



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

HB 169

DATE: March 2, 2023

SPONSOR: Delegate Charkoudian

ASSIGNED TO: Economic Matters Committee

CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)

POSITION: Support

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

Many low-income households in Maryland suffer from high energy burdens. The Department of Housing and Community Development (DHCD) commissioned the Applied Public Policy Research Institute for Study and Evaluation (“APPRISE”) to develop an “Energy Affordability Study” in fall 2022. That study references an “affordable energy burden” target of six percent of household income and found that “many households need a large increase in assistance to bring their energy burden down to an affordable level.”¹ Multiple factors contribute to energy burden. Among them, low-income households are not being adequately served by programs designed to improve energy efficiency and lower customer bills. A recent study by Cadmus estimated that low-income households pay far more in aggregate into EmPOWER Maryland each year through surcharges on their energy bills than they receive from the program.²

This bill would require DHCD to allocate more funds to energy efficiency and conservation programs for low-income residents to ease their energy burden and more equitably allocate program dollars. It would require DHCD to ramp up programs over time, achieving annual gross energy savings of one percent by 2026. For weatherization of leased or rented residence, DHCD is to ensure that the benefits of weatherization assistance accrue primarily to low-income tenants and the rent on the residence is not increased and the tenant is not evicted as a result of the weatherization. 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, including that DHCD develop a plan to provide energy efficiency retrofits to all low-income households by 2031.

Montgomery County respectfully requests that the Education, Energy, and the Environment Committee issue a favorable report on House Bill 169.

¹ The Affordability Study concluded that: electric heating LIHEAP recipients faced average annual energy bills of \$1,806 prior to LIHEAP benefits, which translated to an average energy burden of 24 percent. Gas heating LIHEAP recipients faced average annual energy bills of \$2,594 prior to LIHEAP benefits. The higher cost compared to electric heating customers may translate to an average energy burden close to 35 percent. The mean LIHEAP benefit of approximately \$575 and the mean Electric Universal Service Program (EUSP) benefit of approximately \$500 in Maryland would reduce mean energy burden to about 10 percent for electric heating customers and to about 20 percent for gas heating customers.

² Public Utility Law Judge Division, “Future Programming Work Group Report,” Case No. 9648 (ML# 240203) (April 15, 2022). <https://webpsc.psc.state.md.us/DMS/case/9648>