



MARYLAND STATE & D.C. AFL-CIO

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**HB 904 - Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions -
Alterations and Requirements (Energy Savings Act)
House Economic Matters Committee
March 2, 2023**

OPPOSE

Donna S. Edwards

President

Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to submit testimony in opposition to HB 904. 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 300,000 union members, I offer the following comments.

Maryland's transition to renewable and clean energy sources is daunting. It will not be solved by a single bill. It requires massive state investment in new energy generation to make it possible. Unfortunately, HB 904 will only increase demand for scarce electricity at a time when we need to be focused on expanding electricity generation and grid capacity. The U.S. Energy Information Administration reports that Maryland consumes five times more energy than it produces.¹ This ignores the fact that natural gas accounts for 36% of power on our grid. Focusing on electrification and transitioning existing resources onto a grid, heavily powered by natural gas and with limited capacity, seems to undermine the bill's intentions. We encourage this committee to focus its attention on new energy generation and preserving energy sources we already have to keep rates low for consumers, while working to expand grid capacity.

Maryland Matters reported that, "A study on SEIF funds for FY 21 showed that 52% of the proceeds went to energy bill assistance programs in Maryland, whereas for the RGGI states overall just 15% of the funding went to bill assistance. In Maryland, 20.5% of the funds went to energy efficiency programs, compared to 54% of funding going to energy efficiency in all the RGGI states collectively." Under this bill, our state will have to subsidize even more energy bills as electricity costs rise.

The Energy Savings Act also creates rebate programs that will only be accessible to the very wealthy. Residential electrification is expensive and the bill's proposed \$2,000 rebates per residence will do

¹ ¹¹ U.S. EIA, State Energy Data System, Table P3, Total Primary Energy Production and Consumption Estimates in Trillion Btu, 2020.

nothing to make it affordable for low-income families, meaning that this part of the bill subsidizes housing electrification projects for the wealthy.

We encourage the committee to issue an unfavorable report on HB 904.