

SB 144 - Public Utilities - Energy Efficiency and

Uploaded by: Donna Edwards

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

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President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

**SB 144 - Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing
Senate Education, Energy, and the Environment Committee**

January 31, 2023

SUPPORT

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 support of SB 144 - 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 300,000 union members, I offer the following comments.

SB 144 directs the Department of Housing and Community Development (DHCD) to seek contractors that can provide energy efficiency and weatherization retrofits to low-income residents. The bill sets reasonable requirements to ensure that money in the program only goes to contractors that meet good jobs standards. SB 144 also sets goals for DHCD to hit energy reduction targets with its spending.

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. If not, our taxpayer money will just add to the number of working families who must rely on public assistance. We are investors in these energy efficiency projects, and, as an investor, we should have demands on what our investment should produce. In effect, they are investing in bringing down the quality of life for all workers. We cannot allow that to happen.

SB 144 requires the following labor standards to apply to all the workers of all the contractors and subcontractors on the project: opportunities for 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.



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We need to help Marylanders improve their quality of life and we must 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 144.

SB144_MoCo_SUPPORT.pdf

Uploaded by: Garrett Fitzgerald

Position: FAV



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

SB 144

DATE: January 31, 2023

SPONSOR: Senator Feldman

ASSIGNED TO: Education, Energy, and the Environment

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

POSITION: FAVORABLE

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

Senate Bill 144 requires the Department of Housing and Community Development (DHCD) to procure or provide energy efficiency and conservation programs and services designed to achieve target annual incremental gross energy savings of 0.53% in 2024, 0.72% in 2025, and 1% in 2026, compared to 2016 usage levels. 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. The bill takes effect July 1, 2023.

Many low-income households in Maryland suffer from high energy burdens. DHCD commissioned the Applied Public Policy Research Institute for Study and Evaluation ("APPRISE") to develop the "Energy Affordability Study" in fall 2022. The Affordability 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 Senate Bill 144 will require DHCD to allocate more funds to energy efficiency and conservation programs for low-income residents in an effort to ease the energy burden of these households and more equitably allocate energy efficiency program dollars.

Montgomery County respectfully urges the committee to issue a favorable report on Senate Bill 144.

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>

BDCBT SB 0144 Testimony 01312023.pdf

Uploaded by: Jeffry Guido

Position: FAV



Maryland Senate - Education, Energy and the Environment Committee

Chair: Brian J. Feldman

Vice Chair: Cheryl C. Kagan

Senate Bill 0144 - Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing

Position: Support

The Baltimore DC Metro Building Trades Council supports SB 0144. The energy efficiency and housing affordability requirement to promote the use of minority owned, women owned and veteran owned businesses would benefit our signatory contractors that meet that requirement. The wages, benefits and training language in the bill provides a means for the residents of low income housing to be given an opportunity to be accepted into an apprenticeship to work on and build green energy construction and have a path to a middle class life and break the cycle of generational welfare. As it will reduce carbon emissions and give Marylanders cleaner air and water it is a good bill for all concerned.

We urge the Committee for a favorable report. Thank you.

Sincerely,

Jeffry Guido

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SB 144 Public Utilities - Energy Efficiency and Co

Uploaded by: Michelle Dietz

Position: FAV

Tuesday, January 31, 2023

TO: Brian Feldman, Chair of the Senate Education, Energy, and Environment 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 SB 144 Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing

The Nature Conservancy (TNC) supports SB 144 offered by Senator Feldman. This legislation provides assistance for households to ensure that energy efficient home upgrades, which not only reduce energy bills but also improve residents' health, are accessible to all Marylanders.

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. 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. Many Maryland residents are unable to afford upgraded equipment, weatherization processes or home retrofits that will create more energy efficient homes and reduce overall carbon emissions. SB 144 seeks to address this by establishing energy efficiency targets and conservation programs that will be available for low-income households in Maryland.

SB 144 would require the Department of Housing and Community development to establish programs and services to assist low-income households across the state to meet energy efficiency goals. Establishing these programs will assist communities in procuring and installing energy saving features in homes through coordinating and leveraging funding to provide upgrades and energy efficiency retrofits to all low-income households in Maryland. As a result, these upgrades will assist the state in meeting targeted annual energy savings goals as well as set low-income households on a path forward for both reduced energy consumption and lower costs for energy needs. SB 144 puts forth a plan of action that will assist Maryland in meeting the Climate Solutions Now Act mitigation targets through reducing energy use, removing barriers for access to energy efficient homes, and clearing a path toward significant buildings sector emissions reductions.

