

SB 689 Testimony - AIM.pdf

Uploaded by: Alexandra Bell

Position: FAV

1. My name is Alexandra Bell. I am a member of Action in Montgomery (AIM). AIM is a network of 38 congregations, schools and non-profit organizations that have been working on issues of equity and justice for over 20 years. Our sister organizations in Maryland are PATH in Howard County and ACT in Anne Arundel County. I live in Rockville, in District 17, and I worship with Bethesda Friends Meeting.

2. We support SB 689.

3. I and other members of AIM have been measuring methane leaks in our communities and Nitrogen Dioxide (NO₂) levels in our homes. I am working with Safe Places, the tenants' union for Cider Mills Apartments in Gaithersburg, which has more than 800 units. Many people have measured NO₂ levels above the EPA recommended outdoor limits when their gas stoves are running. (There are no recommended indoor limits.) NO₂ causes respiratory illness, can harm brain development in children and contributes to asthma. It is hurting our community's health. We have measured methane leaks around gas meters and even indoors around gas hookups that show how faulty our natural gas infrastructure is, and methane is a much worse greenhouse gas than CO₂. My compatriots are worried about the danger of an explosion and fires, of which there have been a number in our community. We want clean air both inside and outside our homes.

4. AIM supports SB 689 because we know that lower-income communities are disproportionately affected by high energy bills and the bad effects of natural gas use. I personally am a home owner who has benefited from the many tax incentives available to me. My friends at Cider Mill also want efficient, low cost, environmentally friendly utilities. We know we have a long way to go to ensure low income Marylanders and renters aren't left behind on the shift to efficient electric homes, and we are eager to work with the committee on additional policies to help support these communities. The Energy Savings Act will create new incentives for multifamily rental owners to improve efficiency in their units, reduce pollution, and improve indoor air quality to the direct benefit of renters.

Last year, this committee passed new Building Performance Standards for large buildings (as part of the Climate Solutions Now Act), including multi-family units over 35,000 square feet. That new law requires them to reduce greenhouse gas emissions from fossil fuel use 20% by 2030. This bill will help building owners meet that goal by providing financial incentives for electrification and efficient electric heating and appliances, which will lower tenants monthly bills and improve indoor air quality.

Thank you.

Advance Maryland_FAV_SB689_EEE.pdf

Uploaded by: Alice Wilkerson

Position: FAV



Senate Education, Energy and Environment Committee

SB 689 - Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements (Energy Savings Act)

Favorable

February 28, 2023

Dear Chair Feldman and Members of the Committee:

I am Alice Wilkerson, Executive Director of Advance Maryland and I'm testifying in support of SB689, the Energy Saving Act. At Advance Maryland, our vision is a Maryland with thriving, healthy and inclusive communities where all Marylanders have access to opportunity, including safe and affordable housing, economic prosperity, quality healthcare, reliable transportation, a restorative justice system, and a livable future. We support SB689 because it will deliver more energy efficiency savings to the rate payers who pay into the program, especially low-income households, and it aligns our energy efficiency incentives with the state's greenhouse gas reduction goals.

As a recipient of EmPOWER rebates myself, I wanted to talk about my direct experience with the program, which I have utilized twice since 2013. The first time I used the program everything was new to me. I had heard of an energy audit but didn't really understand how it worked or how comprehensive it was. I contacted a contractor through PEPCO, they handled all the paperwork and I paid the discounted \$100 rate for the energy audit on my 1930s era home. The audit utilized a blower system to identify air leakage and infiltration, evaluated my heating and cooling system and water heater for efficiency, and provided me with a detailed analysis of my home's energy use. Some of the issues were simple fixes such as caulking and weatherstripping, while others were more expensive like insulation and a new air conditioning system. One of the most helpful parts of the audit was learning which problems were the most important (lack of insulation), and which improvements would lead to the biggest efficiency gains. It also identified up to \$2,000 in rebates that I was eligible for. In the end, I wound up installing insulation myself and spent a lot of time learning how to use a caulk gun.

Fast forward to 2021, after moving to a new home, I again utilized the EmPOWER program for an energy audit for my 1970s era house. This audit performed the same type of analysis and again identified weatherization and energy efficiency improvements we could make. This time, the type and extent of insulation we needed was beyond our ability to DIY, and we took advantage of the \$2,181 in

rebates, which covered 50% of the total insulation cost. The audit also evaluated the air exchange in our house and determined we had unhealthy air circulation rates and recommended installation of a whole home exhaust. It's safe to say that without the audit we wouldn't have prioritized the insulation and would have likely replaced our windows instead when the windows are actually in good condition. We also wouldn't have known about the need to improve air circulation.

The rebate process was exceptionally smooth and fast. The company who did the audit and installed the insulation filed all of the rebate paperwork for us and we simply cashed the rebate check when it arrived a few weeks later. We have seen a reduction in our heating and cooling bills following the energy efficiency improvements, as well as increased comfort in multiple rooms.

I've enclosed a copy of the 2021 EmPOWER rebate form that outlines the projects that were rebate eligible. I'm happy to discuss my experience with any members of the committee. Thank you for your time. I request a favorable report on SB 689.



BGE Home Performance with ENERGY STAR®



Prioritized List of Measures

Customer: Alice Wilkerson

Address: [REDACTED]

Inspection Date: 11/06/20

Scenario ID: [REDACTED]

Electric Incentive Rate: \$20.00

Natural Gas Incentive Rate: \$3.00

Generation Date: 01/19/21

Thank you for participating in BGE's Home Performance with ENERGY STAR (HPwES) Program. Based on the results of your Home Performance Energy Audit, we have attached a Prioritized List of Measures that details a range of energy efficiency improvements that may help ensure your family's health and safety and has the potential to reduce your home's energy use. In order to qualify for BGE's HPwES Program rebates, each project or phase of energy efficiency improvement(s) must be installed in compliance with ENERGY STAR, Building Performance Institute (BPI) and HPwES Program Standards.

In addition to the proposed scope of work and estimated energy savings, this report also provides you with all projected incentives. Projected incentives are based on the estimated lifetime savings that are calculated through the program's proprietary energy-savings modeling software. The lifetime energy savings, by measure, are all converted to a single energy unit if applicable for multi-fuel homes) and are then multiplied by an incentive factor (monetary value per energy unit) that calculates the projected incentive. This report is informational for your use only and is not a written contract between you and the Participating Contractor of your choice.

Questions about your audit, the upgrade process or your recommended projects? Contact one of our Energy Coaches. These independent home performance experts are standing ready to put their knowledge to work for you—at no additional cost. You'll receive prompt, courteous help tailored to your specific needs. Simply call 833.261.1246 or email EnergyCoachBGE@icf.com.

Health and Safety Concerns

Health and Safety items are not eligible for rebates and must be completed prior to the start of energy efficiency improvements. Corrections of health and safety items need to be verified by a certified BPI professional before starting work on any other items in the Prioritized List of Measures.

Item found	Correction needed
Whole House Ventilation - System 1	Diagnostic testing results indicate that Whole House Ventilation - System 1 does not satisfy ventilation requirements set forth by the Building Performance Institute's referenced whole-building ventilation standard. Adequate ventilation to the living area of the home is required prior to air sealing the building shell. A properly sized mechanical ventilation system must be installed prior to any shell improvement measures.

Prioritized List of Energy Efficiency Improvements

This below list of recommended improvements has been grouped into packages, which include individual improvements recommended to treat the suggested area effectively. Both the suggested package(s) and individual improvements, within the list, have been prioritized based on the cost effectiveness (SIR ratio); beginning with the most cost effective. Packages and/or individual measures on this list may be eligible for rebates through the HPwES Program if completed in compliance with current Program standards.

- **Savings to investment ratio (SIR):** SIR is a savings-to-cost calculation that shows the cost-effectiveness of an energy efficiency improvement. For example, if you spend \$1,000 on an energy improvement and that improvement saves you at least \$500 over its lifetime, your SIR is 0.5 (\$500/\$1,000) for that improvement.

Recommended Improvement	Existing Condition	Improved Condition	Proposed Lifetime Savings ⁽¹⁾	Proposed Incentives
Whole House Air Sealing Package (2)				
Air Sealing Level	Air leakage rate of 2640 cubic feet per minute at 50 Pascals.	Reduce leakage from living space to 2109 CFM50	\$581.20	\$230.32
Package Totals:			\$581.20	\$230.32
Basement/Foundation Package				
Upper Floor Cantilever - Group 1	Area is not currently insulated	Add 37.68 square feet of Fiberglass Batt	\$140.85	\$63.77
Package Totals:			\$140.85	\$63.77
Attic Package				
Attic Insulation - Attic Area 1	Current insulation level is 1" and condition is poorly insulated	Insulate 854.08 square feet w/ Fiberglass (open blow): 17 inches	\$3,602.47	\$1,887.69
Package Totals:			\$3,602.47	\$1,887.69
Comprehensive Project Totals:			\$4324.52	\$2181.78

⁽¹⁾**Proposed Lifetime Savings** - Potential monetary savings that the energy efficiency improvement may generate over its lifetime through lowered utility bills. The recipient of this document acknowledges that actual energy impacts may vary from the results produced by this tool; and that BGE and any of its Participating Contractors do not guarantee realization of these estimated energy impacts.

⁽²⁾Program Standards require that an effective air barrier between the living space and the attic is identified or installed prior to installing any other insulation or air sealing measures.

Proposed incentives for air sealing are dependent on the actual reduction of the air sealing achieved as part of the scope of work. If the contractor is within 2 percentage points of their estimated reduction, rebates will be issued on the proposed air sealing reduction.

⁽³⁾Whenever the recommendation is made to replace an operating HVAC system that has not reached or exceeded its determined useful life, customers may be eligible for increased incentives based upon the electric and/or natural gas savings provided that the following conditions have been verified or addressed:

The existing conditions of the home do not require additional attic air sealing and the attic insulation is equal to or greater than R-49 (or filled as space allows), or the scope of work includes attic air sealing and the attic insulation to R-49 (or filled as space allows).

List of Additional Energy Efficiency Improvements

Items on this list are not eligible for rebates through the BGE HPwES program, but rebates may be available through other BGE program offerings.

Recommended Improvement	Description of Improvement	Available resources
Lighting Package		
Replacement Lighting	Your home has opportunities to upgrade existing lighting from standard incandescent bulbs to high efficiency bulbs. These high efficient bulbs use about 75% less energy and can last 10 to 25 times longer than incandescent bulbs.	BGE's Smart Energy Savers
Appliances Package		
Smart Strips	Your home has opportunities to install smart power strip(s) for electronic devices to help reduce standby energy consumption. Average household standby consumption can account for 5-10% of total electricity use. Smart strips automatically turn off the flow of electricity to products that go into standby mode, and shut down other peripheral devices that are not in use.	
Water Heating Package		
Storage (Tank) Water Heater - System 1	Your home's water heater could benefit from a system tune-up. Proper maintenance by a qualified technician is one of the most important steps you can take to keep your system running efficiently.	BGE's Smart Energy Savers

Building Performance Improvements

Some items on this list may be eligible for rebates. Discuss with your participating contractor.

Item to be addressed	Reasoning
Attic Ventilation (vents, baffles)	The attic is not properly ventilated. Properly venting the attic will ensure durability of attic and roof building materials.
Install New Exhaust Fans	One or more locations were found to be in need of a new exhaust fan or correction due to ineffectiveness. Properly exhausting moisture laden air from kitchens and bathrooms to the exterior of the building will prevent moisture-related durability and health & safety issues from occurring.
Vent Existing Exhaust Fans	The existing exhaust in one or more of your bathrooms are not properly vented to the exterior of the home. Properly exhausting moisture laden air from bathrooms to the exterior of the building will prevent moisture-related durability and health & safety issues from occurring. All existing exhaust fans must be properly vented to the exterior of the home prior to performing any shell improvement measures.
Bathroom 1 - Ventilation	Bathroom 1 was identified as failing to include an effective means of ventilation. Bathrooms are a source of excess moisture and should always be mechanically ventilated. Ventilation to the exterior will help avoid moisture-related durability and health & safety issues. All exhaust ducts must terminate to the exterior of the building shell.

Customer Verification of Receipt Statement

CUSTOMER: This form is intended to demonstrate a prioritized list of energy-efficient improvements that may reduce energy consumption. The anticipated rebate for each completed measure is included, assuming the measure has been installed in compliance with program standards. Customer acknowledgment of receipt of this form and the requested incentive amount is required. All requested incentives are subject to review and approval by Program administration. By signing below, I acknowledge receipt of this document and proposed incentives.

Customer Signature: _____ Requested Incentive: \$2181.78 Date: 1/19/2021

EmPOWER Maryland programs are funded by a charge on your energy bill. EmPOWER programs can help you reduce your energy consumption and save you money. To learn more about EmPOWER and how you can participate, go to BGESmartEnergy.com.

Testimony - SB689 - Energy Savings Act - UULM-MD -

Uploaded by: Ashley Egan

Position: FAV



Unitarian Universalist Legislative Ministry of Maryland

Testimony in Support SB 689 - Energy Savings Act

To: Chair Feldman and the Members of the Education, Energy and the Environment Committee
From: Phil Webster, PhD
Lead Advocate on Climate Change
Unitarian Universalist Legislative Ministry of Maryland.
Date: February 28 , 2023

The Unitarian Universalist Legislative Ministry of Maryland (UULM-MD) strongly supports **SB 689 - Energy Savings Act** and urges a FAVORABLE report by the committees.

The UULM-MD is a statewide faith-based advocacy organization, with over 1,000 members, based on the Principles of Unitarian Universalism. Two Principles are particularly relevant. The Second Principle, *justice, equity and compassion in human relations* and the Seventh Principle, *respect for the interdependent web of all existence of which we are a part*.

Unitarian Universalists believe in *justice and equity in human relations*. Maryland's low income families and individuals pay a greater percentage of their income for energy than more affluent families. To have an appreciable impact on greenhouse gas emissions, ALL Marylanders must participate.

This Bill will help by bringing the benefits of the EmPOWER program to everyone by:

- Expanding access for low-income households to state and federal funds for energy efficiency and whole-home retrofits including lead removal, mold remediation, asbestos removal, and building improvements by establishing a multilingual community outreach specialist program.
- Reaching more Marylanders by expanding the network of contractors eligible to participate in improvements through the EmPOWER program. And providing ongoing education, outreach, training and certification for contractors to deliver services and ensure Marylanders see the most benefits.
- Ensuring that landlords do not increase rents in homes that benefit from the EmPOWER program.

Unitarian Universalists also believe that we should all have *respect for the interdependent web of all existence of which we are a part*. The Climate Solutions Act of 2022 set ambitious goals for reducing greenhouse gasses in Maryland. However, the EmPOWER program, as currently operating, is incentivizing INCREASED usage of methane gas.

This needs to stop.

The Energy Savings Act:

- Stops incentives for fossil fuel appliances and heating, maximizes federal efficiency incentives, and creates new incentives for electrification, efficient electric appliances, and home heating.
- Sets clear performance targets, climate benchmarks, incentives and penalties for utilities to ensure the program is reducing Maryland's overall energy use and greenhouse gas emissions.
- Builds on the successful EmPOWER rebates and resources for energy audits and weatherization.

The Energy Savings Act delivers the majority of savings directly to Maryland households to help lower utility bills by ensuring 85% of energy savings happen in the home, where ratepayers benefit most.

This bill is good for all our citizens and for the climate! Marylanders need bold and urgent action! Please keep us on the right and moral path towards a livable climate and a sustainable world. We owe it to our children.

We support this bill and urge a FAVORABLE report in committee.

Phil Webster, PhD

Lead Advocate, Climate Change UULM-MD

SB 689 Public Utilities - Energy Efficiency and Gr

Uploaded by: Cait Kerr

Position: FAV

Tuesday, February 28, 2023

TO: Brian Feldman, Chair of the Senate Education, Energy, and the 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 689 Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements

The Nature Conservancy (TNC) supports SB 689 offered by Senator Lewis Young. 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. SB 689 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. SB 689 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 Senator Lewis Young 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 SB 689.

SB0689 Public Utilities - Energy Efficiency FAV.pd

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0689

Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements

Bill Sponsor: Senator Lewis Young

Committee: Education, Energy, and the Environment

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0689 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state. We have over 30,000 members across the state.

This bill is designed to strengthen the original EmPOWER Maryland Energy Efficiency Act, passed in 2008 to incentivize energy efficiency and energy conservation. It sets clear performance targets and climate benchmarks, and includes incentives and penalties for utilities to meet these goals. In addition, the bill will make homes healthier, through weatherization and health and safety improvements such as lead removal, mold remediation, asbestos removal, and other building improvements.

Additionally, the Energy Savings Act's provisions to expand EmPOWER's reach into low-income and overburdened/underserved communities by creating a multilingual community outreach specialist is an important addition that will help those communities take advantage of the program. We also strongly support the bill's provisions to expand the network of contractors eligible to participate in EmPOWER, and the ongoing education, outreach, training, and certification for contractors to deliver services and ensure the most vulnerable communities realize the greatest benefits.

Together, these measures and program improvements will move Maryland more aggressively toward its energy use and GHG emissions reduction goals, save customers money, and put a greater focus on the low-income communities that have historically received the fewest benefits.

The Maryland Legislative Coalition supports this bill and we recommend a **FAVORABLE** report in Committee.

SB0689 Public Utilities - Energy Efficiency_FAV_CI

Uploaded by: Cecilia Plante

Position: FAV



Testimony for SB0689
**Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions -
Alterations and Requirements**

Bill Sponsor: Senator Lewis Young

Committee: Education, Energy, and the Environment

Position: FAVORABLE

The undersigned organizations express their strong support for **SB0689 Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements** and thank the sponsor, Senator Lewis Young, for introducing this critical piece of legislation.

The EmPOWER program has been highly successful in achieving its goals of incentivizing energy efficiency and saving consumers money on their electric bills. As Maryland looks towards a clean energy future, where all of our residents can enjoy the benefits of clean energy, we see the EmPOWER program as a key element in resolving the barriers to conversion for low-income, overburdened residents.

The bill's provisions to expand EmPOWER's reach into low-income and overburdened/underserved communities by creating a multilingual community outreach specialist is an important addition that will help those communities take advantage of the program. We also strongly support the bill's provisions to expand the network of contractors eligible to participate in EmPOWER, and the ongoing education, outreach, training, and certification for contractors to deliver services and ensure the most vulnerable communities realize the greatest benefits.

The bill also sets clear performance targets and climate benchmarks, and includes incentives and penalties for utilities to meet these goals. In addition, the bill will make homes healthier, through weatherization and health and safety improvements such as lead removal, mold remediation, asbestos removal, and other building improvements.

It is always important to lead with equity and to be creative about removing barriers to adoption for any endeavor. We believe that the program improvements contained in this bill will move Maryland more aggressively toward its energy use and GHG emissions reduction goals, save customers money, and put a greater focus on the low-income communities that have historically received the fewest benefits.

The Climate Partners strongly support this bill and we urge a **FAVORABLE** vote from the committee.

