Energy Information Administration, 2018). Investigatory research has revealed how challenges central to energy insecurity, including difficulties paying energy bills or experiencing reduced thermal comfort, are connected to raised stress levels, known to be damaging to long term health when chronically sustained (Arline T. Geronimus, 2000; Diana Hernández, 2016).

Energy efficiency upgrades further alleviate the ongoing long-term exposures to housing and household energy usage related stressors, known to damage health and well-being that disproportionality impact African American and low-income households. Information about accessing and utilizing energy efficiency efforts thus needs to be appropriately directed toward African American households, especially low-income households, to counteract the perpetuated cycle of housing and energy efficiency outcomes seen along racial energy savings lines (Hernández, 2016). As one in every five low-income households in Maryland are non-urban areas, both rural and urban state residents would benefit from a 0.4% low-income energy savings goal. (APRISE: Applied Public Policy Research Institute for Study and Evaluation, 2018). This savings effort would help realize enhanced energy equity for all low-income Maryland residents.

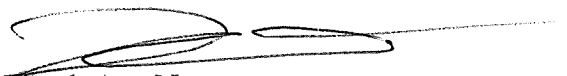
Healthy Housing Benefits – Through improved coordination of weatherization funding with other housing resources and increased federal funding for healthy housing interventions, clients participating in state energy efficiency programs will experience reduced deferral rates for weatherization programs and improved indoor air quality and home safety. These comprehensive interventions will benefit residents and the state through reductions in asthma related ED visits and hospitalizations, lead poisoning, household injury and radon and asbestos exposures.

How Does Maryland Compare with Other States?

Maryland would become a national leader by implementing an energy savings goal for low-income households. Other states already are recognizing the importance of serving more low-income households with energy efficiency. As a part of the Governor’s New Efficiency New York initiative, the New York Public Service Commission issued an order for all utilities to dedicate at least 20 percent of incremental funding to low- and moderate-income households (LMI). This LMI carve out represents \$253 million for the period of 2021-2025. The 2017 *Future Energy Jobs Act* passed in Illinois mandates that electric utilities realize yearly energy savings goals, while meeting a minimum spending level for low-income programs (EDF, 2018). Commonwealth Edison (ComEd), the largest electric utility in Illinois is required to spend a minimum of \$25 million per year to improve the energy efficiency of low-income ComEd households while reducing utility bills for these low-income customers (EDF 2018). California’s long-term energy efficiency strategic plan established a goal that by 2020, 100% of all eligible and willing customers will have experienced all cost-effective energy efficiency measures for low-income customers (California Public Utilities Commission, 2008).

Maryland falls behind other states in terms of low-income residents’ energy costs and energy savings. Across the US, low-income homes allocate 8% of annual incomes to household energy costs; in contrast Maryland’s low-income homes dedicate 13% of yearly household incomes to cover these utilities (APRISE: Applied Public Policy Research Institute for Study and Evaluation, 2018). At present funding levels in the state, it would take 130 years to finish energy efficiency improvements in all eligible 450,000 low-income households in the state (Lucy Laflamme N.D.). However, with a 0.4 % low-income savings goal in place, and with the intent of getting to a 1% goal in 2026, Maryland will be able to reach all eligible households much sooner with the goal of weatherizing all low-income homes by 2030. This Bill will focus our resources on the residents who will garner the greatest benefit from residential energy efficiency improvements. SB524 presents an opportunity to place Maryland in a position of national leadership in advancing racial, health and energy equity by meeting the critical energy needs of Maryland’s vulnerable families and seniors. We request a favorable report on SB524.

Respectfully Submitted,



Ruth Ann Norton
President and CEO

SB524_IndivisibleHoCoMD_FAV_RuthAuerbach.pdf

Uploaded by: Ruth Auerbach

Position: FAV



SB524 – Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing

**Testimony before
Senate Finance Committee**

February 15, 2022

Position: Favorable

Dear Finance Committee Members,

My name is Ruth Auerbach, and I represent the 750+ members of Indivisible Howard County. We are providing written testimony today to **support SB524**, to provide low-income electricity customers with energy efficiency and conservation programs and services. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are grateful for the leadership of Senator Feldman for sponsoring this bill.