TNC commends Senator Feldman for continuing to raise the bar for Maryland's climate commitments and advancing climate solutions that can provide valuable environmental, economic, and public health co-benefits for all Marylanders for years to come.

Therefore, we urge a favorable report on SB 144.

MD Catholic Conference_FAV_SB0144.pdf

Uploaded by: MJ Kraska

Position: FAV



January 31, 2023

SB 144

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

Senate Education, Energy, & Environment Committee

Position: Support

The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 144 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 2024-2026 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, compared to 2016, of at least 0.53% in 2024, 0.72% in 2025, and 1.0% in 2026. 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 by 2031.

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."*

The Conference appreciates your consideration and respectfully urges a **favorable** report for Senate Bill 144.

OPC Testimony SB144.pdf

Uploaded by: Mollie Soloway

Position: FAV

DAVID S. LAPP
PEOPLE'S COUNSEL

WILLIAM F. FIELDS
DEPUTY PEOPLE'S COUNSEL

JULIANA BELL
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BRANDI NIELAND
DIRECTOR, CONSUMER
ASSISTANCE UNIT

BILL NO.: Senate Bill 144 - Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing

COMMITTEE: Education, Energy, and the Environment

HEARING DATE: January 31, 2023

SPONSOR: Senator Feldman

POSITION: Support

The Office of People's Counsel (OPC) supports Senate Bill 144. The bill is critical for ensuring that low-income utility customers proportionately benefit from Maryland's State-supported energy efficiency programs. It also will help low-income customers manage the clean energy transition as the State moves to meet its greenhouse gas reduction goals.

SB 144 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 2024-2026 EmPOWER Maryland Program cycle. The EE&C programs and services must be designed to achieve annual incremental gross energy savings increases of 0.53% in 2024, 0.72% in 2025 and 1% in 2026.

OPC looks forward to participating in the Green and Healthy Task Force created by SB 144 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 supported similar legislation passed by the General Assembly in the 2022 session—SB 524 and HB 108—and extending energy savings benefits to low-income

customers has only become more important as the State initiates policies to meet the greenhouse gas reduction goals established in the Climate Solutions Now Act.

As OPC recently documented, market forces are already driving the trend towards electrification, and even more Marylanders are expected to switch from fossil-fuel furnaces and appliances to electric ones as part of the effort to meet the State's goals.¹ At the same time, Maryland's gas utilities are on a business-as-usual path, spending tens of billions of dollars on their delivery systems.² With more customers leaving the gas system due to electrification, these higher costs will have to be recovered through fewer sales, escalating rates. Customers who have the means to electrify will do so to avoid the high gas rates, and customers without alternatives—*i.e.*, those who can't afford the upfront costs of changing their gas appliances to electric ones or can't modify their homes to accommodate the switch—nevertheless may not be able to afford continued gas service.

Extending energy savings benefits to low-income customers is necessary to ensure that low-income customers benefit proportionately from the energy transition. SB 144 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.

Recommendation: OPC requests a favorable report from the Committee on SB 144.

¹ Synapse Energy Economics, *Climate Policy for Maryland's Gas Utilities: Financial Implications* (Nov. 2022), <https://opc.maryland.gov/Gas-Rates-Climate-Report>.

² DHInfrastructure, *Maryland Gas Utility Spending: Projections and Analysis* (Oct. 2022), <https://opc.maryland.gov/Gas-Utility-Spending-Report>.

SB 0144 AIAMD Ltr of Support.pdf

Uploaded by: Sandi Worthman

Position: FAV

30 January, 2023

The Honorable Brian Feldman
Chair, Education, Energy, and the Environment Committee
2 West
Miller Senate Office Building
Annapolis, Maryland 21401

Re: Letter of Support for Senate Bill 0144
Public Utilities – Energy Efficiency and Conservation Programs – Energy Performance Targets and
Low-Income Housing

Dear Chair Feldman and members of the Education, Energy, and the Environment Committee:

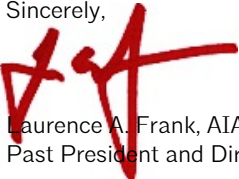
We are writing to offer AIA Maryland's support for Senate Bill 0144, requiring the state DHCD to provide green, energy efficiency and conservation programs designed to achieve incremental gross energy savings, particularly for low-income housing. This bill is critical for enhancing the lives of low-income 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 and operators 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, health safety and other general maintenance strategies help improve the public health of the state's residents, 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. AIA MD is keen to see these energy retrofits implemented in low-income housing that will result in balancing the inequity for the many who are less well off. Further, this bill supports positive impact for the state in areas of development, health, and economy. Further this bill supports small business targeting those that pay 150% of the State minimum wage, another practice to help those who earn less.