Endorsing Organizations

350 Baltimore	HoCo Climate Action	Potomac Conservancy
350 Montgomery County	Howard County Indivisible	Sustainability Advisory
Adat Shalom Climate Action	Howard County Sierra Club	Committee
Assateague Coastal Trust	Interfaith Power and Light, DC,	Sierra Club, Maryland
Audubon Naturalist Society	MD, NoVa	Chapter
Casa de Maryland	Labor Network for	Strong Future Maryland
Cedar Lane Unitarian	Sustainability	Sunrise Baltimore
Universalist Church	Laurel Resist	Takoma Park Mobilization
CHEER	Maryland Environmental	Environment Committee
Chesapeake Bay Foundation	Health Network	Talbot Rising
Chesapeake Climate	Maryland League of	The Climate Mobilization
Action Network Action Fund	Conservation Voters	Montgomery County
Chesapeake Physicians for	Maryland Legislative	The Nature Conservancy
Social Responsibility	Coalition	Unitarian Universalist
Chispa MD	Maryland NAACP	Legislative Ministry
Clean Air Prince Georges	State Conference,	Wicomico NAACP
Clean Air Prince Georges	Environmental Justice	WISE
Clean Water Action	Committee	
Climate Law & Policy Project	Maryland Poor People's	
Climate Parents of Prince	Campaign	
Georges	MCPS Clean Energy	
Climate Reality Montgomery	Campaign	
County	MD Campaign for	
Climate Solutions	Environmental Human	
Climate Stewards of	Rights	
Greater Annapolis	Mid-Atlantic	
Climate XChange - Maryland	Ministry of Maryland	
Coalition For Smarter Growth	MoCo DCC	
Columbia Association Climate	Montgomery Countryside	
Change	Alliance	
Concerned Citizens Against	Montgomery County Faith	
Industrial CAFOs	Alliance	
Do The Most Good	Mountain Maryland	
Montgomery County	Movement	
Echotopia	National Parks Conservation	
Elders Climate Action	Association	
Environmental Justice Ministry	Nuclear Information &	
Frack Free Frostburg	Resource Service	
Glen Echo Heights Mobilization		
Greenbelt Climate		
Action Network		

SB0689 AIAMD Ltr Spprt.pdf

Uploaded by: Chris Parts

Position: FAV



28 February 2023

The Honorable Brian Feldman
Chair of the Education Health and Environmental Affairs Committee
2 West
Miller Senate Office Building
Annapolis, Maryland 21401

Re: Letter of Support for SB0689
Public Utilities – Energy Efficiency and Greenhouse Gas Emissions Reductions – Alterations
and Requirements (Maryland Energy Savings Act).

Dear Chairman Feldman and members of the Education, Energy, and the Environmental Committee:

I am writing to voice AIA Maryland's support of Senate Bill 0689, the Energy Savings Act. Our nearly 2,000 architect members work every day to consider the health, safety and welfare of the occupants in buildings we design. While the properties impacted by this legislation will most likely not be touched by an architect, we feel that it is important for us to advocate for the low to moderate income households who may have the most to lose in making utility and appliance choices for their homes. This bill provides the opportunity and incentives to enable them to lower their energy burden and move toward healthier appliances in their homes. Electrification of low to moderate income households is an important step allowing all of us to reduce our carbon output, but the economic and health benefits of the targeted recipients are critical.

The energy audits of the EmPOWER program are a critical first step. An inefficient building envelope can act the same as an open door, sending heating and cooling energy into the atmosphere if a residence does not have an efficient air barrier to temper the outdoor climate and if the insulation levels are limited, heating and cooling a home is incredibly inefficient. The energy audit helps to identify passive demand reduction strategies to implement in residents' homes and operating money saved from implementing those strategies, is reducing passive energy demand and generating direct savings for the resident every month the resident heats or cools their residence. Adding active demand strategies like programmable thermostats, creates further opportunities to increase "behind the meter" savings for participants in the empower program.

The energy audits of this program include the evaluation to assess the readiness of a home for electrification and it will promote rebates that can be used to support fuel switching from gas to electric. Making this switch is an important means to shield these residents from the anticipated rapid rise in fossil fuel costs and it will enable them to use building systems and appliances that are more fuel efficient and allow for a healthier household environment. A study by Northeast Energy Efficiency Partnerships found that in the Northeast and Mid-Atlantic areas the installation of an electric air-source heat pump can yield annual energy savings that may range from \$300 to nearly \$1,000.

The technology of the air source heat pumps has advanced to enable them to work effectively down to -10 degrees, and Maryland has never in our recorded weather history had temperatures that have dropped below -7. The coldest winter day on average in central Maryland is approximately 6 degrees, which is very comfortably within the range of air source heat pumps. Additionally, the technology of the electric appliances in the homes, eliminates the chance for carbon monoxide or nitrogen oxide pollution.

AIA Maryland encourages you to support this legislation, both to create healthier and more affordable living conditions for low to moderate income residents and to help us statewide, to reduce greenhouse gas emissions toward our goal of zero carbon emissions by 2045. We ask your committee to vote in favor of SB 0689.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Parts', with a long horizontal line extending to the right.

Chris Parts, AIA
Director, Past President

OPC Testimony SB0689 - Favorable.pdf

Uploaded by: David Lapp

Position: FAV

DAVID S. LAPP
PEOPLE'S COUNSEL

WILLIAM F. FIELDS
DEPUTY PEOPLE'S COUNSEL

JULIANA BELL
DEPUTY PEOPLE'S COUNSEL

— OPC —
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BRANDI NIELAND
DIRECTOR, CONSUMER
ASSISTANCE UNIT

BILL NO.: Senate Bill 689
Public Utilities - Energy Efficiency and Greenhouse Gas
Emissions Reductions - Alterations and Requirements

COMMITTEE: Education, Energy, and the Environment

HEARING DATE: February 28, 2023

SPONSOR: Senator Lewis Young

POSITION: Favorable

The Office of People's Counsel ("OPC") supports Senate Bill 689, the Energy Savings Act, with the sponsor's amendments. In amended form, SB 689 will drive greenhouse gas ("GHG") reductions through energy efficiency, demand response, and beneficial electrification while giving the Public Service Commission authority and discretion to prevent burdensome bill increases. SB 689 will harmonize Maryland's utility-run energy efficiency and conservation programs with the Climate Solutions Now Act ("CSNA"), advance beneficial electrification in Maryland, as the Maryland Commission on Climate Change ("MCCC") has recommended,¹ and cost-effectively lower greenhouse gas ("GHG") emissions.

¹ The MCCC has recommended that EmPOWER encourage fuel-switching from fossil fuels appliances to efficient electric appliances for three consecutive years. See MCCC, *2022 Annual Report* at 16 (citing similar recommendations from 2021 and 2022) [https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/2022%20Annual%20Report%20-%20Final%20\(4\).pdf](https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/2022%20Annual%20Report%20-%20Final%20(4).pdf). Additionally, a study by Energy + Environmental Economics (E3) for the MCCC found that electrification of residential homes (including the replacement of "almost all fossil fuel heaters with heat pumps in existing homes by 2045" and the construction of new buildings without fossil fuel-powered space and water heating) was the lowest cost pathway of the different scenarios that it modeled to meet the State's climate goals. See MCCC, *Building Energy Transition Plan: A Roadmap for Decarbonizing the Residential and Commercial Building Sectors in Maryland* at 4 (November 2021) <https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/Documents/2021%20Annual%20Report%20Appendices%20FINAL.pdf>.

Background

The EmPOWER statute was enacted in 2008 through the passage of the “EmPOWER Maryland Energy Efficiency Act”. The legislature found that “energy efficiency is among the least expensive ways to meet the growing electricity demands of the State”² and established requirements for Maryland’s gas and electric companies to develop and implement programs that promote energy efficiency and conservation. Energy efficiency provides direct benefits to customers by saving them money on their gas and electric bills and helps reduce greenhouse gas (“GHG”) emissions from the combustion of fossil fuels, including in the generation of electricity.

The EmPOWER statute currently mandates that electric companies reach specific electricity reduction targets, measured in megawatt-hours (“MWh”). Gas companies do not have statutorily mandated targets. Similarly, programs for limited-income ratepayers,³ administered by the Department of Housing and Community Development (“DHCD”), do not currently have statutorily mandated targets.

A Public Service Commission Work Group, the Future Programming Work Group, began meeting in 2021 and was charged with considering multiple proposals and topics regarding the next cycle of EmPOWER. The work group was widely attended by stakeholders, including the utilities, OPC, Commission Technical Staff, the Maryland Energy Administration, DHCD, Maryland Energy Efficiency Advocates, as well as other governmental agencies and organizations, including trade organizations, all of whom have a stake in the EmPOWER process. In the spring of 2022, the work group recommended that EmPOWER transition from MWh reduction goals to a GHG reduction goal.⁴ The passage of the Climate Solutions Now Act of 2022, which sets GHG reductions goals for Maryland to mitigate climate change, further highlighted the importance of this transition. After the enactment of the CSNA, the Commission agreed with the work group that EmPOWER should transition to a GHG reduction target and—based on its view that it could not do so without changing the EmPOWER statute—made this recommendation to the General Assembly.⁵

² Md. Code Ann., Pub. Util. § 7-211(b)(1).

³ For purposes of EmPOWER programs, limited-income households are currently considered to be those that earn 250% or less of the Federal Poverty Level on an annual basis.

⁴ Maryland Public Service Commission, Public Utility Law Judge Division, *Future Programming Work Group Report* at 1 (April 15, 2022). This report can be found at <https://webpsc.psc.state.md.us/DMS/maillogsearch> by performing a search for MailLog number 240203.

⁵ Public Service Commission of Maryland, *Recommendations on the Future of EmPOWER Maryland* at 5 (July 1, 2022) https://www.psc.state.md.us/wp-content/uploads/EmPOWER-Recommendations-to-General-Assembly_Final.pdf.

Comments

SB 689 replaces the current electricity savings targets (expressed as reductions of MWh) in section 7-211 of the Public Utilities Article (the “EmPOWER statute”) with GHG reduction targets. Specifically, SB 689 directs the Commission to: (1) establish a statewide greenhouse gas reduction target for electric and gas company programs designed to achieve average annual reductions of 1.8 percent from 2024 to 2031, or a cumulative reduction of 14.4 percent, and (2) determine an individual GHG reduction target for each electric and gas company for each EmPOWER cycle. While converting energy savings targets to GHG reduction targets is not a straightforward task, based on the information available at this time, our analysis suggests that the 1.8 percent GHG target in SB 689 will require roughly the level of EmPOWER spending required to meet the energy savings targets in current law.⁶

Most of the other changes that SB 689 makes to the EmPOWER statute re-orient electric and gas company efficiency programs toward GHG reductions and establish the necessary mechanisms to implement, achieve and measure progress toward those targets. For example, following a recommendation in the MCCC’s 2021 *Building Energy Transition Plan*,⁷ the bill enables the inclusion of beneficial electrification programs in electric company plans, along with energy efficiency and demand response programs. The electricity savings goals currently in the EmPOWER statute do not facilitate beneficial electrification because beneficial electrification programs reduce greenhouse gases through the decreased use of fossil fuels while increasing electricity use.

SB 689 also prohibits gas and electric companies from continuing to offer incentives for fossil fuel appliances, except in commercial and industrial settings where there is no viable electric alternative. Ending such incentives would be consistent both with a 2022 MCCC recommendation⁸ and with OPC’s recent technical report on the financial implications of Maryland’s climate goals for the State’s gas utilities and its petition filed with the Commission for near-term actions and long-term planning for Maryland’s gas companies.⁹ Other jurisdictions are taking similar action. For example, last year the District of Columbia directed its Sustainable Energy Utility to cease offering

⁶ One of the key determinants of the cost to achieve a certain amount of savings – whether MWh or tons of GHG – is the proportion of savings achieved in limited income households. For estimating rough equivalency, we assumed status quo for limited income savings; however, we note this is the subject of separate legislation.

⁷ *Building Energy Transition Plan at 5* (November 2021).

⁸ MCCC, *2022 Annual Report* at 16 (citing a similar recommendation from 2021)
[https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/2022%20Annual%20Report%20-%20Final%20\(4\).pdf](https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/2022%20Annual%20Report%20-%20Final%20(4).pdf).

⁹ Maryland Office of People’s Counsel, *Petition of the Office of People’s Counsel for Near-Term, Priority Actions and Comprehensive, Long-Term Planning for Maryland’s Gas Companies* at 40 (Feb. 9, 2023)
<https://opc.maryland.gov/Gas-Planning-Petition>.

incentives for natural gas appliances, regardless of the energy efficiency rating of those appliances.

SB 689 includes a provision regarding the counting of GHG savings on a lifecycle basis, an important consensus recommendation by the Work Group that will prioritize total GHG savings over time, not merely short-lived savings.¹⁰ Additionally, the bill establishes a minimum level (85 percent) of EmPOWER-funded, behind-the-meter measures that will be used to achieve the GHG abatement goal. This is consistent with EmPOWER’s longstanding emphasis on encouraging customers to take action on their side of the utility’s meter—that is, within their homes or businesses rather than on the utility side of the meter—through rebate and other programs.

The bill maintains the provision in current law to authorize “reasonable financial incentives” for utility companies in “appropriate circumstances” and also authorizes the Commission to impose penalties in “appropriate circumstances,” such as utility under-performance. This important balancing of rewards and penalties is symmetrical and therefore fair to both customers and utilities.

SB 689 also improves EmPOWER by (i) leveraging any federal and state rebates and tax credits for electrification through customer promotional and educational programming, (ii) using the cost-effectiveness test developed by the Future Programming Work Group¹¹ and approved by the Commission,¹² and (iii) clarifying the standards the Commission must use to evaluate and approve, disapprove, or modify utility EmPOWER plans. The bill should enable Maryland both to reduce emissions and improve energy affordability, and do so in a transparent, verifiable manner. Finally, planning for the 2024-26 EmPOWER cycle is already underway at the Commission, and passage of SB 689 would provide important, timely guidance for the Commission, electric and gas companies, and customers concerning greenhouse gas reduction targets and program design.

Recommendation: OPC requests a favorable report from the Committee on SB 689 with the sponsor’s amendments.

¹⁰ *Future Programming Work Group Report* at 9 (April 15, 2022).

¹¹ *Future Programming Work Group Report* at 49.

¹² Maryland Public Service Commission, *Order No. 90261* at 33 (June 15, 2022). This order can be found at <https://webpsc.psc.state.md.us/DMS/maillogsearch> by performing a search for MailLog number 241115.

Testimony SB689 Energy Savings Act.pdf

Uploaded by: Debbie Cohn

Position: FAV

Committee: Education, Energy and the Environment
Testimony on: SB689 –Public Utilities – Energy Efficiency and Greenhouse Gas Emissions
Organization: Individual
Submitting: Deborah Cohn, Bethesda, MD
Position: Favorable
Hearing Date: February 28, 2023

Dear Chair and Committee Members:

Thank you for accepting my testimony today in support of SB689. My family has benefitted from EmPOWER funds when installing heat pumps for space and hot water heating. I urge you to issue a FAVORABLE report on SB689 so that Maryland can meet its decarbonization goals and EmPOWER can enable others to enjoy the financial savings and health benefits from switching to heat pumps.

Burning fossil fuels in buildings accounts for 13% of carbon emissions in Maryland. To achieve our state’s ambitious decarbonization goals, reduce air pollutants, and improve health, we need to move away from fossil fuels in buildings. We can do so by providing incentives to (a) switch from fossil-fuel burning equipment to energy-efficient electric heat pumps for space and water heating, (b) purchase more efficient electric appliances for cooking and laundry, and (c) improve air sealing and weatherization to conserve energy.

The current EmPOWER program needs two important changes. First, it now subsidizes purchase of gas-burning furnaces and appliances as well as all electric ones. The equipment purchased may be more efficient than older models but still consume or emit fossil fuels and other pollutants. To reduce these emissions, the EmPOWER program should stop subsidizing the purchase of equipment that uses fossil fuels. Second, few low-income families now benefit from the EmPOWER incentives. The state needs to make special efforts to ensure that the benefits can be spread more widely.

SB689, the Energy Savings Act of 2023, will help achieve these goals through four strategies. It will:

- Set a goal for each utility to cut greenhouse gas emissions by 1.8% per year and provide utilities incentives and penalties based on their ability to reach that goal. These new performance incentives and penalties are a common feature in other states
- Prevent the ratepayer-funded EmPOWER program from subsidizing purchase of fossil fuel HVAC equipment, which is inherently less efficient than heat pumps.

- Help residents and businesses (including multifamily property owners) reduce energy costs and carbon emissions and improve health by (a) continuing rebates for (i) efficient heat pumps for space heating and cooling and hot water and (ii) modern electric stoves, ovens and clothes dryers; (b) requiring that 85% of EmPOWER fund energy savings come from within customer premises; (c) requiring that EmPOWER energy audits assess what electrical changes would be needed to support an all-electric household; and (d) providing rebates for upgrading electrical wiring and the breaker box.
- Help low-income households take advantage of EmPOWER funds and new federal money by establishing a multilingual outreach program with navigators. Taken together with the Green and Healthy Homes Initiative, SB144, which sets specific targets for increased energy savings for low and moderate income households (and provides funds for remediation of mold, lead and asbestos and repair of roof leaks that utility customers need to qualify for EmPOWER funds), the navigator program can ensure that low income households, which contribute significant amounts to EmPOWER, can qualify for their fair share of EmPOWER funds. By encouraging these families to move to heat pumps, SB144 would protect them from having to bear the costs of the significant current investment in natural gas infrastructure as wealthier residents and businesses switch to all-electric appliances.

For these reasons, I urge a **FAVORABLE** report for SB689 in committee.

SB 689_CBF_FAV.pdf

Uploaded by: Doug Myers

Position: FAV



CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration
Environmental Education*

Senate Bill 689

Public Utilities – Energy Efficiency and Greenhouse Gas Emissions Reductions
– Alterations and Requirements

Date: February 28, 2023

To: Senate Education, Energy and
the Environment Committee

Position: Support

From: Doug Myers
Maryland Senior Scientist

Chesapeake Bay Foundation (CBF) **SUPPORTS** SB 689 which recognizes that the fastest approach to reducing greenhouse gases is through improvements in energy efficiency, sets reasonable benchmarks for energy efficiency improvements and incentivizes the electrification of major household energy uses.

Maryland's commitment to greenhouse gas reduction will take bold and immediate action to achieve by its target date. Setting the pace for the rest of the country, Maryland can outline efficient policy changes which will bring about the fastest greenhouse gas reductions while slower utility infrastructure can be built.

Every day, we see evidence of climate driven changes in the bay watershed from more intense rainfall events, more frequent flooding tides and warmer water that holds less oxygen. Reducing greenhouse gases now will lessen those effects in the coming decades. More importantly, greenhouse gases, especially carbon dioxide, is acidifying the bay's waters which could lead to less reproductive success in bivalve shellfish like oysters and clams¹. These climate changes are on a rapid pace that can be arrested with swift policy action.

CBF urges the Committee's FAVORABLE report on SB 689.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at mstegman@cbf.org.

¹ NOAA Chesapeake Bay Ocean Acidification Program. <https://express.adobe.com/page/wsYnSIC7TE7IG/>

Energy Act Testimony 2023senate.pdf

Uploaded by: Elise Riley

Position: FAV



Committee: Economics Matters Committee
Testimony in SUPPORT of Energy Savings Act 2023 SB689
Position: Favorable
Hearing Date: February 28, 2023

Dear Chair Feldman, Vice Chair Kagan and members of the Education, Energy and Environment Committee;

Chesapeake Physicians for Social Responsibility is a statewide organization of over 940 Physicians and other health professionals and supporters that addresses the existential public health threats to life on this planet: the climate crisis, nuclear weapons and the issues of pollution and its toxic effects on health. We advocate for public policy that addresses these threats based on evidence and through the lens of racial justice and equity.

