

Thursday, March 2, 2023

TO: C. T. Wilson, Chair of the House Economic Matters Committee; and Committee Members
FROM: Michelle Dietz, The Nature Conservancy, Director of Government Relations; and Cait Kerr, The Nature Conservancy, Conservation & Climate Policy Analyst
POSITION: Support HB 904 Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements

The Nature Conservancy (TNC) supports HB 904 offered by Delegate Qi. This bill seeks to build on the state's successful energy efficiency program, EmPOWER Maryland, by helping homeowners to save money through energy efficiency rebates, aligning the program with our state climate goals, and utilizing the federal energy efficiency funds available from the Inflation Reduction Act to the maximum benefit.

In Maryland, TNC's work focuses on delivering science-based, on-the-ground solutions that secure clean water and healthy living environments for our communities, reducing greenhouse gas emissions and increasing resilience in the face of a changing climate. TNC has an institutional goal to support reducing global emissions by avoiding or sequestering 3 billion metric tons of carbon dioxide per year by 2030. We are dedicated to creating a future where people and nature thrive together.

The buildings sector is one of the largest carbon emitting sectors in Maryland, contributing 16 percent of the state's total greenhouse gas emissions in 2022. The Climate Solutions Now Act of 2022 set state goals to reduce emissions by 60 percent by 2031 and reach net-zero by 2045. Governor Moore has set an even more ambitious goal for 100% renewable energy by 2035. In order to meet these ambitious goals, Maryland needs to take immediate actions to mitigate emissions in the state's highest producing sectors. There can, however, be cost barriers for reducing emissions, including in the buildings sector. Currently, EmPOWER does not include incentives for switching to electric power for home heating and appliances, and still allows incentives for fossil fuel appliances and home heating. As the electric and gas utilities update their rebates and incentives to help reduce energy use and greenhouse gas pollution, it is critical that the program maintain its primary goal: to provide benefits to ratepayers. HB 904 ensures that the utilities deliver savings directly to ratepayers and are held accountable to their goals.

Investments in energy efficiency reduce costs for consumers and ratepayers, protect public health by reducing pollutants from burning fossil fuels, mitigate climate change, and facilitate transitioning to renewable energy. HB 904 also expands access for low-income households to state and federal funds for energy efficiency and whole-home retrofits. This legislation builds on the EmPOWER program's successes to provide more savings to more ratepayers and to further reduce greenhouse gas emissions.

TNC commends Delegate Qi for continuing to raise the bar for Maryland's climate mitigation commitments and advancing climate solutions that will provide cost savings benefits to more Marylanders.

Therefore, we urge a favorable report on HB 904.