AIA Maryland represents almost 2,000 Architects throughout the state. 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 include one architect member of 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 design and physically implementing these green and energy 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 will 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,



Laurence A. Frank, AIA
Past President and Director, AIA Maryland

NAACP MSC SB144_FAVORABLE.pdf

Uploaded by: Staci Hartwell

Position: FAV

SB144

January 30, 2023

Committee | Education, Energy, and the Environment

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

Position | Support

Dear Distinguished Chair and Committee Members,

My name is Staci Hartwell, Chair of the Environmental and Climate Justice Committee for the NAACP Maryland State Conference. We support SB0144.

Energy efficiency is an energy justice issue as well as an environmental justice issue. The unfortunate legacy of racist housing policies and financial lending practices have negatively impacted housing quality in Black and Brown communities¹ creating energy issues that run the gamut- from bad insulation, to outdated heating and air conditioning equipment, advanced age of appliances, and *building envelope* failures. These conditions lead to a disproportionate burden of energy insecurity² as well as deadly health issues.

This issue plagues our communities, and we share this burden with Hispanic households, Native Americans, older adults (65+) on fixed incomes, renters, and low-income, multi-family building residents.

To put this issue in numbers, a household's energy burden is the percentage of income spent on energy bills. A high energy burden is reported at above 6%. In Baltimore, almost a quarter of low-income households have an energy burden above 22%.³ This means, for every 100 dollars a family brings in, 22 of those dollars are unwaveringly committed to basic heating and cooling needs.

Energy efficiency is the low-hanging fruit in energy policy. "Using energy more efficiently is one of the fastest, most cost-effective ways" to lower utility bills and stabilize electricity prices for vulnerable houses.⁴

¹ <https://www.sciencedirect.com/science/article/pii/S2214629621004552>

² [Green & Healthy Homes Initiative](#)

³ https://www.aceee.org/sites/default/files/pdfs/aceee-01_energy_burden_-_baltimore.pdf

⁴ <https://www.epa.gov/statelocalenergy/local-energy-efficiency-benefits-and-opportunities>

For these reasons, the NAACP Maryland State Conference requests a favorable report on SB 144.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Staci Hartwell". The signature is fluid and cursive, with the first name "Staci" and last name "Hartwell" clearly legible.

Staci Hartwell, Chair
Environmental and Climate Justice Committee
NAACP Maryland State Conference
action@naacpmscecj.org
Phone: 617 257 8893 t/v

SB 144 INFO_PSC_Stanek.pdf

Uploaded by: Jason Stanek

Position: INFO

STATE OF MARYLAND



JASON M. STANEK
CHAIRMAN

**PUBLIC SERVICE COMMISSION
OFFICE OF THE CHAIRMAN**

January 30, 2023

Chair Brian J. Feldman
Education, Energy, and the Environment Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401

RE: SB 144 – INFORMATION – Public Utilities – Energy Efficiency and Conservation Programs – Energy Performance Targets and Low-Income Housing

Dear Chair Feldman and Committee Members:

Senate Bill 144 requires the Department of Housing and Community Development (DHCD) to procure or provide energy efficiency and conservation programs and services designed to achieve annual incremental gross energy savings of at least one percent per year, starting in 2024. The efficient use of electricity benefits all ratepayers by providing system-wide and societal benefits such as avoided infrastructure investments, increased reliability, and reduced air pollution and greenhouse gas emissions, in addition to the direct benefits of reduced energy costs and improved health for program participants. Existing limited-income programs are a critical component of EmPOWER Maryland offered at no additional cost¹ to qualifying ratepayers, ensuring that all ratepayers (regardless of income) can benefit from energy efficiency programs.

The Public Utilities Article requires the Commission to consider ratepayer impacts (§7-211(i)). DHCD is currently budgeted to spend approximately \$80 million between 2021 - 2023 to achieve 33,000 MWh of energy savings. In 2021, the cost of implementing DHCD's programs represented approximately six percent of total EmPOWER program costs, spending \$10.6 million to achieve 3,200 MWh.² One party petitioning the Commission for a limited-income goal structure similar to the one proposed in SB 144 estimates that DHCD would need to achieve 160,000 MWh savings across DHCD programs and estimated that 120,000 MWh would need to originate from the EmPOWER program.³ It is reasonable to project that the costs of achieving a one percent goal as required by this legislation would be significantly higher than DHCD's currently approved budget and program structure, and would be costly for all ratepayers if federal grant funds cease to be available.