I am writing to testify in support of the Energy Savings Act 2023, which will play a crucial role in updating EmPower and will help to reduce greenhouse gas emissions, promoting better health outcomes by switching away from fossil fuel appliances, decreasing risks from gas stoves, and benefiting lower-income households in the state.

As we are all aware, the effects of climate change are becoming increasingly severe, with extreme weather events, rising sea levels and more frequent natural disasters affecting communities across the country. The recent UN report on climate change highlights the urgent need for action to reduce greenhouse gas emissions to help mitigate the worst effects of climate change.

The Energy Savings Act 2023 HB904 offers an important opportunity to take action and reduce our state's carbon footprint while also promoting energy efficiency and cost savings for households and businesses. HB904's purpose is to update and expand access to the EmPOWER program.

The Empower program started in 2008 to support energy efficiency programs in Maryland. This has included energy use assessments, rebates for energy efficient appliances and funding for low and moderate income residents to install equipment to improve energy efficiency.

The current program has been successful in improving energy efficiency and cost savings but needs to move further towards decreasing the use of fossil fuels and shift to looking not just at energy efficiency but shifting to greenhouse gas reduction goals to help mitigate the effects of global warming and climate change. Greenhouse gases are a major driver of climate change. The current EmPower program provides incentives for fossil fuel appliances and home heating. We need to change these incentives to electric and renewable alternatives rather than perpetuating a gas infrastructure that is not healthy for the planet or individual home owners

This bill will set goals to cut climate pollution with incentives for utilities to reach these goals and penalties, if they do not. It will create rebates for electric appliances and furnaces rather than gas ones. This will also bring us into harmony with the federal Inflation Reduction Act, so people will not have to choose between federal and state rebates and credits, as the federal program is only for electric appliances.

The current program is severely underutilized by low income residents. Currently only 17.5% of residential spending is used for low income residents. Low income households pay almost twice as much into the EmPower program as they receive. The Energy Savings Act will set goals for low and moderate income residents use of the program and coordinates benefits with the federal Inflation Reduction Act. It also sets up programs for community outreach to assist families in joining the program.

Natural gas is an odorless, gaseous mixture of hydrocarbons and is about 70-90% methane (CH₄). It accounts for about 30% of the energy used in the United States. Unburned Methane is 56 times more potent than CO₂ in global warming potential over a 20-year period (United Nations Climate Change, 2022). Just from gas stoves alone, using a 20-year timeframe for methane, annual methane emissions from all gas stoves in U.S. homes have a climate impact comparable to the annual carbon dioxide emissions of 500,000 cars.

Gas furnaces, water heaters and particularly gas stoves are a significant cause of indoor air pollution with significant health effects. As a physician I am concerned about the health impacts from the combustion of fossil fuels in the home. 76% of methane emissions in the kitchen occur when the stove is off. When the stove is on the combustion of natural gas creates nitrogen oxides, (NO₂), carbon monoxide and particulate matter which are all health harming pollutants released into the home.

NO₂ concentrations are associated with irritation of the airways and wheezing. Indoor exposure to emissions from gas stoves can worsen asthma symptoms, cause wheezing and result in decreased lung function according to the American Lung Association July 2022 report . A recent study Dec. 2022 reported that 12.7% of current childhood asthma in the United States is attributable to children exposed to gas stoves. An unvented stove in the house has a similar effect of tobacco smoke in the home . A 2013 meta-analysis study of 26 years of research found that children living in homes with gas stoves are 42% more likely to experience symptoms associated with asthma and have an increased lifetime risk of asthma. Of note low income communities may be disproportionately affected due to living in areas with more pollution due to their location near traffic, incinerators or factories exacerbating their risk.

The risks from gas stoves are being increasingly recognized by healthcare groups. In June of last year the American Medical Association passed a resolution to educate the public and health care professionals about the risks of gas stoves. In November 2022, the American Public Health Association noted that gas stove emissions are a public health concern. Exposure to nitrogen dioxide increases the risk of illness in children, older adults and people with underlying health conditions.

For the immediate and long-term health of Marylanders and the health of our planet it is critical that we begin to transition away from fossil fuels and embrace healthier choices in energy. This bill is a great step in the right direction. It I urge you to support its passage.

Respectfully submitted by:

Elise Riley, MD FACP

Chesapeake Physicians for Social Responsibility

Elise.c.riley@gmail.com

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UN Policy Report on Climate Change, April 4, 2022, <https://www.un.org> Report April 4, 2022

SB689_EEE_JCRC_Singer_FAV..pdf

Uploaded by: Elizabeth Singer

Position: FAV



Hearing Date: February 28, 2023

Testimony on SB689 – POSITION: FAVORABLE
Public Utilities – Energy Efficiency and Greenhouse Gas Emissions Reductions
- Alterations and Requirements
(Energy Savings Act)

To: Chair Feldman and Members, Education, Energy, and the Environment Committee
From: The Jewish Community Relations Council, Howard County, MD
Betsy Singer and Laura Salganik, Co-Chairs

The JCRC of Howard County is submitting this testimony in support of SB689, the Energy Savings Act. Repair of the world (*tikkun olam*) is a guiding tenant of our Jewish faith. We are compelled to act to prevent massive changes to the Earth’s climate as we face rising temperatures due to excessive carbon, methane and other greenhouse gases trapped in Earth’s atmosphere.

SB689 is critical to implementation of the goals of the Climate Solutions Act of 2022. This bill alters the requirements of EmPOWER Maryland Energy Efficiency Program by focusing on significant reductions in greenhouse gas, emissions, instead of reductions in energy consumption, regardless of the source. By making this change, the bill eliminates earlier incentives for gas, propane, oil and other GHG emissions and refocuses on readying homes for electrification.

This bill incentivizes electrification and provides more support to low/moderate income to take advantage of home upgrades by including a program for State-issued rebates for residential electrification upgrades and provision for coordination with federal rebates now available. The program for “navigators” to assist owners with retrofits concerning lead, asbestos removal, mold remediation, and improved air quality would help eliminate current problems that must be repaired before a house can be weatherized and made ready for energy efficient upgrades.

This bill can go far in lowering the carbon footprint of individual homeowners and can also help to improve the health of Marylanders who suffer from asthma and other lung conditions aggravated by the toxic emissions of gas stoves in the home. Requiring the Public Service Commission and the Department of Housing and Community Development to move in the same direction will greatly improve the health and well-being of the people of Maryland by reducing GHG emissions and moving toward clean energy solutions for the climate crisis.

Energy Efficiency for Everyone Exec.pdf

Uploaded by: Emily Scarr

Position: FAV



Energy Efficiency for Everyone

HOW TO SUPERCHARGE EMPOWER MARYLAND

Maryland PIRG
Foundation

FRONTIER GROUP

Energy Efficiency for Everyone

HOW TO SUPERCHARGE EMPOWER MARYLAND

Maryland PIRG
Foundation

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Written by:

Emily Scarr, Maryland PIRG Foundation

Bryn Huxley-Reicher and Elizabeth Ridlington, Frontier Group

Winter 2023

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The authors bear responsibility for any factual errors. Policy recommendations are those of Maryland PIRG Foundation. The views expressed in this report are those of the authors and do not necessarily reflect the views of our funders or those who provided review.

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Executive summary

THE EMPOWER MARYLAND ENERGY EFFICIENCY ACT OF 2008 has done a lot to improve energy efficiency in Maryland – saving utility customers money, reducing pollution and helping protect the environment. But now, a decade and a half after it was first adopted, the programs that resulted from it can and should be updated to meet more of the state’s needs and better serve Marylanders. **With smart reforms, the next iteration of EmPOWER Maryland can achieve greater total energy and financial savings, better serve limited-income Marylanders, and deliver even more environmental and public health benefits.**

Under EmPOWER Maryland, the electricity and gas utilities and the state Department of Housing and Community Development administer a set of programs that help Maryland residents and businesses improve the energy efficiency of their buildings. By 2015, EmPOWER had met its initial goal of reducing per-capita electricity consumption and peak demand by 15% below 2007 levels.¹ Since then, it has continued to benefit Marylanders, with almost every participating utility meeting its annual goal of saving the equivalent of 2% of 2016 electricity sales in 2021.² Besides saving energy, EmPOWER has also:

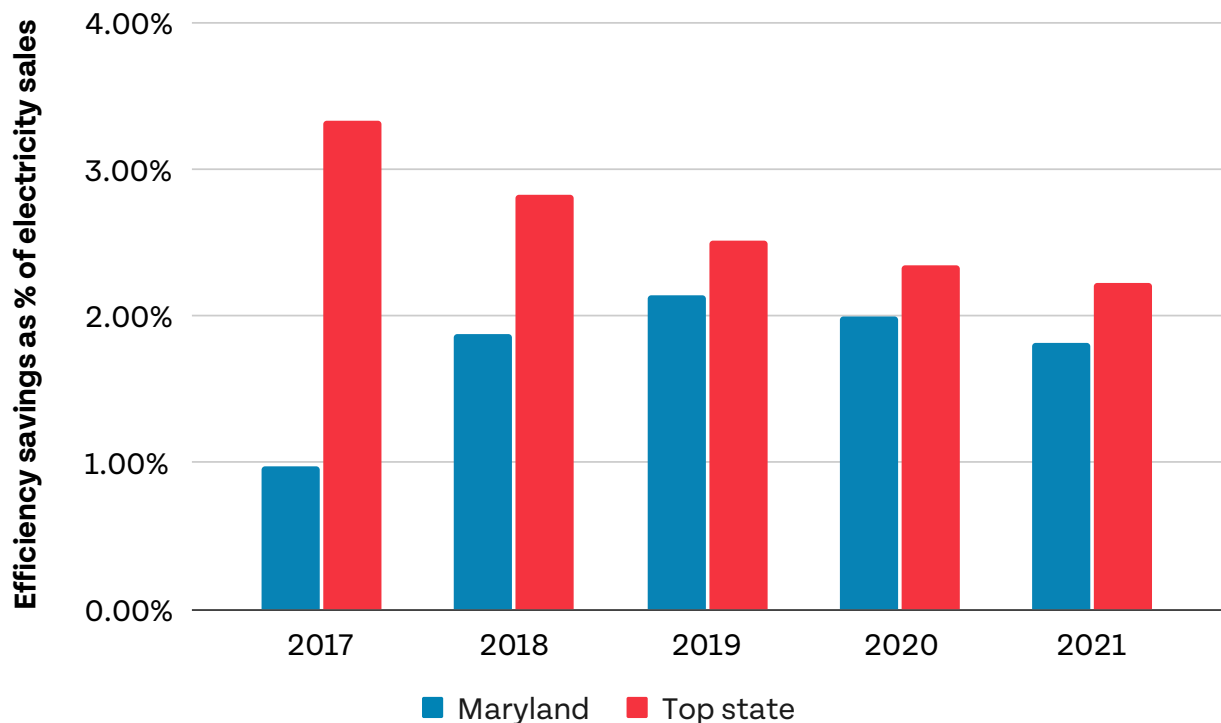
- Reduced Maryland’s greenhouse gas emissions by the equivalent of 9.6 million metric tons of carbon dioxide cumulatively as of 2020, equal to taking 2 million cars off the road for a year.³
- Saved Marylanders over \$4 billion on their energy bills so far, with expected lifetime savings of \$12.7 billion for efficiency measures installed as of the end of 2021.⁴

But EmPOWER can – and must – do more to save energy, save money and cut pollution. As currently designed and implemented, EmPOWER does not achieve the level of overall energy savings that it could, does not adequately support the state’s climate goals, and does not do enough to help limited-income customers save energy.

Maryland utilities are leaving energy savings on the table.

- If, in 2021, Maryland had saved electricity at the same rate as the top states for energy efficiency from 2019-2021 did, Maryland would be saving an additional 236,164 to 408,154 megawatt-hours of electricity over the lifetimes of those programs, enough to power 22,200 to 38,400 average homes for a year (see Figure ES-1).⁵ At the 2021 average retail price of electricity in Maryland, 236,164 megawatt-hours are worth over \$27.1 million, a price Marylanders may have had to pay unnecessarily.⁶
- Most programs within EmPOWER are run by the state’s five biggest electric utilities – Baltimore Gas & Electric, Delmarva Power & Light Company, Potomac Edison, Potomac Electric Power Company, and Southern Maryland Electric Cooperative, which together sell 93% of the state’s electricity.⁷ EmPOWER now also includes Washington Gas Light Company (WGL).⁸ These utilities spent less in 2021 on almost every program they administered than the allotted budget for those programs – in some cases less than half of the allotted budget. For instance, Potomac Edison spent just 42% of its \$2.5 million residential HVAC program budget.⁹ Even before the COVID-19 pandemic,

FIGURE ES-1. MARYLAND VS. TOP PERFORMING STATE IN ACEEE RANKINGS BY ENERGY SAVINGS, 2017-2021¹¹



many programs did not reach their energy savings forecast and/or use their full budgets.¹⁰ Significant underspending on important programs indicates that there is ample room for more benefits and savings from the programs.

Current EmPOWER incentives undermine Maryland’s climate protection goals and fail to encourage electrification of buildings, which is essential for cutting climate pollution.

- Achieving Maryland’s ambitious climate goals will require the state to eliminate almost all fossil fuel use. However, EmPOWER continues to provide incentives for fossil fuel-powered appliances like furnaces and water heaters, locking in decades of climate and air pollution.¹²
- EmPOWER fails to adequately incentivize and prioritize efforts that would have both

climate and efficiency benefits, such as replacing fossil fuel appliances and building systems with all-electric alternatives.

EmPOWER’s programs targeted at limited-income consumers, which are run by the state’s Department of Housing and Community Development (DHCD), deliver only limited savings.

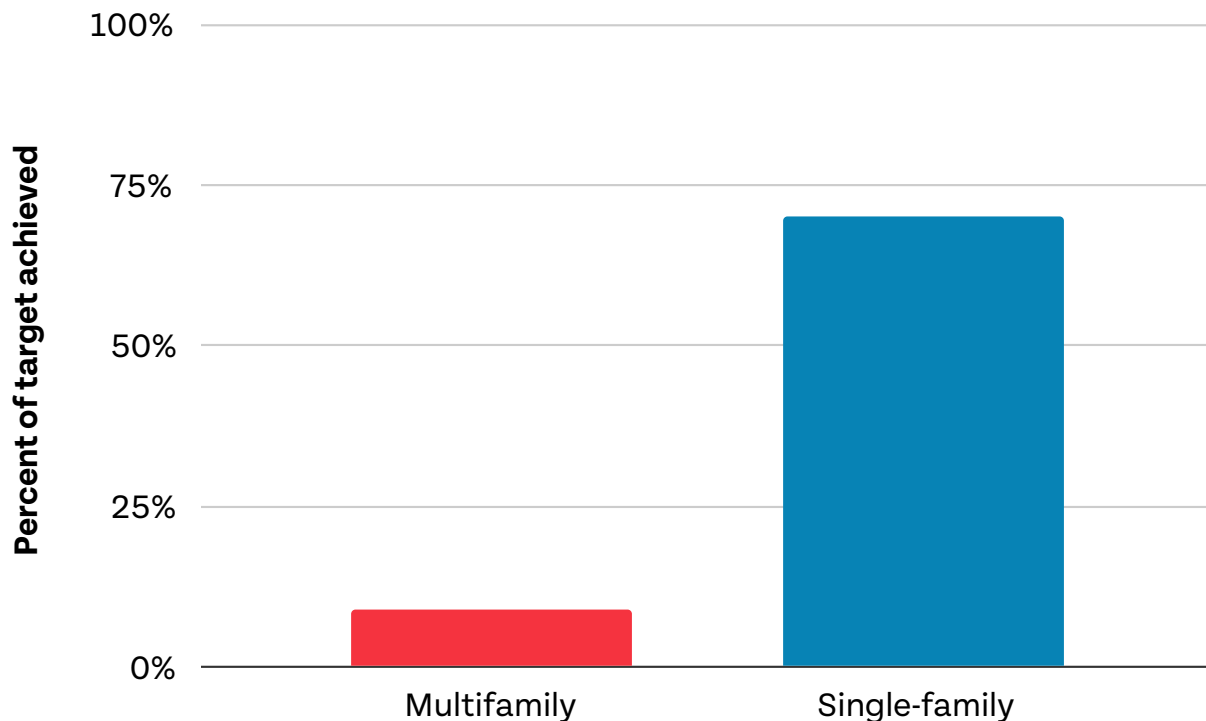
- While limited-income households represent at least 26.5% of households statewide, only 17.5% of residential spending under EmPOWER is allocated for them.¹³
- The DHCD-run limited-income EmPOWER programs account for just 3% of the total planned lifetime electricity savings from residential EmPOWER programs statewide, despite those customers using approximately 11% of the state’s retail sales of electricity.¹⁴

- Low-income Maryland households spent an average of 12% of their gross income on energy in 2020. The Maryland Office of People’s Counsel recommends households spend no more than 6% of their gross income on energy.¹⁵
- Neither the Maryland General Assembly nor the regulators in charge of EmPOWER have set binding goals for the limited-income programs, and DHCD achieved just 9% of its own nonbinding energy savings target for limited-income multifamily residences in 2021 and only 70% of its target for single-family homes.¹⁶
- Current EmPOWER restrictions don’t allow DHCD to help any limited-income households switch from fossil fuel equipment to electric equipment.¹⁷

With better design, EmPOWER could deliver greater energy savings for everyone.

- There is no mechanism by which the utilities are incentivized to actually meet efficiency goals or penalized for failing to meet those goals. Creating such a “performance-based” mechanism could help drive longer-lasting savings.
- The EmPOWER cost recovery mechanism was designed such that utilities self-finance EmPOWER programs, ratepayers repay just a portion of those expenses each year, and the unpaid expenses accumulate with interest, a cost-recovery design shared by just a handful of other states’ energy efficiency programs. The utilities have been earning a very high return on EmPOWER investments – from

FIGURE ES-2. PERCENT OF DHCD TARGETS FOR LIMITED-INCOME RESIDENTIAL PROGRAM ENERGY SAVINGS ACHIEVED, 2021¹⁸



about 16% to over 20% of annual costs – and will continue to do so until 2024, when a recent ruling by the Public Services Commission will take effect (see “EmPOWER’s financing system fails to incentivize good performance and to protect ratepayers”).

In order for EmPOWER to meet the needs of the moment and to do more for the environment and all Marylanders, the General Assembly and the Public Service Commission should:

- Redesign EmPOWER to provide greater savings to more Marylanders:
 - Ensure that programs that provide deeper, longer-lasting savings serve as many people as possible;
 - Consider alternate administrative structures to increase the program efficiency of EmPOWER; and
 - Increase support for renters.
- Align EmPOWER with Maryland’s climate goals:
 - End incentives for fossil fuel appliances;
 - Incentivize electrification; and
 - Continue to boost efficiency.
- Improve EmPOWER for limited-income Marylanders:
 - Increase ambition for the limited-income programs by setting strong goals and making a plan to serve all limited-income households within the decade;
 - Allow limited-income EmPOWER programs to help Maryland households looking to switch to electric heating, water heating and cooking;
 - Improve implementation by making the programs easier to access and ensuring that EmPOWER applicants and participants are also considered for all other relevant funding sources, including new federal funding from the Inflation Reduction Act; and
 - Require reporting on the limited-income EmPOWER programs to be more detailed and comprehensive.
- Incentivize and penalize utilities based on their performance in delivering efficiency benefits to Marylanders.