We enthusiastically support efforts to improve energy efficiency in Maryland's housing stock. Additionally, too many low-income Marylanders have high energy bills and unhealthy living conditions that need to be addressed. Unfortunately, many of the upgrades that improve energy efficiency have initial costs that are a barrier to many. Many energy efficiency programs and services are disproportionately not reaching low-income households, who already pay 550% percent more as a portion of their income for energy. We believe that the targets for energy savings for low-income households will help reverse this trend.

Thank you for your consideration of this important legislation.

We respectfully urge a favorable report on this bill.

Ruth Auerbach
Columbia, MD 21046

SB 0524 AIAMD Ltr of Support.pdf

Uploaded by: Sandi Worthman

Position: FAV

31 January, 2022

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, Maryland 21401

Re: Letter of Support for Senate Bill 0524
Public Utilities – Energy Efficiency and Conservation Programs – Energy Performance Targets and Low-Income Housing

Dear Chairwoman Kelley and members of the Finance Committee:

We are writing to offer AIA Maryland's support for Senate Bill 0524, requiring the state DHCD to provide energy efficiency and conservation programs designed to achieve incremental gross energy savings, particularly for low-income housing. This bill is critical for enhancing the lives of low-income residents in the state of Maryland. Existing programs like EmPOWER Maryland and the Multifamily Energy Efficiency and Housing Affordability Program (MEEHA) are so important to developers of low-income housing. These programs make quality, sustainable affordable housing projects happen and are critical to fueling additional development of affordable housing in our state. The energy retrofits these programs help to fund, support meeting the aggressive requirements for energy savings that are necessary to combat climate change. In addition to energy savings, residents can realize significant savings with utility bills; savings that can instead go towards other things to improve the lives of low-income families. We know that many of these families are cost burdened, paying from 1/3 to over 1/2 of their income to rent and reducing that burden is significant. Weatherization strategies also help improve the public health, ensuring better indoor air quality in the home which can lead to less sick days from school or work and has proven to reduce incidents of asthma. This bill outlines a great plan for accountability and reporting on the efforts being made across the state so we can study and realize the true benefits of energy retrofits. I am very interested to see how the energy retrofits implement in low-income housing can result in positive impact for the state in areas of development, health, and economy.

AIA Maryland represents almost 2,000 Architects in the state of Maryland. Many of our members conduct research, advocate for, and successfully work on affordable housing projects. Our architect and allied members have a wealth of knowledge regarding the design and construction of energy retrofit strategies. As such, we recommend that you consider adding one member to the Green and Healthy Task Force that is outlined in this bill. We believe that someone who designs or builds affordable housing and is familiar with the practical implementation of energy efficiency measures may prove to be a huge benefit to the group. Adding creative minds to the Task Force who work on physically adding these retrofits to our housing stock can help identify ways to implement measures for efficiency and effectiveness. Please consider adding this recommendation to the bill in future drafts, as we believe it can yield a great benefit to the program.

We encourage you to vote in favor of this legislation and encourage Maryland's continued commitment and investment in supporting legislation that benefits affordable housing. Thank you for your consideration and your vote.

Sincerely,



Martina Reilly, AIA, LEED AP BD+C
Director, AIA Maryland

ICAA Testimony SB 0524 2-14-22.pdf

Uploaded by: MICHAEL KWART

Position: FWA



February 14, 2022

Senator Delores G. Kelley, Chair, Finance Committee

Senator Brian J. Feldman, Vice Chair, Finance Committee

Re: ICAA Written Testimony Related to SB 0524 – Public Utilities – Energy Efficiency and Conservation Programs – Energy Performance Targets and Low-Income Housing

Dear Committee Chair Kelley and Vice Chair Feldman,

ICAA is a 45-year old membership organization representing residential and commercial building thermal insulation contractors and their insulation suppliers. Our member contractors install all types of building insulation. Thank you for the opportunity to express our views on this matter.

It is ICAA's position that SB 0524 should be amended by deleting 7-211.1 (B)(5), thereby permitting the use of spray polyurethane foam products and mineral wool insulation in low-income housing programs.