¹ All Ratepayers, including limited-income customers, pay for the EmPOWER Maryland programs through a monthly surcharge on their utility bills.

² Comments of the Public Service Commission Staff, 2021 Semi-Annual EmPOWER Maryland Programmatic Reports for the Third and Fourth Quarter, Apr. 25, 2022. p. 50

³ Office of People's Counsel Comments on EmPOWER Goals for the 2024 – 2025 Program Cycle. Case No. 9648, Jan. 27, 2023. pp. 11 – 12.

DHCD was approved by the Commission in Order No. 84569 to be the single implementing entity of EmPOWER's limited-income programs beginning in 2012. However, limited-income ratepayers have access to utility programs as well.⁴ The utilities report the savings they can attribute to limited income ratepayers in their semi-annual reports to the Commission.

The Commission filed a report on its recommendations for the future of EmPOWER on July 1, 2022, with the General Assembly. In its report, the Commission recommended that DHCD be responsible for a greenhouse gas abatement goal, in addition to a low-income goal (with a target to be determined). The Commission drafted a bill for the 2023 session to effectuate the recommendations in its July 1, 2022 report to modify EmPOWER targets to be greenhouse gas abatement goals. While the Commission in its proposed legislation did not propose a *specific* low-income goal, the Commission has since issued an order requesting interested parties to recommend a low-income goal for Commission consideration in the first quarter of 2023. If the Committee votes favorably on SB 144 and the greenhouse gas abatement goal legislation, then the Commission recommends reconciling the two bills so that the entire EmPOWER program can be modified to support achieving the state's greenhouse gas targets.

For clarity, the Commission proposes striking §7- 211.1(B)(3)(III) and replacing it with language that would translate the proposed low-income goal from an energy savings goal structure to a greenhouse gas reduction goal structure. Such an amendment would preserve or improve the savings target structure achieved from low-income customers as proposed by this legislation even if EmPOWER goals are no longer correlated to incremental gross energy savings. The Commission is available to discuss amendment language to ensure the legislative intent is clear and any low-income goals approved by the General Assembly are not lost in translation if the EmPOWER program structure is changed.

I appreciate the opportunity to provide information on SB 144. Please contact the Commission's Director of Legislative Affairs, Lisa Smith, if you have any questions.

Sincerely,



Jason M. Stanek, Chairman

⁴ Some programs that are available at no additional cost to the funds paid into the EmPOWER surcharge include Quick Home Energy Checkups, energy efficiency kits, behavioral home energy reports, and appliance recycling program. The utilities have also partnered with local food banks to distribute LED bulbs at no additional cost.

SB0144 - LOI - Energy Performance Targets and Low-

Uploaded by: Landon Fahrig

Position: INFO



TO: Members, Senate Education, Energy, and the Environment Committee
FROM: Paul Pinsky - Director, MEA
SUBJECT: SB 144 - Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing
DATE: January 31, 2023

MEA Position: Letter of Information

The Maryland Energy Administration (MEA) strongly supports programmatic efforts that seek to assist Maryland's most vulnerable ratepayers. However, the Committee should be aware that this bill may exacerbate a significant debt that will ultimately be borne by ratepayers and that certain aspects of this bill do not align with evolving State goals.

The bill may unintentionally add to the ratepayer debt associated with EmPOWER.

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 an escalating debt, inclusive of the accrued interest, in excess of \$820 million. The Public Service Commission (the Commission) recently ordered participating utilities to produce plans to more effectively amortize this debt, but utility rates will still likely increase through 2026 to effectuate the changes.

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, interest would continue to accrue each year.

The prescribed program goals may not match the direction of the EmPOWER program.

The goals set forth in the bill are incremental gross energy reduction targets. However, for more than a year there has been a collaborative effort among stakeholders and working with the Commission to create a paradigm shift within the EmPOWER program, and to better align State energy and environmental goals by adopting greenhouse gas (GHG) reduction targets.

The Future Programming Workgroup has already laid out an EmPOWER Program structure that accomplishes goals very similar to those of this legislation, "notably a need to reduce [greenhouse gas] emissions, [and] the need for a specific [low income] goal." The bill may run contrary to the open, collaborative, and inclusive work already performed by stakeholders in the Workgroup, who are setting low-income targets and utilizing a metric of success that is more aligned with evolving State goals.

MEA asks that the Committee consider this information before rendering its report.