SB689_FAV_EnergySavingsACT_PIRG Et al..pdf

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Position: FAV

Maryland PIRG



Baltimore Jewish Council
An agency of The Associated

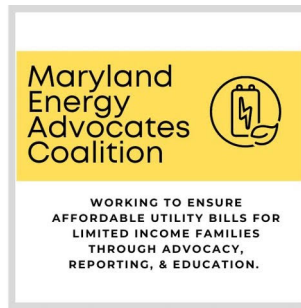


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MID-ATLANTIC

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Progressive
Reform



Citizens' Climate Lobby
Maryland



SB689: Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements (Energy Savings Act)
Education, Energy, and the Environment
February 28, 2023
Emily Scarr, Maryland PIRG
Favorable

Maryland PIRG is a state based, small donor funded public interest advocacy organization with grassroots members across the state. We work to find common ground around common sense solutions that will help ensure a healthier, safer, more secure future.

Maryland PIRG, and our partners, enthusiastically support SB689, as amended by the sponsor. The bill would build on EmPOWER Maryland, the state's successful energy efficiency program by helping homeowners save money through energy efficiency rebates, aligning the program with the state's climate goals, and maximizing the use of federal energy efficiency funds available from the Inflation Reduction Act.

While the legislature has made clear it intends to shift away from fossil fuels to power our homes and buildings, EmPOWER is not currently in line with the state's plan. Today, 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 remains critical that the program maintain its primary goals: to provide benefits to ratepayers. That's why the Energy Savings Act includes guardrails to ensure that the utilities deliver savings directly to ratepayers, and are held accountable to their goals.

Emily Scarr, Maryland PIRG Director emily@marylandpirg.org
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Bill components:

- **Keeps what EmPOWER does best** by continuing to offer free or discounted energy audits, help weatherize homes, and provide rebates for efficient heating and appliances. It adds electrification readiness to all home energy audits.
- **The bill sets up EmPOWER to deliver more savings to customers -**
 - Directs the PSC to establish performance standards so the utilities are rewarded for beating their goals, and held accountable for failing them.
 - It establishes a clear benchmark of 85% for what percent of goals are met though in home energy efficiency measures (behind the meter).
 - Helps expand access for low-income households to state and federal funds for energy efficiency and whole-home retrofits including lead removal, mold remediation, asbestos removal, and building improvements by establishing a multilingual community outreach specialist program within the Department of Housing and Community Development.
 - Monitors workforce development by asking the Department of Labor to report on the training and licensing of contractors needed to do efficiency updates including home contractors, electricians, plumbers, and HVAC specialists.
- **Aligning EmPOWER with MD climate goals -**
 - The bill adds a goal for greenhouse gas reduction. The bill directs the PSC to determine goals for each utility company to reach an average of 1.8% reductions yearly, or 14.4% by 2031.
 - The bill adjusts what is and what isn't incentivised, which is critical from a consumer perspective and environmental perspective.
 - The bill requires the utilities provide incentives for fuel switching and efficient electric appliances, which will open up access for the use of federal incentives. Electric appliances for heating and cooking are tremendously more efficient and less polluting than gas appliances. [For example](#), air-source heat pumps can be over four times as efficient as the best gas furnaces. This bill does not mandate the use of electric homes, but it rightly prioritizes those appliances and enables consumers to use incentives to make the switch to electric if they want.
 - The bill stops almost all incentives for fossil fuels heating and appliances. It doesn't stop anyone from buying new fossil fuel appliances, it just stops incentivising them.

BACKGROUND

If you are a Maryland homeowner, you have likely benefited from EmPOWER Maryland, the state's energy efficiency program, which includes a utility-run program of rebates, weatherizations and efficiency updates.

For many of us, installing proper insulation, plugging up leaky windows, and using the most efficient light bulbs are no-brainers because of how much they lower our energy bills. But the benefits go beyond savings -- these efficiency measures also reduce air pollution and greenhouse gas emissions and make it easier to transition to renewable energy.

EmPOWER's successes include [saving ratepayers](#) more than \$4 billion on their energy bills and delivering lifetime energy savings worth \$12.7 billion. The program has also [reduced Maryland's greenhouse gas emissions](#) by the equivalent of 9.6 million metric tons of carbon dioxide cumulatively as of 2020. That's equal to taking 2 million cars off the road for a year.

While the program has been tremendously successful, it's time to improve the program to better meet the needs of Marylanders today, as outlined in [a recent report from Maryland PIRG Foundation](#).

The report's findings include:

- **Maryland utilities are leaving energy savings on the table:** In [2021](#), Maryland's utilities spent less than the allotted budget on almost every energy efficiency program – in some cases less than half of the allotted budget (overall the EmPOWER budget was \$371 million, with actual spending of \$316 million). **Significant underspending on important programs indicates there is ample room for more benefits and savings from the programs.**
- **Current EmPOWER incentives undermine Maryland's climate protection goals:** EmPOWER fails to adequately incentivize and prioritize efforts that would benefit both the climate and efficiency, such as replacing fossil fuel appliances and building systems with all-electric alternatives. Meanwhile, EmPOWER continues to offer incentives for fossil fuel-powered appliances including furnaces and water heaters, which will lead to more climate and air pollution.
- **With better design, EmPOWER could deliver greater energy savings for everyone:** Utilities are neither incentivized to meet efficiency goals nor penalized for failing to meet those goals. Creating such a “performance-based” mechanism could help drive longer-lasting saving for customers.
 - Maryland utilities are profiting significantly more than utilities in other top states for efficiency. For example, Pepco earns a return equivalent to about 16% of its budget while BGE and Potomac Edison earn returns equivalent to over 20% of their annual budgets, as compared to the efficiency administrators in Massachusetts, Vermont and Rhode Island, which all earn returns equivalent to 5% or less of their program budgets.
 - The utilities also earn a much higher return on EmPOWER spending than on their normal expenses: for example, [the PSC set a 9.5% return on BGE's costs of providing electricity service for the 2021-2023 cycle](#).

- Making a small profit on EmPOWER is not a bad thing, but it shouldn't be so out of pace with other services and states, and should be tied to results. And the same goes for utilities failing, that should impact their profits.

We need to switch away from fossil fuels because burning fossil fuels in our buildings – such as in gas stoves or furnaces – presents threats to our health and climate. In addition to producing greenhouse gasses, fossil fuel equipment also produces toxic air pollution. [A recent study](#) found that indoor air pollution from gas stoves alone is responsible for 12.7% of childhood asthma. [A separate meta-analysis](#) found that living in a home with a gas stove increases a child's risk of concurrent and lifetime asthma by approximately 32%. Air pollution in general can cause [a wide range of health problems](#), including cancer, heart or lung damage, mental health problems, decreased cognitive functioning, impacts to fertility and even premature death. In the United States alone, air pollution is estimated to cause hundreds of thousands of [premature deaths](#) each year.

Energy efficiency is one of the smartest investments the state can make, because it:

- **Reducing costs for consumers and ratepayers.** By reducing the amount of energy people consume and reducing the amount of infrastructure needed to provide that energy, efficiency improvements help ratepayers pay less on their utility bills. That's because [energy efficiency improvements are often a cheaper way for utilities to meet electricity demand than generating and distributing electricity](#).
- **Protecting public health by reducing air pollution from burning fossil fuels.** Burning fossil fuels, both indoors and out, [produces air pollution](#) that can cause a range of health problems, from damage to the lungs and heart to cancer to mental health and cognitive issues.
- **Reducing greenhouse gas emissions.** By reducing fossil fuel combustion in buildings and from power plants, as well as the leaks of pollutants like methane associated with fossil fuel extraction and infrastructure, [energy efficiency reduces greenhouse gas](#) emissions and thus helps fight global warming and climate damage.
- **Making it easier to transition to renewable energy.** By reducing the amount of energy required to meet the needs of the public, energy efficiency reduces the total amount of dirty fossil fuel generation that must be replaced by clean renewable sources in order to protect public health and prevent the worst impacts of climate change. Energy efficiency also reduces the number of costly upgrades to electricity transmission and distribution systems that are needed, significantly [easing the transition to renewable energy and reducing the time, costs and other resources required to make it](#).

We respectfully request a favorable report.

Advance Maryland * American Institute of Architects Maryland Chapter * Audubon Mid-Atlantic * Baltimore Jewish Council * Blue Water Baltimore * CASA * CASH Campaign of Maryland * Cedar Lane Environmental Justice Ministry * Center for Progressive Reform * Chesapeake Bay Foundation * Citizens' Climate Lobby Maryland * Elders Climate Action * Environment Maryland * HoCo Climate Action * Interfaith Power & Light (DC.MD.NoVA) * Maryland Citizens' Climate Lobby * Maryland League of Conservation Voters * Maryland League of Women Voters * Maryland PIRG * National Aquarium * Natural Resources Defence Council * The Climate Reality Project Greater Maryland Chapter *

Home Heating Fuel Source by County

	Electric	Primary Home Heating Fuel -%			EmPOWER Residential Spend by Utility --%		
County	Utility	Gas	Electric	Oil/Propane	Lighting	Behavioral	Direct
Baltimore	BG&E	51%	37%	11%	75%	17%	6%
Baltimore City	BG&E	63%	31%	5%	75%	17%	6%
Anne Arundel	BG&E	37%	48%	12%	75%	17%	6%
Howard	BG&E	42%	49%	7%	75%	17%	6%
Harford	BG&E	41%	42%	14%	75%	17%	6%
Carroll	BG&E	18%	50%	27%	75%	17%	6%
Montgomery	Pepco	52%	43%	4%	77%	13%	8%
Prince Georges	Pepco	52%	42%	5%	77%	13%	8%
Alleghany	P. Edison	54%	26%	13%	53%	8%	36%
Washington	P. Edison	24%	51%	21%	53%	8%	36%
Frederick	P. Edison	34%	49%	14%	53%	8%	36%
Calvert	SMECO	6%	74%	16%	65%	8%	25%
Charles	SMECO	24%	56%	16%	65%	8%	25%
St. Mary's	SMECO	12%	60%	15%	65%	8%	25%
Cecil	Delmarva	20%	33%	40%	85%	12%	2%
Wicomico	Delmarva	17%	59%	22%	85%	12%	2%

SB689HB904 Energy Savings Act.pdf

Uploaded by: Emily Scarr

Position: FAV



THE ENERGY SAVINGS ACT OF 2023

SB689: Senator Karen Lewis Young **HB904:** Delegate Lily Qi

We can achieve greater energy savings, lower energy bills, and deliver even more public health and environmental benefits by building on the success of the EmPOWER program and passing the Energy Savings Act of 2023.

What's in the Bill

- **Stops incentives for fossil fuel appliances and heating, maximizes federal efficiency incentives, and creates new incentives** for electrification, efficient electric appliances, and home heating.
- **Sets clear performance targets, climate benchmarks, incentives and penalties** for utilities to ensure the program is reducing Maryland's overall energy use and greenhouse gas emissions.
- **Builds on the successful EmPOWER rebates and resources** for energy audits and weatherization.
- **Helps expand access for low-income households to state and federal funds** for energy efficiency and whole-home retrofits including lead removal, mold remediation, asbestos removal, and building improvements by establishing a multilingual community outreach specialist program.
- **Helps ensure Maryland has enough contractors to keep up with demand.** Tracks ongoing training and certification for contractors to deliver services and ensure Marylanders see the most benefits.
- **Delivers the majority of savings directly to Maryland households** to help lower utility bills by ensuring 85% of energy savings happen in the home, where ratepayers benefit most.

Supported by:



Contact: Jonathan Lacock-Nisly, Interfaith Power & Light, jonathan@ipldmv.org, 202-525-9397
Emily Scarr, Maryland PIRG, emily@marylandpirg.org, 859-221-4213



THE ENERGY SAVINGS ACT OF 2023

SB689: Senator Karen Lewis Young **HB904:** Delegate Lily Qi

Building on a History of Success

The EmPOWER Maryland Energy Efficiency Act of 2008 created the EmPOWER program to incentivize energy efficiency and conservation efforts. EmPOWER has improved energy efficiency, which has saved utility customers money, reduced pollution, and helped protect the environment. The Energy Savings Act of 2023 will build on this legacy of success to deliver even more savings for Marylanders.

Since 2008, EmPOWER Maryland has:

- Created savings of over **\$12.7 billion from an investment of \$3.5 billion in efficiency.**
- Reduced greenhouse gas emissions by the equivalent of **at least 9.6 million metric tons of carbon dioxide, equal to taking 2 million cars off the road for a year.**
- **Provided Marylanders with energy audits and weatherization, rebates for lighting, appliances, and weatherization,** and provided businesses with discounts and incentives for energy efficient upgrades.

The Climate Solutions Now Act directed EmPOWER be updated to include greenhouse gas reduction goals and the Public Service Commission (PSC) recommends that the General Assembly enact legislation to do so.

Why Energy Efficiency Matters

- **Reducing costs for consumers and ratepayers.** By reducing the amount of energy people consume, and reducing the amount of infrastructure needed to provide that energy, efficiency improvements help ratepayers pay less on their utility bills.
- **Protecting public health by reducing air pollution from burning fossil fuels.** Burning fossil fuels, both indoors and out, produces air pollution that can cause a range of health problems, from damage to the lungs and heart to cancer to mental health and cognitive issues.
- **Reducing greenhouse gas emissions.** By reducing fossil fuel use in buildings and from power plants, energy efficiency reduces greenhouse gas emissions and thus helps fight global warming and climate damage and get the state closer to our emissions reductions goals.
- **Making it easier to transition to renewable energy.** By reducing the amount of energy required to meet the needs of the public, energy efficiency reduces the total amount of dirty fossil fuel generation that must be replaced by clean renewable sources in order to protect public health and prevent the worst impacts of climate change, easing the transition and reducing the time and resources required.

Contact: Jonathan Lacock-Nisly, Interfaith Power & Light, jonathan@ipldmv.org, 202-525-9397
Emily Scarr, Maryland PIRG, emily@marylandpirg.org, 859-221-4213

SB 689 - MoCo_Fitzgerald_FAV (GA 23).pdf

Uploaded by: Garrett Fitzgerald

Position: FAV



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

SB 689

DATE: February 28, 2023

SPONSOR: Senator Lewis Young

ASSIGNED TO: Education, Energy, and the Environment Committee

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

POSITION: Support

Public Utilities – Energy Efficiency and Greenhouse Gas Emissions Reductions – Alterations and Requirements

This bill will reform the EmPOWER Maryland statewide building energy savings program to achieve deeper reductions in greenhouse (GHG) emissions, accelerate the transition to high efficiency electric technologies, and support low-income families in navigating and benefiting from State programs.

EmPOWER Maryland has driven energy efficiency improvements in buildings throughout Maryland for more than a decade. The program is now poised to play a more prominent role in helping to achieve state and local climate goals.

This bill will establish new GHG reduction goals for EmPOWER Maryland and will direct the Public Service Commission (PSC) to reform the program to:

- provide incentives for electric heat pumps, heat pump water heaters, and related appliances;
- discontinue incentives for gas combustion equipment, while maintaining incentives for other energy efficiency improvements in buildings that use gas; and
- ensure that program funding is primarily used to improve building energy performance in ways that will directly benefit customers.

The bill also directs the Department of Housing and Community Development to contract with navigators to help low-income families participate in weatherization, electrification, lead removal, and mold and asbestos remediation. This service will be valuable for many eligible families who struggle to learn about and access these programs.

This bill provides important policy direction to guide the PSC's administration of EmPOWER Maryland. The resulting program will benefit Montgomery County residents and property owners.

We respectfully request that the Education, Energy, and the Environment Committee issue a favorable report on Senate Bill 689.

ELG supports EmPOWER legislation (2).pdf

Uploaded by: Gary Gillespie

Position: FAV



CENTRAL MARYLAND ECUMENICAL COUNCIL

4 E. UniversityParkway, Baltimore, MD 21218 410-344-7984 cmecouncil@gmail.com

Dear Members of the Maryland State Assembly,

We are writing to you as members of the Ecumenical Leaders Group. The Ecumenical Leaders Group (ELG) is made up of the senior leaders (bishops and executives) of various Christian faith communities in Maryland – Episcopal, Lutheran, Roman Catholic, Presbyterian, and United Church of Christ.

Maryland faith communities have long been taking action to green our houses of worship as a way to care for our climate and our neighbors. As we've learned more about the impact burning methane gas and other fossil fuels in our buildings has on our health, our climate, and our neighbors who can least afford ever-increasing gas bills, we have started the work of turning away from burning—moving from burning fossil fuels in our buildings to instead choosing clean and affordable electric heat pumps, induction stoves, and heat pump water heaters. We call on our elected officials to join in this effort by passing the Energy Savings Act (HB 904, SB 689) and strengthening the EmPOWER Maryland program for all that has breath.

Dozens of faith communities across our region have documented the climate impacts of our leaky gas network and gas appliances. Using handheld methane leak detectors, faith communities have found hundreds of gas pipes leaking methane gas—a climate super-polluter—in the neighborhoods around their houses of worship.

Others have seen the health impacts of their gas stoves in real-time. Individuals in our congregations have tested for nitrogen oxide, one of the pollutants produced by gas stoves. They have found that their gas stoves are often polluting at 200-300% of EPA recommended limits. These dangerous levels of indoor air pollution are why some public health experts have compared having a gas stove to running an idling car in your house, and why [studies have shown](#) that children growing up in a home with a gas stove are 42% more likely to develop asthma symptoms.

For the health of our Common Home, we can strengthen the EmPOWER Maryland program and align it with our climate goals. For all that has breath, we can provide subsidies to help Marylanders choose cleaner, all-electric appliances that protect the lungs of our children and most vulnerable neighbors. And for Marylanders already struggling with high utility bills, we can ensure that they have access to all the federal and state funding available to help them lower their utility bills and choose more affordable electric appliances.

We can do all of these things by passing the Energy Savings Act.

Across Maryland, faith communities are starting the work of turning away from burning, choosing healthy and clean electric appliances over gas, oil, and propane. We call on you to join us by strengthening the EmPOWER Maryland program and passing HB 904 and SB 689 for all that has breath.

With Blessings,

The Ecumenical Leaders Group of Maryland

The Rev. William J. Gohl Jr.
Bishop
Delaware -Maryland Synod, ELCA
Chairperson ELG

Rev. Freeman L Palmer
Conference Minister
Central Atlantic Conference
United Church of Christ

Rev. Dellyne Hinton
President
Central MD Ecumenical Council

Rt. Reverend Eugene Taylor Sutton
Bishop of Maryland
Episcopal Diocese of Maryland

Most Rev. Denis J. Madden
Bishop
The Archdiocese of Baltimore

Rev. Dr. Jacqueline E. Taylor
General Presbyter
Presbytery of Baltimore, (PCUSA)

SB0689_Favorable_MdPHA.pdf

Uploaded by: Ilona Kabara

Position: FAV



Mission: To improve public health in Maryland through education and advocacy

Vision: Healthy Marylanders living in Healthy Communities

SB0689 Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements

Hearing Date: 02/28/23

Committee: Education, Energy and Environment

Position: SUPPORT

Chairperson Feldman and members of the Education, Energy and Environment committee: The Maryland Public Health Association (MdPHA) would like to express support for Senate Bill 689.

Energy efficiency matters to public health. Reduction of greenhouse gas emissions is associated with health benefits such as improved air quality, reduction in cases of heat-related illness and infectious disease, and improved mental health.¹ Many fossil fuel dependent indoor appliances pose exposure risks to carbon monoxide, nitrogen oxides, and particulate matter (PM 2.5).² These pollutants can lead to a variety of health problems including respiratory disease, cardiovascular diseases and cancer. By increasing access to electric appliances through rebates and promoting fuel switching, we can reduce indoor air pollution.