Rationale

1. Building occupants are not exposed to Category 1 respiratory sensitizers from polyurethane products, nor are they exposed to formaldehyde from mineral wool insulation.¹ There are no adverse health impacts from these building materials, either at the delivery side (installation) or the occupant side. Workers are protected by adhering to the manufacturers' installation and product stewardship recommendations and adhering to federally mandated respiratory and hazard communication requirements. Building occupants are not exposed to respiratory sensitizers because cured polyurethanes are inert and nontoxic.²

INSULATION CONTRACTORS ASSOCIATION OF AMERICA

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703-739-0356 • www.insulate.org • icaa@insulate.org

¹ Mineral wool insulation products are determined compliant in accordance with California Department of Public Health (CDPH) Standard Method v1.2-2017.

² EPA MDI Chemical Action Plan: www.epa.gov/sites/default/files/2015-09/documents/mdi.pdf

2. There seems to be no evidence to support the exclusion of spray polyurethane foam and mineral wool insulation products in the proposed bill. According to the same criteria, many everyday construction materials and household products would need to be included. In fact, diisocyanates ranked 25th in a reporting of work-related asthmagen exposures in California workplaces, or lower than 24 other asthmagen exposures. The report [Asthma in California: A Surveillance Report, May 2013](#) sourced data from 1993 – 2008.³

3. Federal OSHA regulations and manufacturers' stewardship programs have guided the spray polyurethane foam and mineral wool insulation industries, which have complied with regulatory requirements that, among other things, mandate worker information on the safe use of these products. Employers and workers utilize engineering controls and work practices and implement a Hazard Communication Program and a Respiratory Protection Program.

4. An OSHA National Emphasis Program to evaluate overexposures of isocyanates was terminated in 2016, because OSHA did not find overexposures of isocyanates.⁴

In summary, the proposed restrictions are unnecessary, as there is no harm or hazard from the installation and use of these materials. Insulation contractors should have the freedom to provide an array of safe, sustainable, high-performance, cost-effective insulation materials including spray foam and mineral wool insulation. Please contact me if you have any questions or need additional information. Thank you for this opportunity to provide commentary.

Sincerely,

Michael Kwart
ICAA Executive Director

³ *Asthma in California: A Surveillance Report, May 2013*, California Department of Public Health, Environmental Health Investigations Branch

⁴ OSHA National Emphasis Program on Isocyanates, 2013 – 2016

SB0524 (HB0108) - LOI - Public Utilities - Energy

Uploaded by: Landon Fahrig

Position: INFO



Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

TO: Members, Senate Finance Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: SB 524 (HB 108) - Public Utilities - Energy Efficiency and Conservation Programs -
Energy Performance Targets and Low-Income Housing
DATE: February 15, 2021

MEA POSITION: Letter of Information

Though the Maryland Energy Administration (MEA) appreciates the sponsor's intent, this bill will likely **exacerbate an existing debt** that is already approaching \$1 billion, and **raise costs for customers and ratepayers**.

The bill calls for the expansion of the Maryland Department of Housing and Community Development (DHCD) efforts within the EmPOWER program, and offers ratepayer contributions to EmPOWER as a funding source along with the Strategic Energy Investment Fund (SEIF), which is administered by MEA.

The cost recovery mechanism in EmPOWER Maryland has undergone little substantive changes over the years. In recent years, the amortization schedule has resulted in escalating cost, inclusive of the accrued interest, now in excess of \$820 million.

The direct ratepayer impacts of the bill's program costs are dependent on how the ratepayer contribution for EmPOWER would change. However, if the ratepayer contribution is increased proportionately to the program requirements prescribed by the bill, the EmPOWER costs for ratepayers could be significant. Additionally, current interest would accrue each year.

To the extent the SEIF is utilized to satisfy the requirements of this bill, other climate change and energy programs will be sacrificed to the same degree; many of which already benefit low-to-moderate income (LMI) Marylanders. In FY21, over \$29 million, or about 45% of all SEIF funding, went to LMI initiatives. Within MEA, these initiatives include the LMI Energy Efficiency program, Community Solar program, Resiliency Hubs program, and Grid Interactive Community Microgrid project. SEIF funds have also been used to enable energy bill assistance implemented by the Maryland Department of Human Services, and by DHCD for the Energy Efficient Construction Loan program.

MEA urges the committee to consider the forgoing when issuing its report.