



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 169- PUBLIC UTILITIES-ENERGY EFFICIENCY AND CONSERVATION PROGRAMS-
ENERGY PERFORMANCE TARGETS AND LOW- INCOME HOUSING

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN

MARCH 2, 2023

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

All across Maryland- from rural areas to Baltimore City-, low-income residents often endure broken HVAC systems, drafty windows, and unreliable electrical systems due to living in old and poorly maintained houses and apartment buildings. These conditions affect quality of life, result in unhealthy living conditions, and contribute to high energy bills. In fact, Maryland's low-income residents pay 550% more as a portion of income for energy than the average Marylander.¹

Using energy more efficiently is one of the easiest and most cost-effective ways to lower energy bills for these vulnerable households.² Further, energy efficiency improvements increase habitability and lead to better health. However, Maryland currently has no goal nor agency accountable for maximizing energy efficiency investments and promoting energy conservation in low-income households.

This bill:

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

This legislation is timely because the federal government is investing significantly in low-income energy efficiency. In PY 2021, the federal Weatherization Assistance Program had over \$1.6 billion available from all funding sources including funds from the Department of Energy, the U.S. Department of Health and Human Services (HHS) Low-Income Energy Assistance Program (LIHEAP), as well as

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

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

\$355 million from the American Rescue Plan Act (ARPA).³ The Infrastructure Bill that was signed into law on November 15, 2021, provides for \$3.5 billion in funding for the WAP Program nationwide to reduce energy loss in 700,000 low-income homes.⁴ While the final regulations have not been released by DOE, US DOE has confirmed to Green & Healthy Homes Initiative that the \$3.5 billion in funding will be in addition to the current WAP levels⁵ and will be distributed separately through an additional funding vehicle – these additional funds may be subject to additional requirements including adherence to Davis-Bacon wage scales and new approvals by local authorities. If spending is allocated over 10 years, this would result in a more than doubling of WAP funding bringing funding totals to more than \$660 million annually on a national level. Should DOE shorten the time frame for delivery and use of these funds, Maryland could see its total allocation climb. A state will receive one grant award for its regular allocated portion of the current budgeted funds, and then also receive, in another, separate grant award, for its proportional share of the \$3.5 billion.

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

Passing this bill would allow Maryland to effectively leverage and coordinate this federal funding with state funding to comprehensively support weatherization and healthy home improvements for low income Marylanders.

I respectfully request a favorable report on HB 169.

³ National Association for State Community Service Programs. “Weatherization Assistance Program-Funding Report Program Year 2021.” https://nascsp.org/wp-content/uploads/2022/12/PY21-WAP-Funding-Report_Final-1.pdf

⁴ <https://www.congress.gov/bill/117th-congress/house-bill/3684>

⁵ <https://www.energy.gov/sites/default/files/2022-03/wpn-bil-22-2.pdf>