Further, this bill is an important step to improve health equity in Maryland. Ensuring that the impact of the EmPOWER program is directed at and evaluated for low-income communities helps to improve access to energy efficient appliances across all communities in our state. Additionally, this bill ensures that transition costs are not a financial burden on low-to-moderate income households by expanding access to state and federal funds for whole-home retrofits and weatherization, and by aiming to deliver a majority of savings directly to Maryland households by reducing their utility bills.

In summary, MdPHA strongly supports the proposed bill and believes it will have a significant positive impact on public health in our state. By reducing greenhouse gas emissions, promoting energy efficiency, and improving air quality, we can help to create a healthier, more sustainable future for all Maryland communities. Thank you for your attention to this critical issue, and we urge a favorable report of SB0689.

¹ *Lancet policy brief for the United States of America*. LANCET COUNTDOWN: (2022, November 14). Retrieved February 15, 2023, from <https://www.lancetcountdownus.org/2022-lancet-countdown-u-s-brief/>

² *California Air Resources Board*. Indoor Air Pollution from Cooking | California Air Resources Board. (n.d.). Retrieved February 15, 2023, from <https://ww2.arb.ca.gov/resources/documents/indoor-air-pollution-cooking#:~:text=Natural%20gas%20and%20propane%20stoves,air%20pollution%20from%20wood%20smoke.>

The Maryland Public Health Association (MdPHA) is a nonprofit, statewide organization of public health professionals dedicated to improving the lives of all Marylanders through education, advocacy, and collaboration. We support public policies consistent with our vision of healthy Marylanders living in healthy, equitable, communities. MdPHA is the state affiliate of the American Public Health Association, a nearly 145-year-old professional organization dedicated to improving population health and reducing the health disparities that plague our state and our nation.

Maryland Public Health Association (MdPHA)
PO Box 7045 · 6801 Oak Hall Ln · Columbia, MD 21045-9998
GetInfo@MdPHA.org www.mdpha.org 443.475.0242

SB689.pdf

Uploaded by: John Ford

Position: FAV

Dear Members of the Senate Education, Energy, and the Environment Committee,

I am a resident of **D46. I am testifying in support of “Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements” (SB689).**

It is extremely important to me, as a lifelong resident of Maryland who cares about the environment and climate of the state and will have to live with it for as many as 70 more years, that the General Assembly take do everything possible to promote and incentivize the clean energy transition.

I live in the city, where most houses still rely on filthy, unhealthy gas stoves and heating. It will take every tool available for Annapolis to have an impact on changing that as quickly as it needs to change. Greenhouse gas emissions reductions are a goal that should always at this stage of the climate crisis be accelerated.

It is for these reasons that I am encouraging you to vote **in support of SB689.**

Thank you for your time, service, and consideration.

Sincerely,
John Ford

**3301 Fleet St
Baltimore, MD 21224**

JWAN-MD Testimony (SB0689) Energy Savings Act.docx

Uploaded by: John Kasander

Position: FAV



Testimony Prepared for the Education, Energy and Environment Committee on Senate Bill 0689
Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements

February 28, 2023
Position: Support

We write you to urge a favorable report for Senate Bill 0689, Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements, which alters the goals and requirements of certain energy efficiency programs to include certain greenhouse gas emissions reductions from electric companies and gas companies beginning January 1, 2024; requiring the EmPOWER Maryland Program to provide consumer rebates, and promote the use of certain federal rebates, for certain technologies; requiring the Department of Housing and Community Development and electric utilities to promote fuel switching from gas to electricity; etc.

The United Church of Christ has a long history of pushing for environmental justice extending back to our Commission for Racial Justice in the middle of the last century. That commission's report, "Toxic Waste and Race" was among the first of its kind to draw a direct connection between racial inequity and the burden of industry. It was the head of that commission, Rev. Dr. Ben Chavis, who coined the term "environmental racism" in fact. From the struggle in Warren County, NC in the late 1970s to the current moment, we have been in the struggle for environmental justice. In 2023, things for us are not all that different than they were back then in this regard. A great many of God's children still struggle to live in a world filled with easily avoided or remediated environmental dangers, and the long term impacts they can have on communal health. Both matters which policy is more than capable of addressing. This bill promises to provide these impacted citizens with more tools in their arsenal to deal with these dangers. And make no mistake, there are real dangers to be dealt with here.

Gas stoves are openly dangerous as designed. They produce nitrogen dioxide, many gas stoves do so at 200-300% the EPA recommended level. Exposure to levels like that in a home is the equivalent to living alongside a constantly idling car. It should come as no surprise then that studies have linked exposure to a gas stove in the home as a contributing factor in the development of childhood asthma. If your parents have a gas stove, you are 42% more likely to develop asthma in childhood. Which you will carry with you for life. We have alternatives that we can offer that save people at the margins from the cost of care for these chronic conditions, which is not insignificant. For that matter, the cost of gas is not insignificant itself. Offering consumers a choice here promises to make the living of their lives easier, more cost effective, and richer for your effort. If we can make the lives of Marylanders easier, longer, and healthier, shouldn't we?

Beyond the danger to individual health, gas stoves, and the gas infrastructure that supports their use, leak at a problematic rate. Even with handheld methane detectors, one is able to track down gas pipes leaking constantly in any given community. In all the talk of CO₂ with regard to climate change methane has flown under the radar for many. Which is only so insidious because methane has 80 times the warming power of carbon dioxide in its first 20 years after release into the atmosphere. Though CO₂ has a longer lasting effect, methane's damage is more pronounced and much more immediate. Sudden and rapid changes



Justice & Witness Action Network-Maryland is a justice movement of local churches, clergy & justice leaders of the Central Atlantic Conference of the United Church of Christ in Maryland building & organizing power to secure a just and compassionate world for all.

are much more difficult for a society, particularly those living at its margins, to adjust to. And uncontained methane leaks like this promise to assist in making manifest that kind of rapid change. The Energy Savings Act offers consumers an off-ramp from the use of methane gas which will, in the long run, diminish use of that leaking infrastructure to the point that continued operation of it will become a question with time. This change in how we live and use the Earth's resources is necessary to preserve the world we all share for the generations to follow us. It is central to our faith that God has called us to be stewards of this world, and in this regard we can and must do better. Change has been ongoing for some time, and this legislation, if passed, will represent another important chapter in that story of change for the better. For healthier lives, and a healthier world to live in, we respectfully urge a favorable report for Senate Bill 0689 for the sake of all that breathes.

On behalf of the **Justice & Witness Action Network–Maryland** (*Central Atlantic Conference-United Church of Christ*)

John Kasander, Environment & Climate Justice Organizer



Justice & Witness Action Network-Maryland is a justice movement of local churches, clergy & justice leaders of the Central Atlantic Conference of the United Church of Christ in Maryland building & organizing power to secure a just and compassionate world for all.

IPL testimony and photos SB 689.pdf

Uploaded by: Jonathan Lacock-Nisly

Position: FAV



Interfaith Power & Light (DC.MD.NoVA)

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Washington, DC 20001

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Jonathan Lacock-Nisly, Director of Faithful Advocacy

February 27, 2023

Testimony on SB 689 –

SB 689: Energy Savings Act

Education, Energy, and the Environment Committee

Position: Favorable

Interfaith Power & Light (DC.MD.NoVA) and the below Maryland faith groups and communities support SB 689.

Maryland faith communities have long been taking action to green our houses of worship as a way to care for our climate and our neighbors. As we've learned more about the impact burning methane gas and other fossil fuels in our buildings has on our health, our climate, and our neighbors who can least afford ever-increasing gas bills, we have started the work of turning away from burning—moving from burning fossil fuels in our buildings to instead choosing clean and affordable electric heat pumps, induction stoves, and heat pump water heaters. We call on our elected officials to join in this effort by **passing the Energy Savings Act and strengthening the EmPOWER Maryland program for all that has breath.**

Dozens of faith communities across our region have documented the climate impacts of our leaky gas network and gas appliances. Using handheld methane leak detectors, faith communities have found hundreds of gas pipes leaking methane gas—a climate super-polluter—in the neighborhoods around their houses of worship.

Others have seen the health impacts of their gas stoves in real time. Individuals in our congregations have tested for nitrogen dioxide, one of the pollutants produced by gas stoves. They have found that their gas stoves are often polluting at 200-300% of EPA recommended limits. These dangerous levels of indoor air pollution are why some public health experts have compared having a gas stove to running an idling car in your house, and why [studies have shown](#) that children growing up in a home with a gas stove are 42% more likely to develop asthma symptoms.

For the health of our Common Home, we can strengthen the EmPOWER Maryland program and align it with our climate goals. For all that has breath, we can provide subsidies to help Marylanders choose cleaner, all-electric appliances that protect the lungs of our children and most vulnerable neighbors. And for Marylanders already struggling with high utility bills, we can ensure that they have access to all the federal and state funding available to help them lower their utility bills and choose more affordable electric appliances.

We can do all of these things by passing the Energy Savings Act.

Across Maryland, faith communities are starting the work of turning away from burning, choosing healthy and clean electric appliances over gas, oil, and propane. **We call on you to join us by strengthening the EmPOWER Maryland program and passing SB 689 for all that has breath.**



Interfaith Power & Light (DC.MD.NoVA)

900 Massachusetts Ave NW

Washington, DC 20001

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Submitted on behalf of **Interfaith Power & Light (DC.MD.NoVA)**, and these Maryland faith groups and communities:

**Central Maryland Ecumenical Council
Interfaith Partners for the Chesapeake
Montgomery County Faith Alliance for Climate Solutions**

Cedar Lane Environmental Justice Ministry

Unitarian Universalists believe in justice and respect for all beings. We believe that all existence is interconnected and that we have a responsibility to protect both our fellow humans and all other inhabitants of that interconnected web. Clearly methane harms. It damages human health through pollution, explosions, and fires. It increases global heating thus harming the environment and damaging the biosphere and the other inhabitants with which we share the web. Further the costs of natural gas which is methane are expected to rise and the easy availability of gas will decrease. This will increase utility bills and the poorest among us will, as always, be the ones who pay the price of this situation. It is our responsibility to protect our residents, especially our low income residents from both the dangers of methane and the rising costs of natural gas. We therefore request a favorable vote on this bill from the committee.

**Creation Care Advocacy and Action Team
of the Baltimore Washington Conference of The United Methodist Church**

As people of faith, we are committed to loving our neighbors. The Energy Savings Act supports love of neighbor by helping to reduce greenhouse gasses, to reduce indoor air pollution, and, with the supporting bill, to make sure that low-income households are included in the benefits.

Creation Care Ministry of the Delaware-Maryland Synod ELCA

The Evangelical Lutheran Church in America (ELCA) and specifically the Delaware-Maryland Synod support divesting of fossil fuels and understand the importance of this in mitigating our planet's climate crisis.

Episcopal Diocese of Washington, Creation Care Task Force

The Energy Savings Act is consistent with our Task Force's mission to reduce the negative impacts of climate change and to support climate and environmental justice.

Green Muslims

Jewish Climate Action Network DMV

National Capital Presbytery Earth Care Network



Interfaith Power & Light (DC,MD.NoVA)

900 Massachusetts Ave NW

Washington, DC 20001

202-525-9397 • jonathan@ipldmv.org

We commend to your attention **additional supportive testimony** submitted by:

Action in Montgomery (AIM)

Ecumenical Leaders Group (senior leaders of Christian faith communities in Maryland – Episcopal, Lutheran, Roman Catholic, Presbyterian, and United Church of Christ)

Justice & Witness Action Network Md (Central Atlantic Conference, UCC)

Maryland Catholics for Our Common Homes

The provisions of the Energy Savings Act build on the success of the EmPOWER program in ways that are consistent with the broad moral vision of Pope Francis in his encyclical letter Laudato Si', including his call in that letter for "removing from the market products which are less energy efficient or more polluting...and encouraging the construction and repair of buildings aimed at reducing their energy consumption and levels of pollution." The bill's provisions also expand access for low-income households to state and federal funds for energy efficiency and whole-home retrofits, also consistent with Pope Francis's vision. The Energy Savings Act, then, will make a positive difference for low-income Marylanders, while also making a positive difference for the environment.

Maryland Episcopal Public Policy Network

Unitarian Universalist Legislative Ministry of Maryland

Clergy and green leaders from across Maryland submitted photos in support of the Energy Savings Act with a simple message:

For all that has breath, strengthen EmPOWER



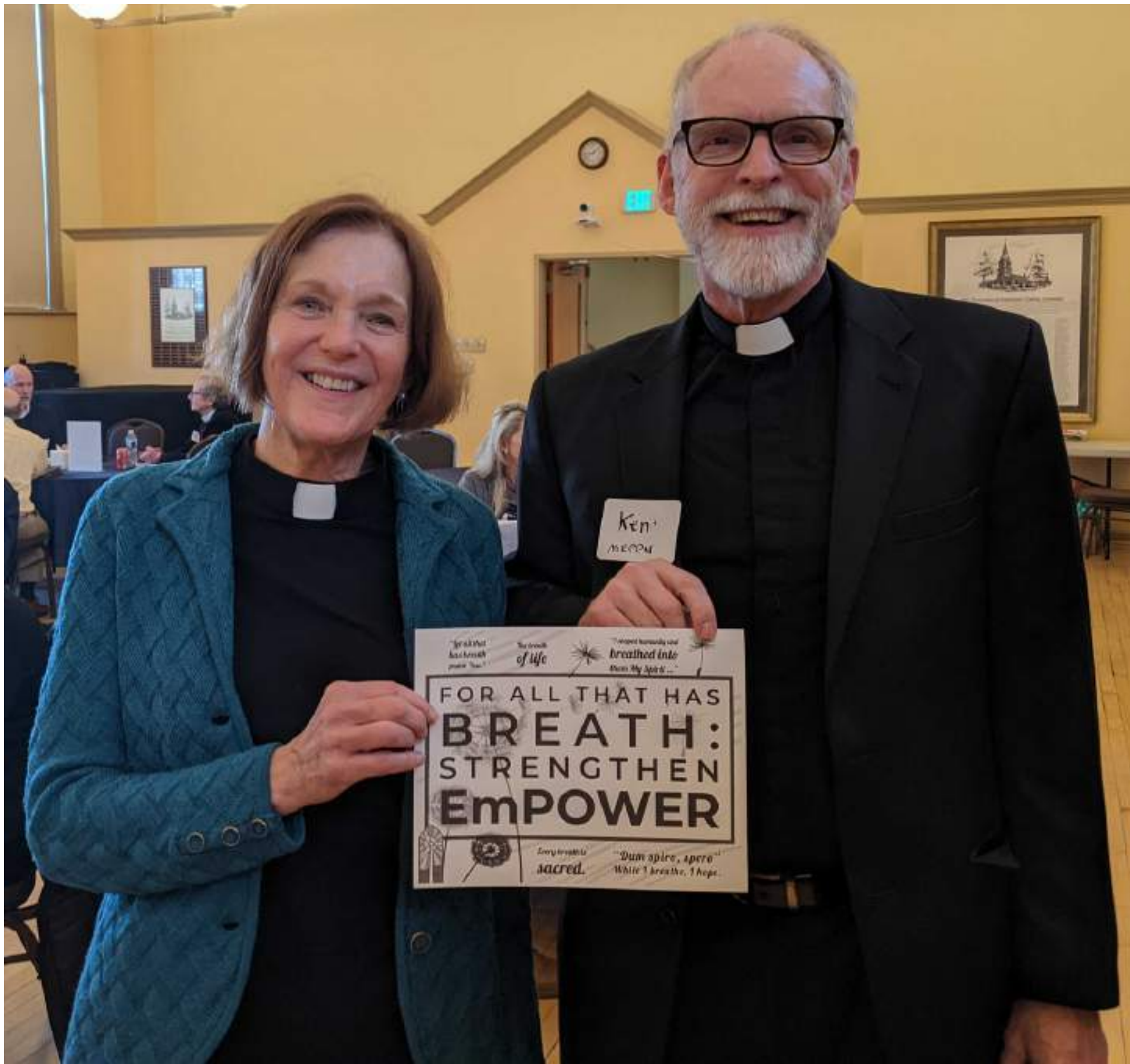
Catholics for Our Common Home gather in Annapolis to speak out in support of the Energy Savings Act



Rev. Margaret Brack, Co-Lead of GreenGrace and the Priest-in-Charge at St. Thomas Episcopal Parish Church and Jonathan Lacock-Nisly



Rev. Dell Hinton, Bishop Bill Gohl, Del-MD Synod ELCA Bishop Eugene Taylor Sutton, Episcopal Diocese of Maryland, Bishop Denis Madden, Archdiocese of Baltimore, General Presbyter Rev. Dr. Jacqueline Taylor, and Presbytery of Baltimore Gary Gillespie of the Central Maryland Ecumenical Council



Rev. Linda Boyd and Rev. Ken Phelps



Rev. Aubra Love



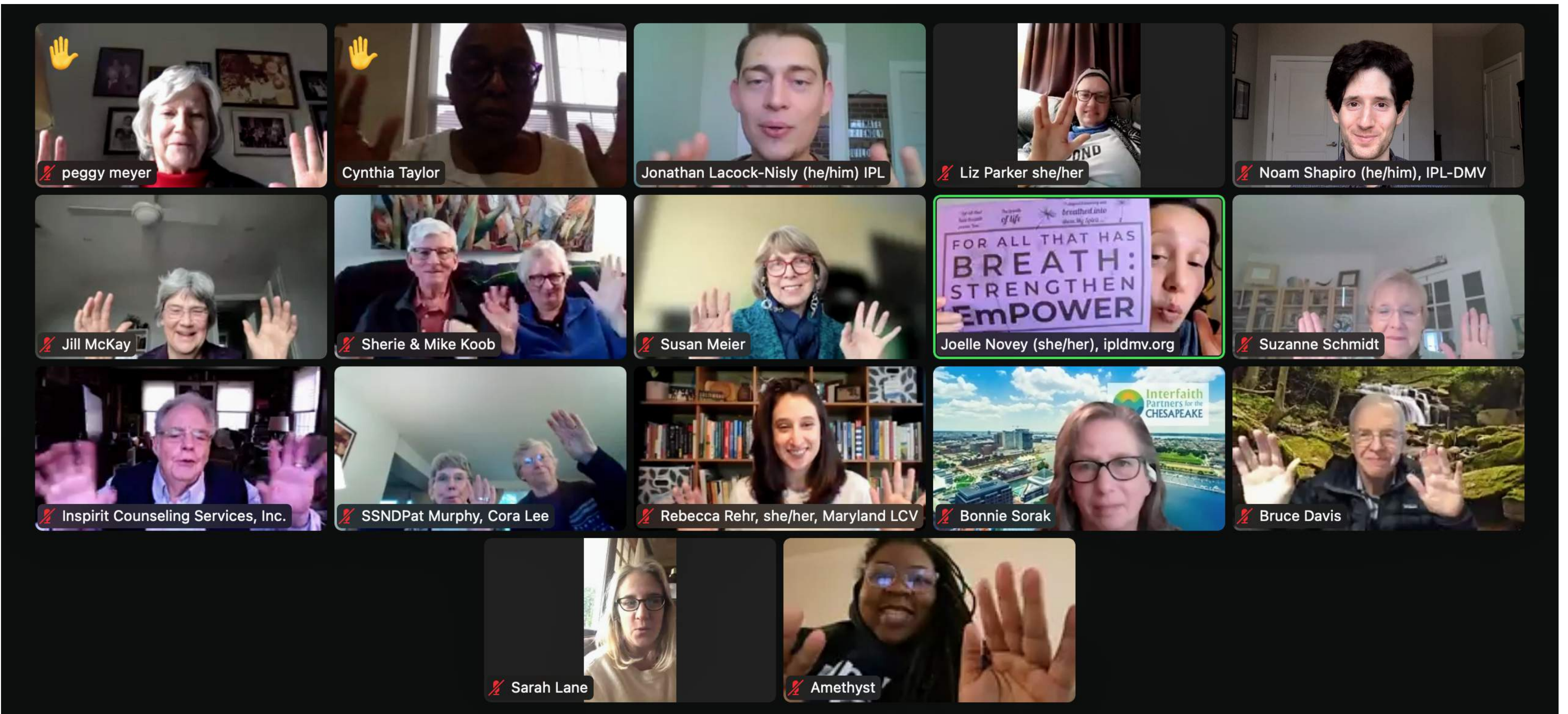
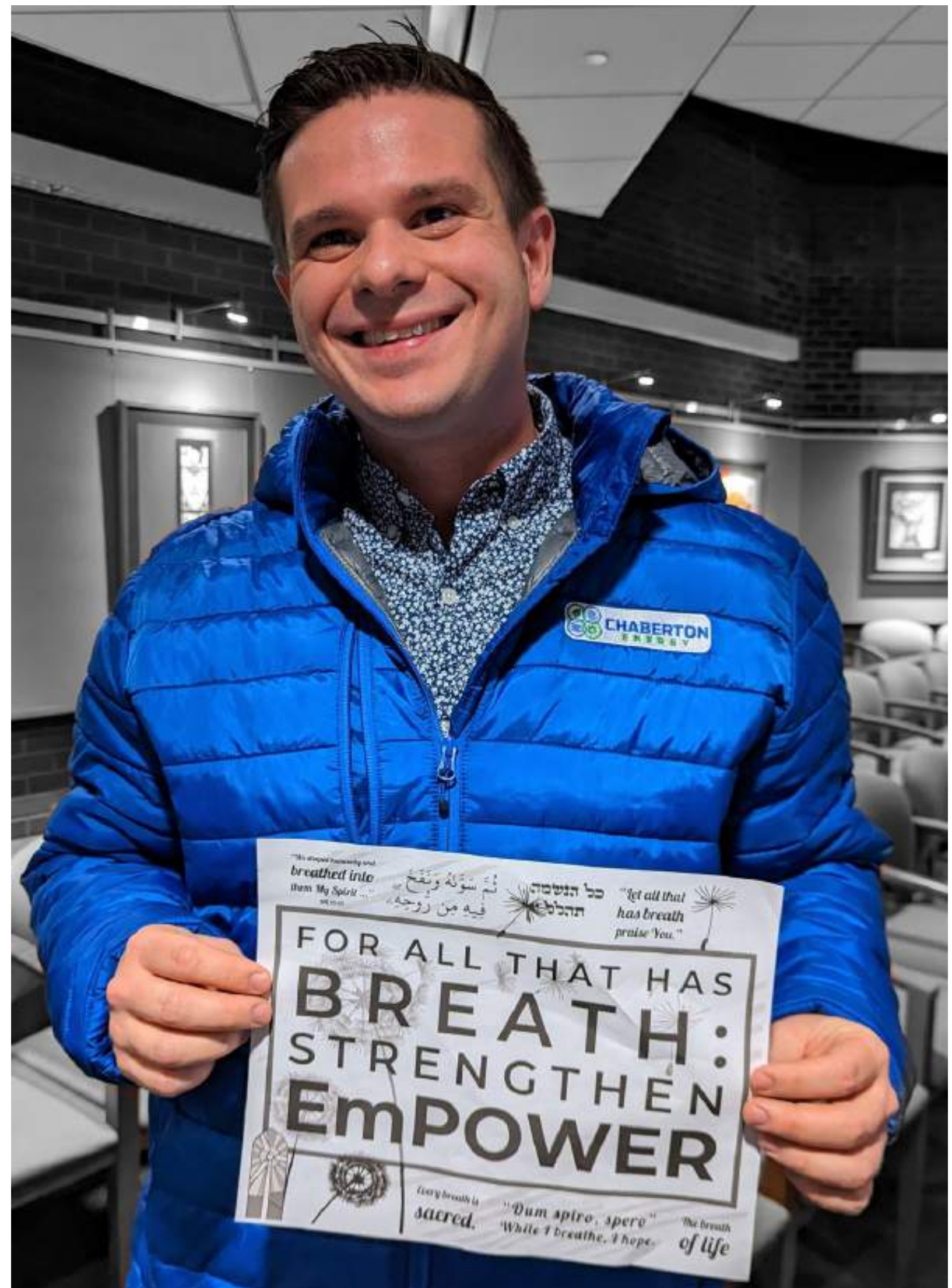
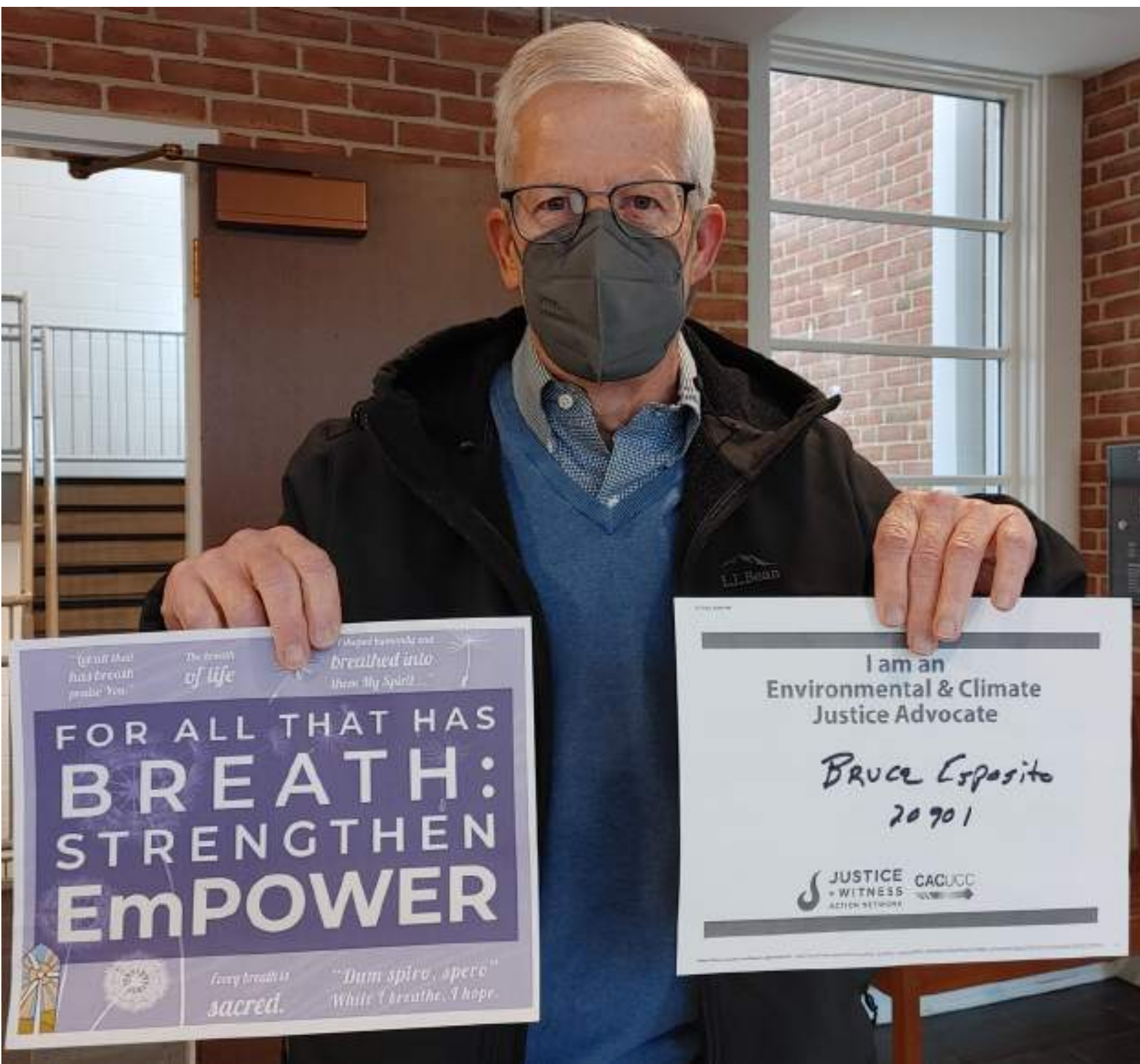
Rev. Lauren Bloom, Priest in Charge at St. Luke's Episcopal Church in the Eastport; The Rt. Rev Eugene Taylor Sutton, Episcopal Bishop of Maryland; Jonathan Lacock-Nisly; Rev. Margaret Brack, Co-Lead of GreenGrace and the Priest-in-Charge at St. Thomas Episcopal Parish Church, Hancock, MD; and Glenn

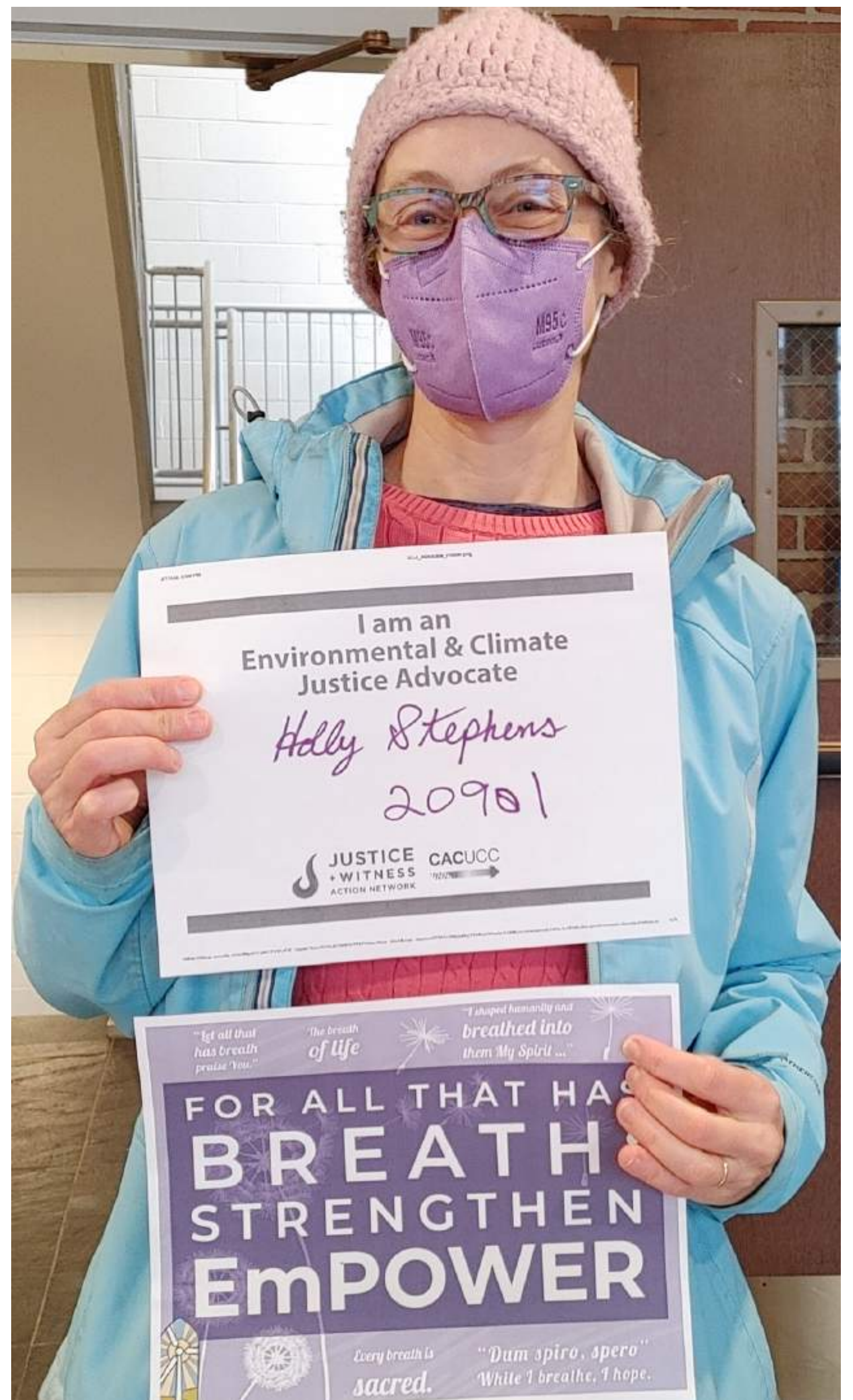


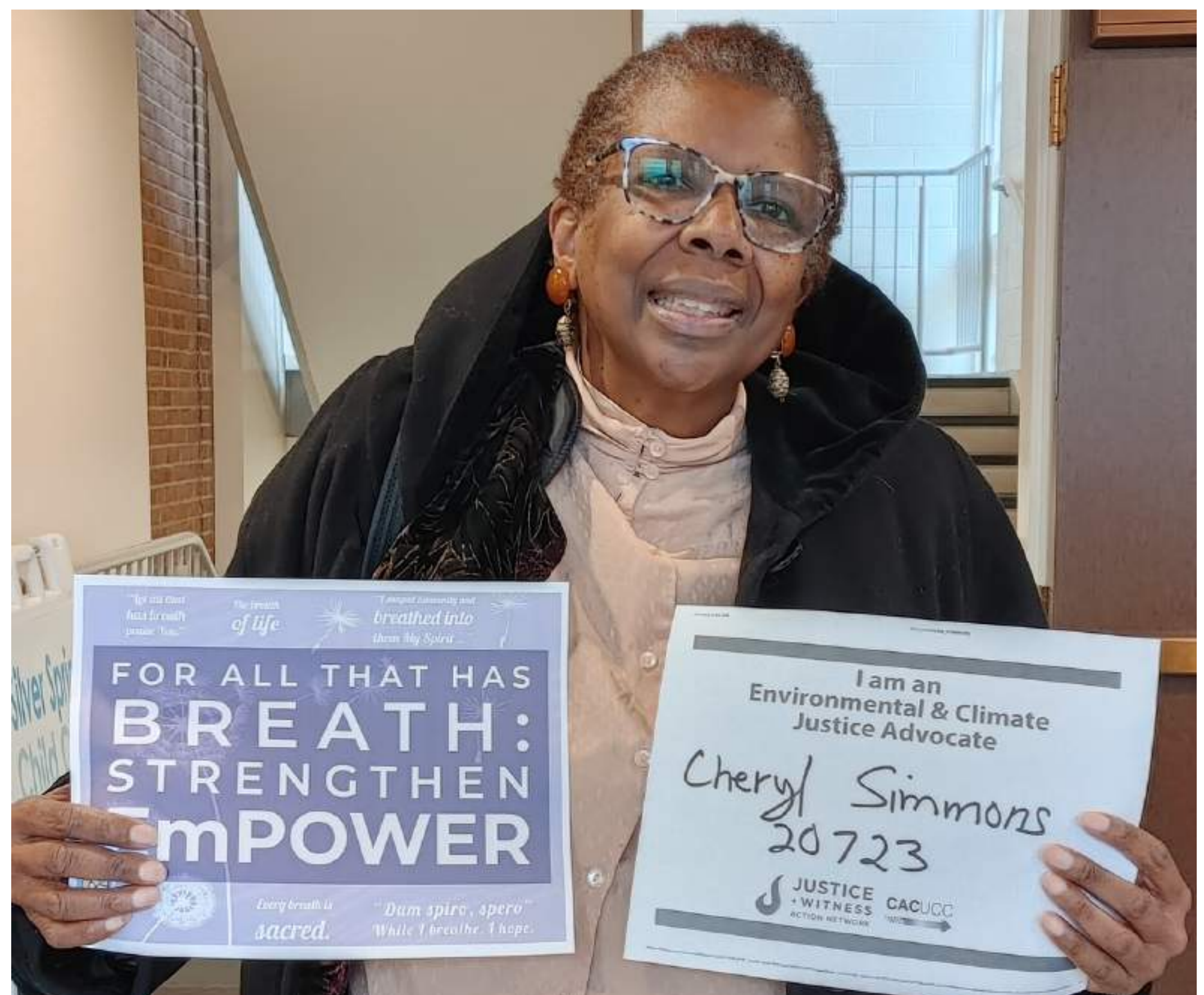
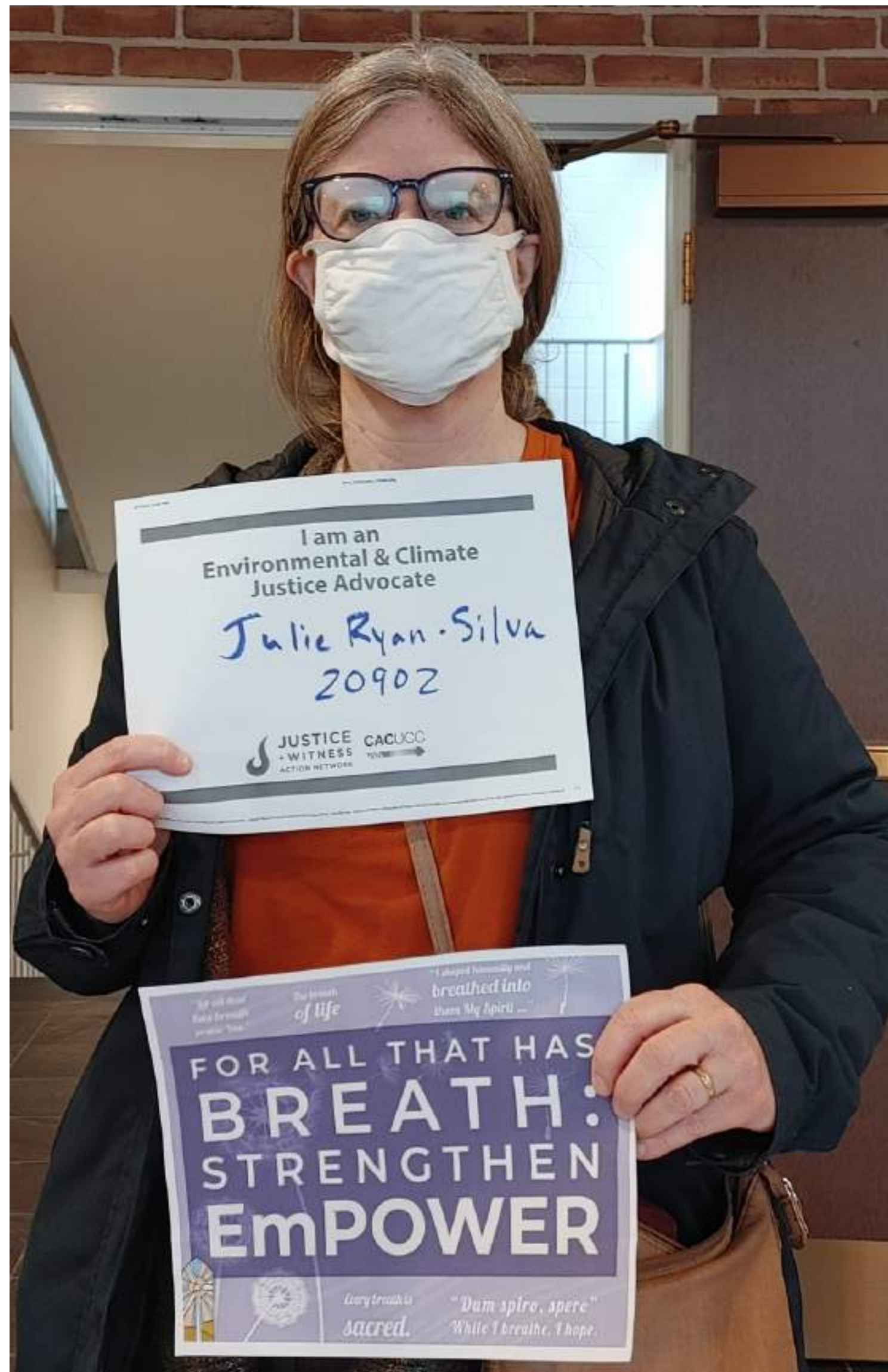
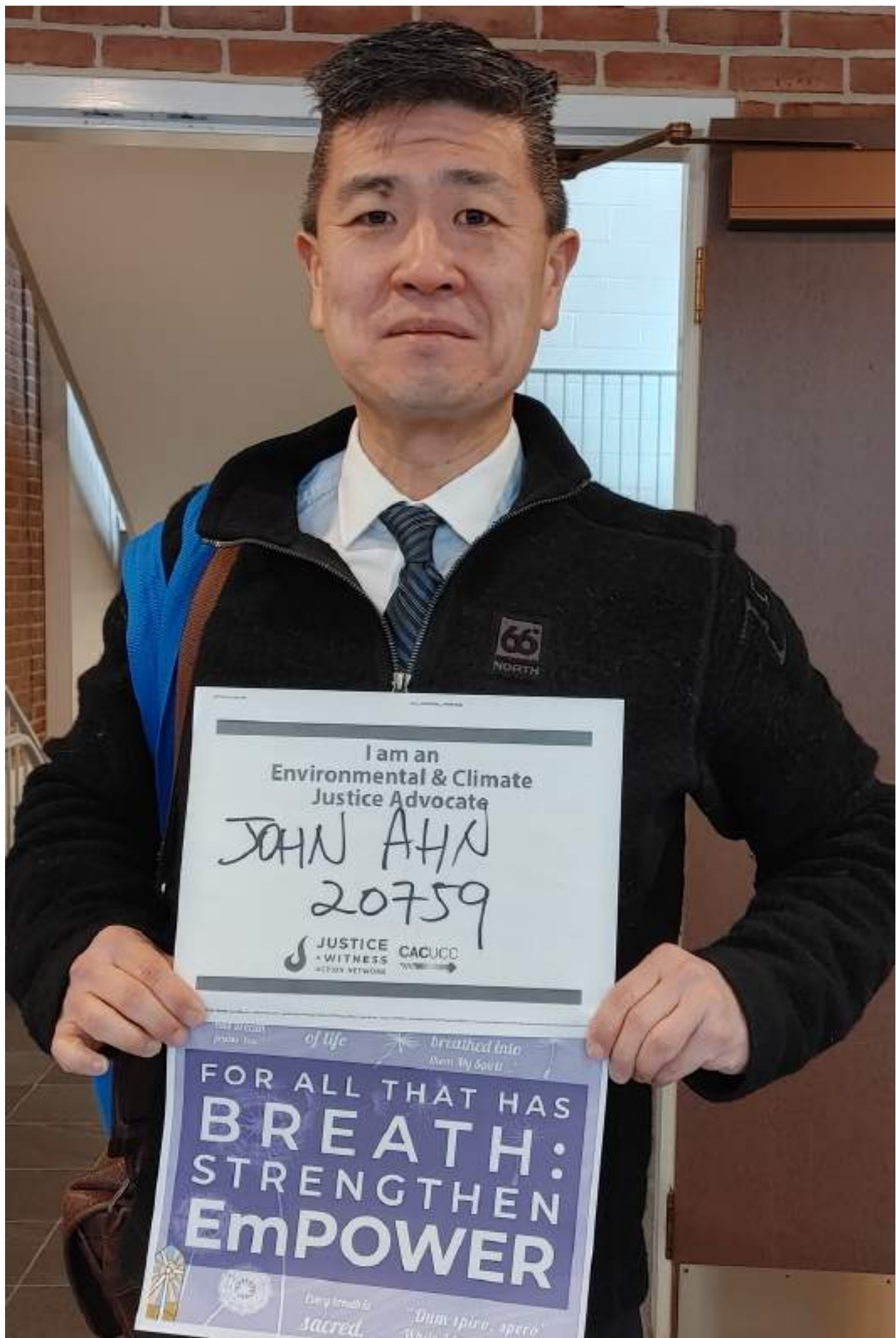


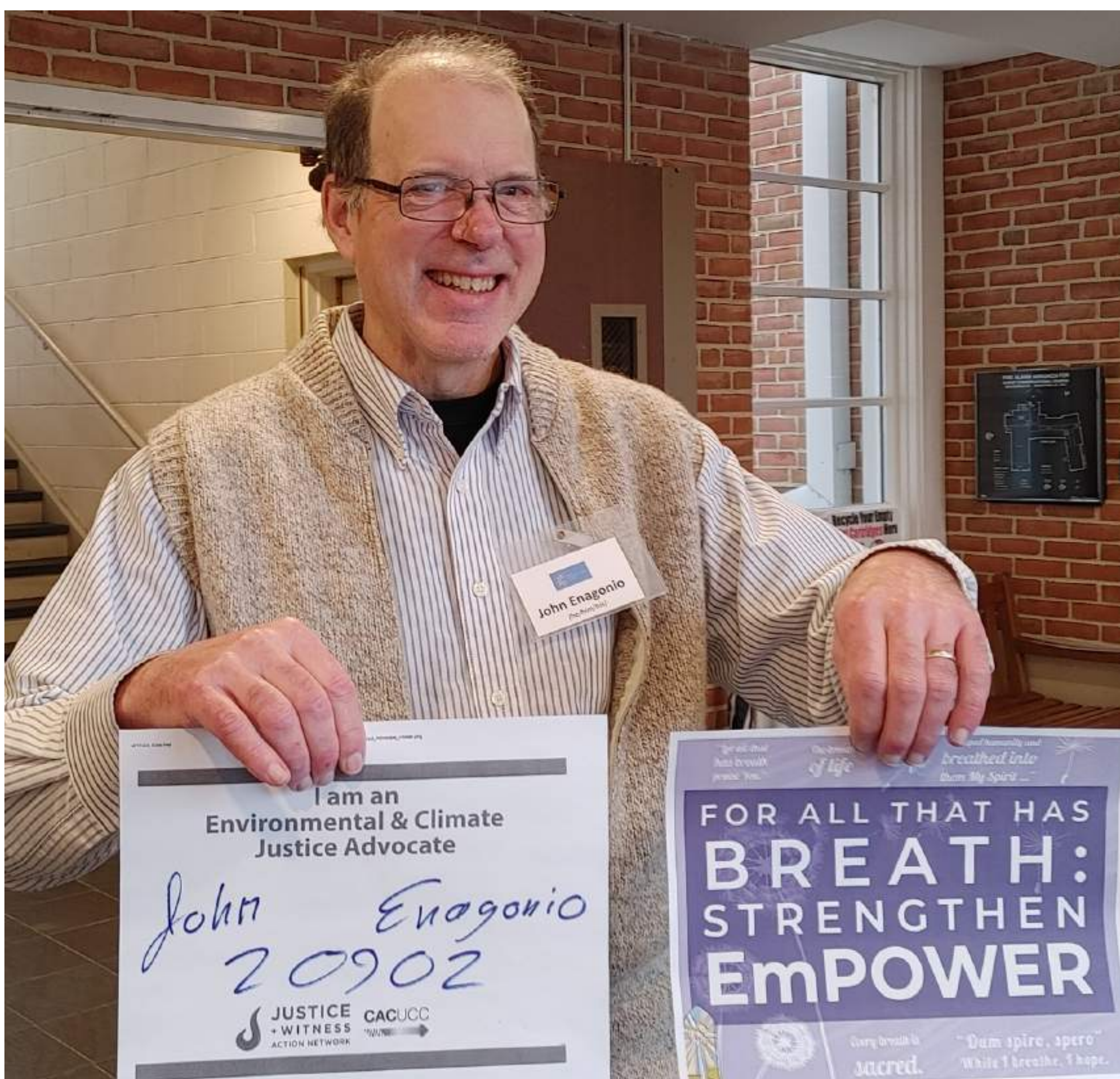
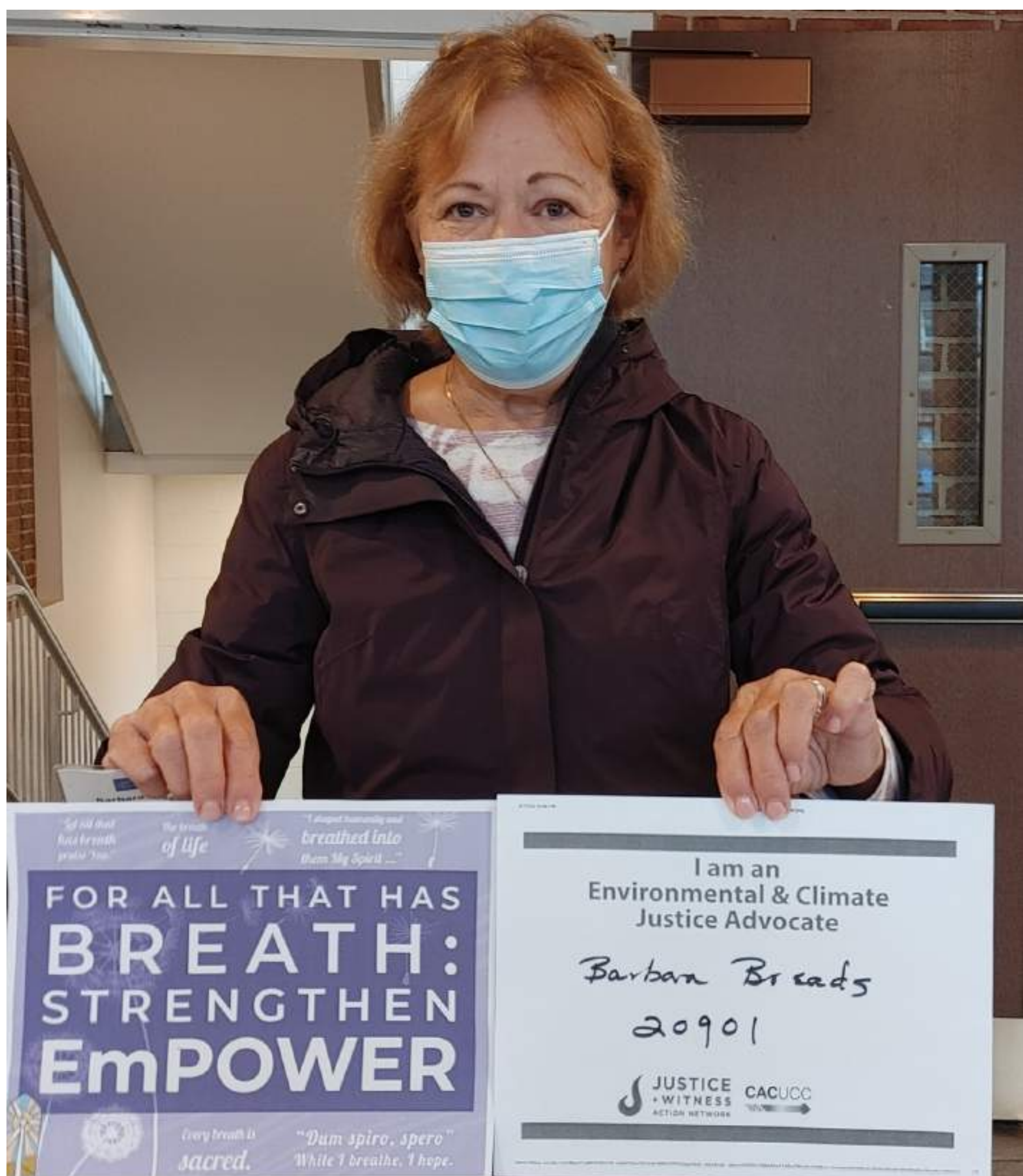
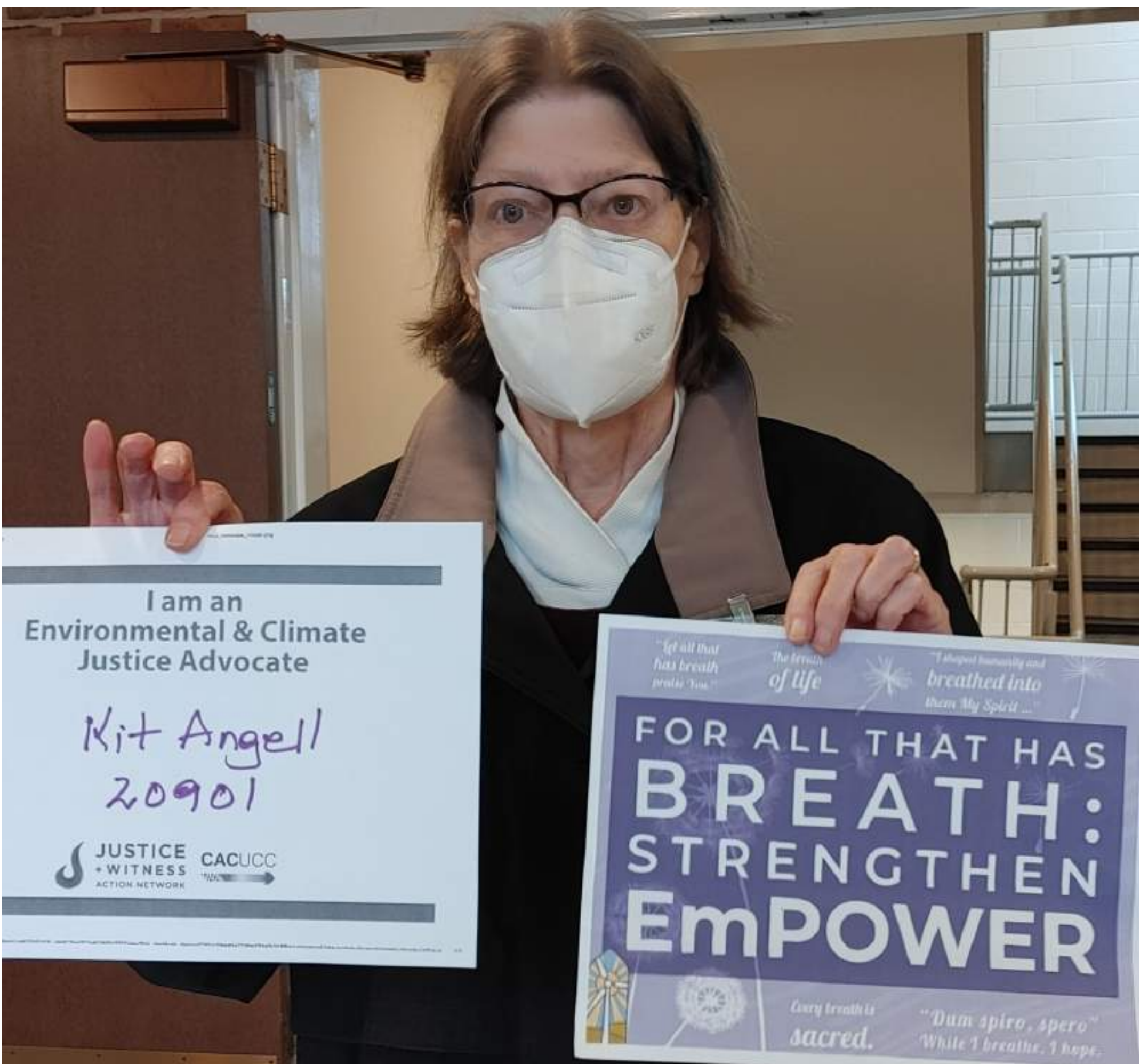
Members of Maryland Presbyterian Church in Baltimore County

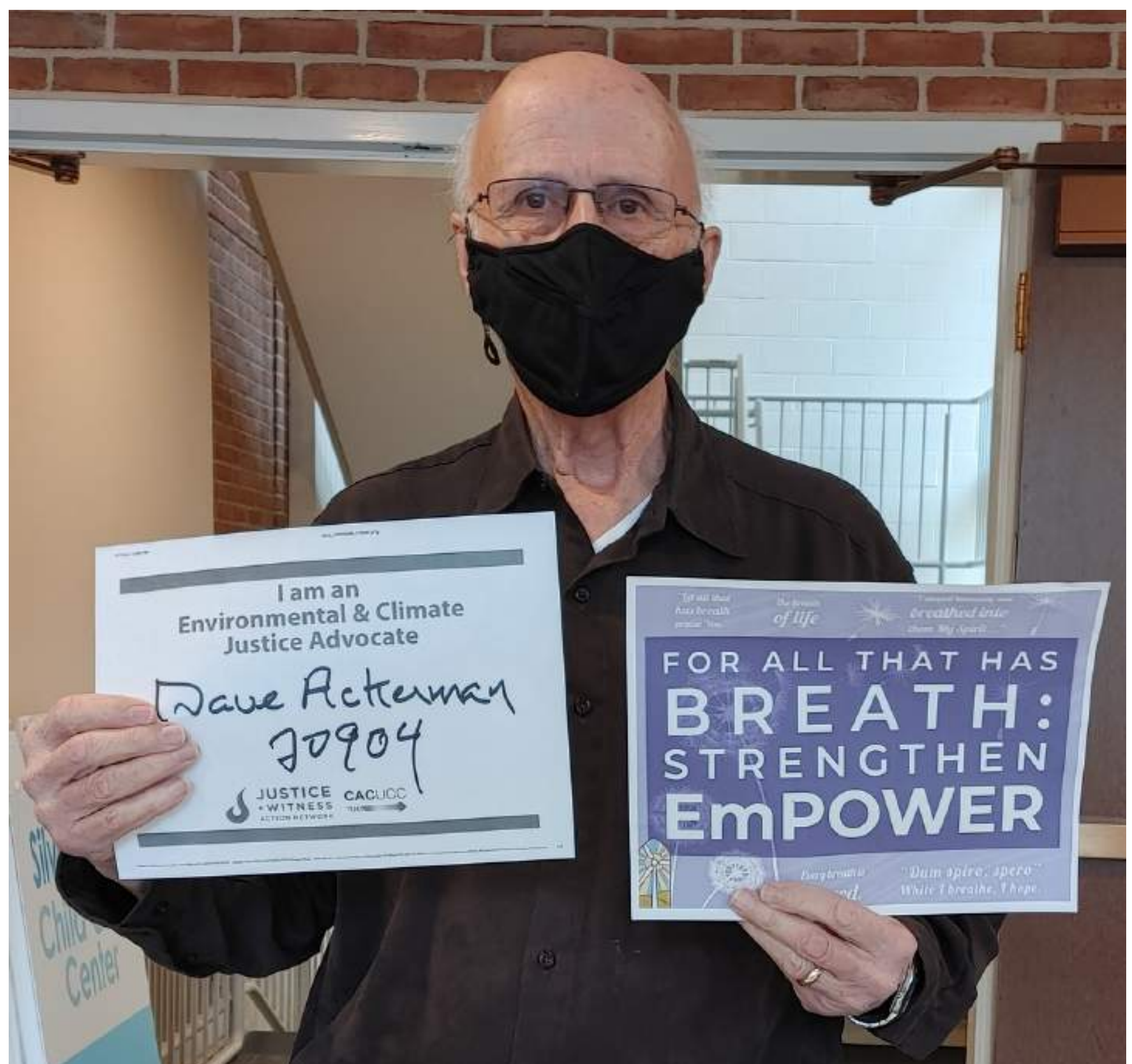
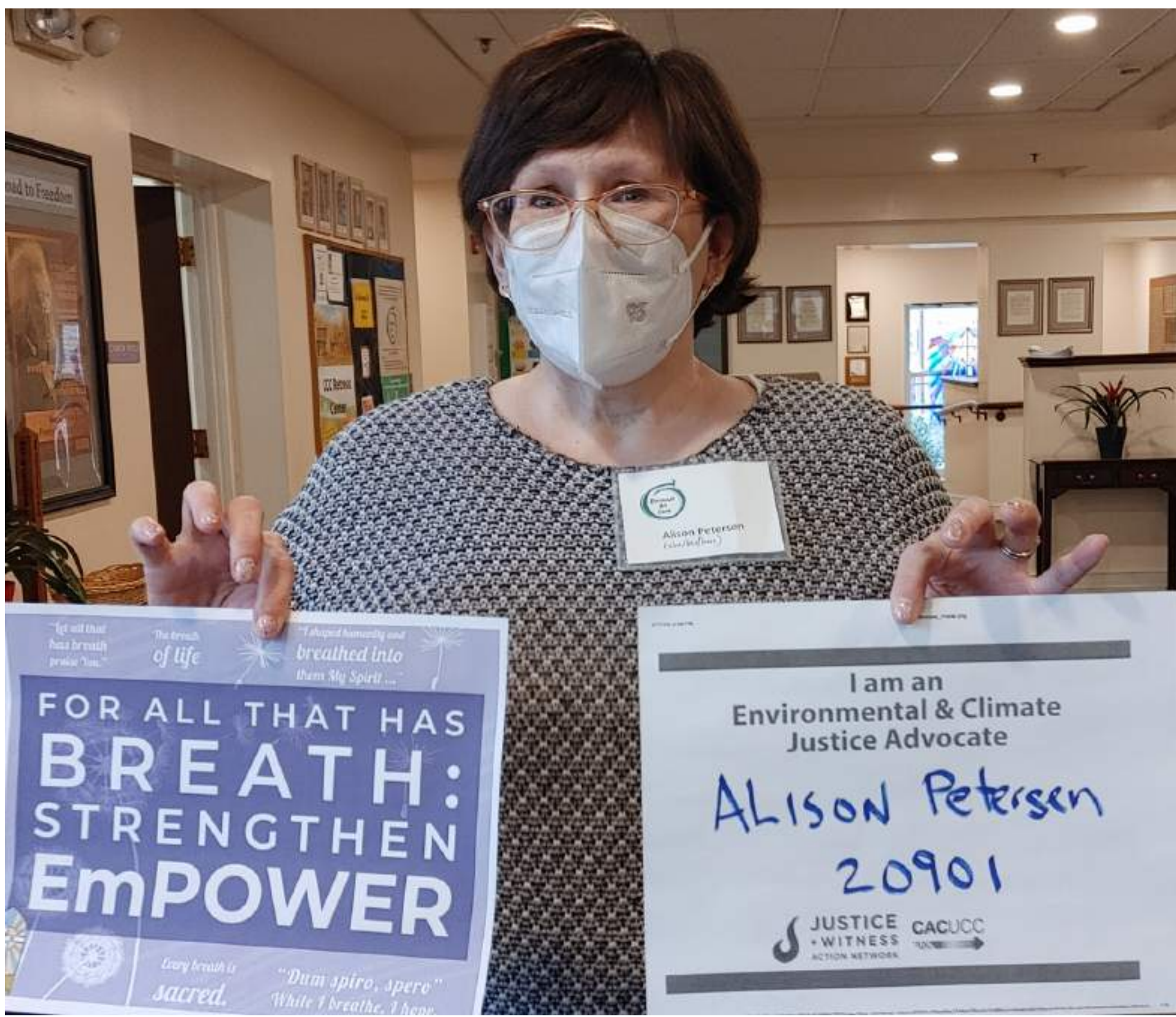
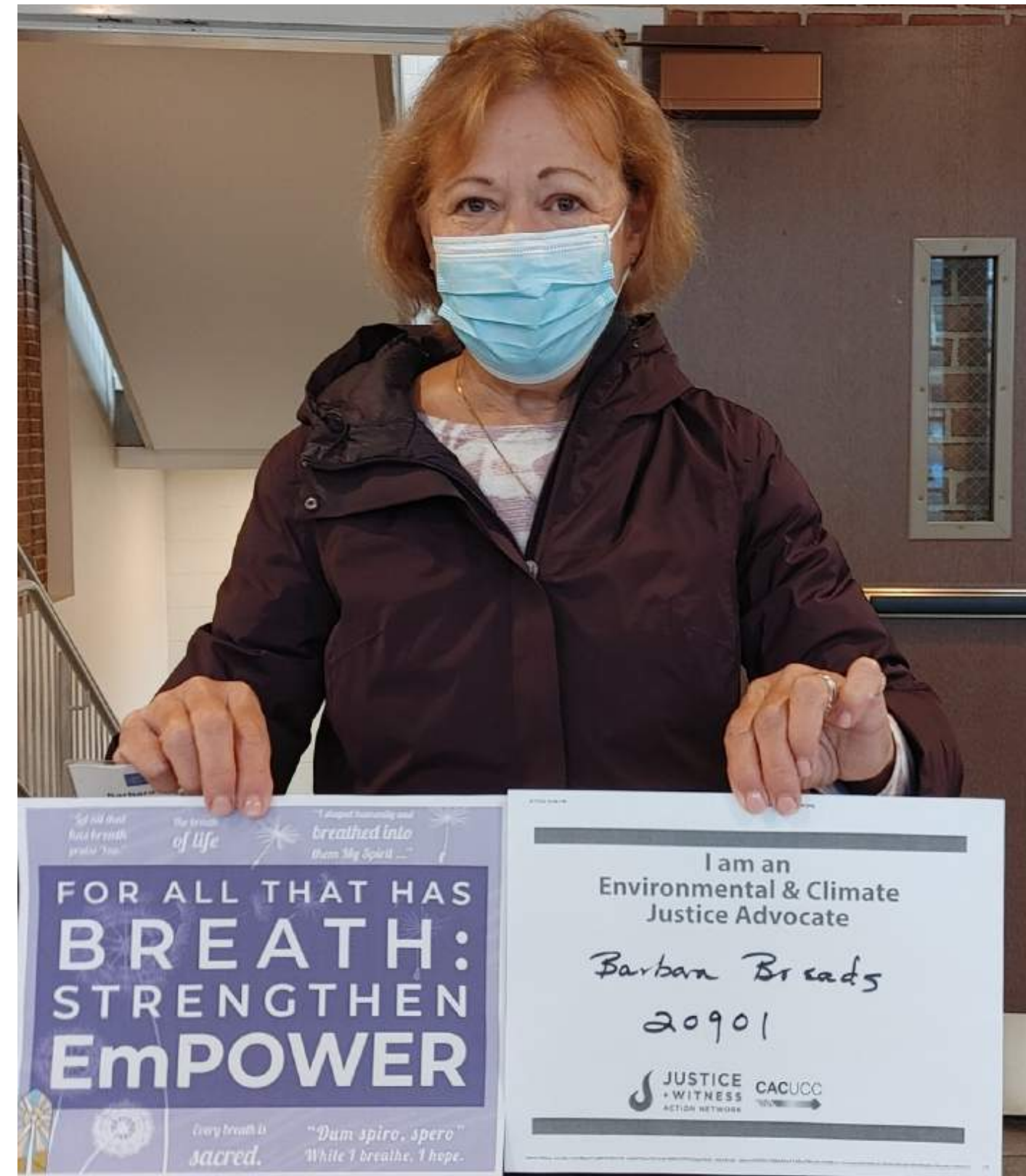
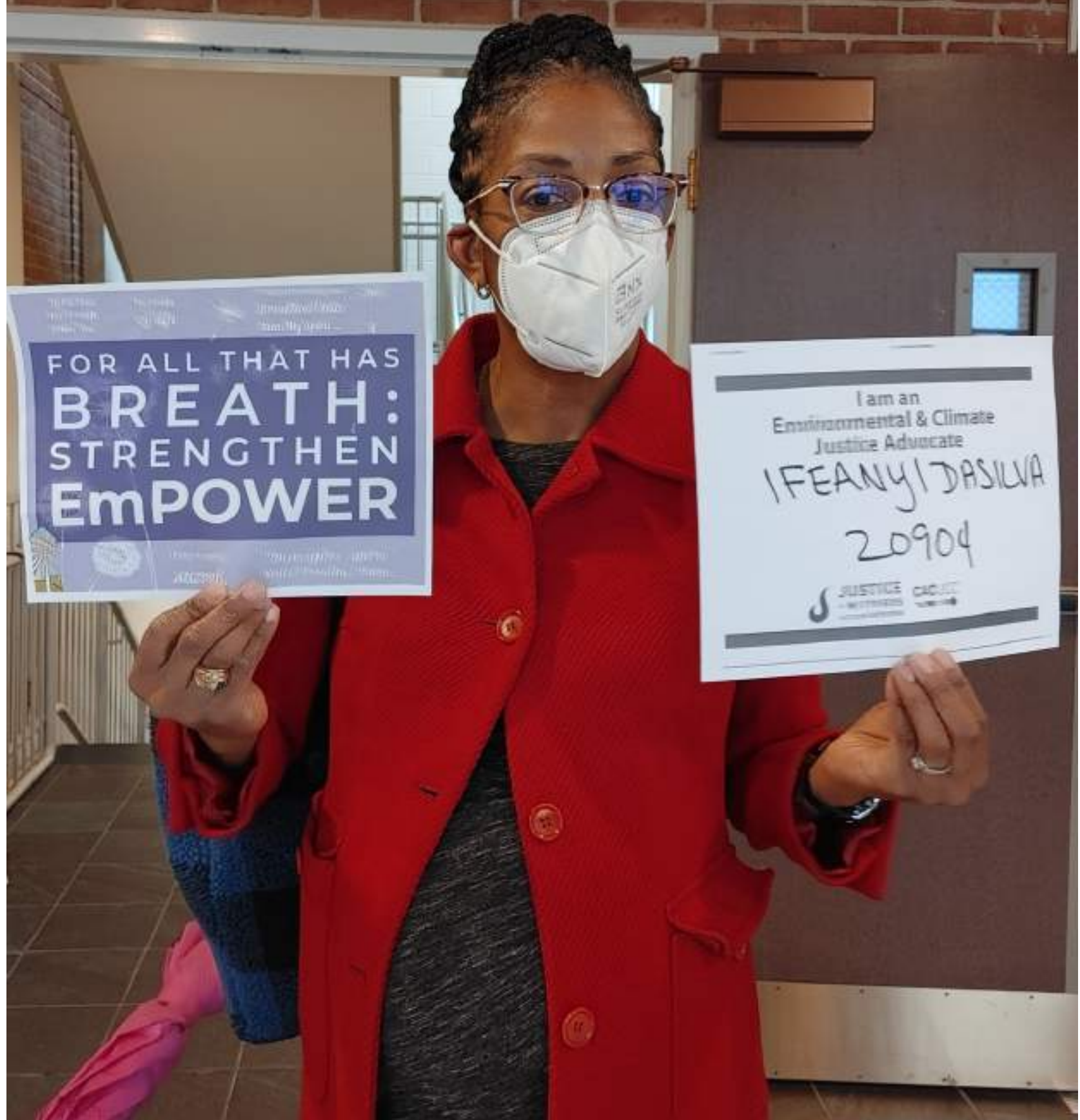


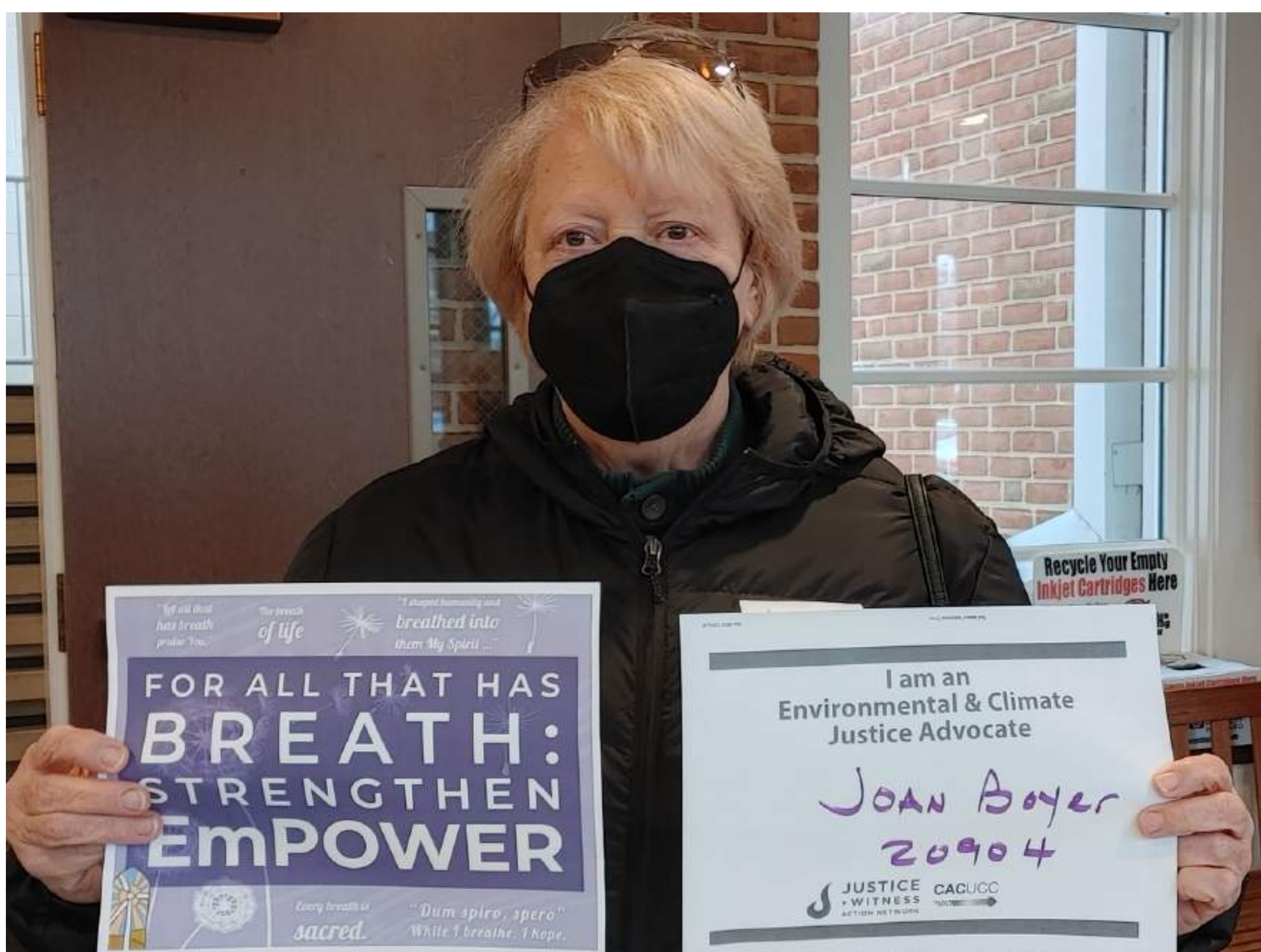
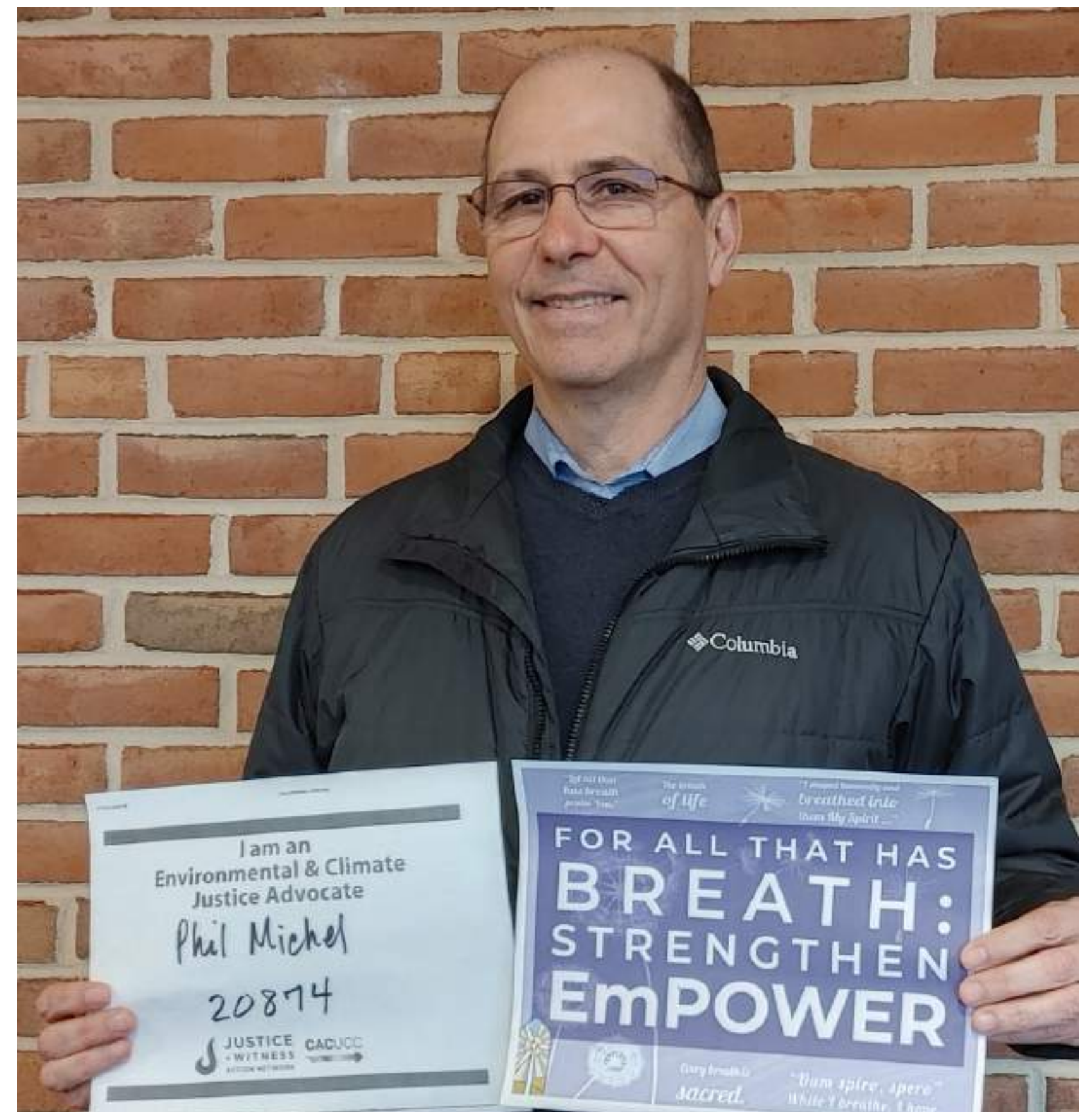
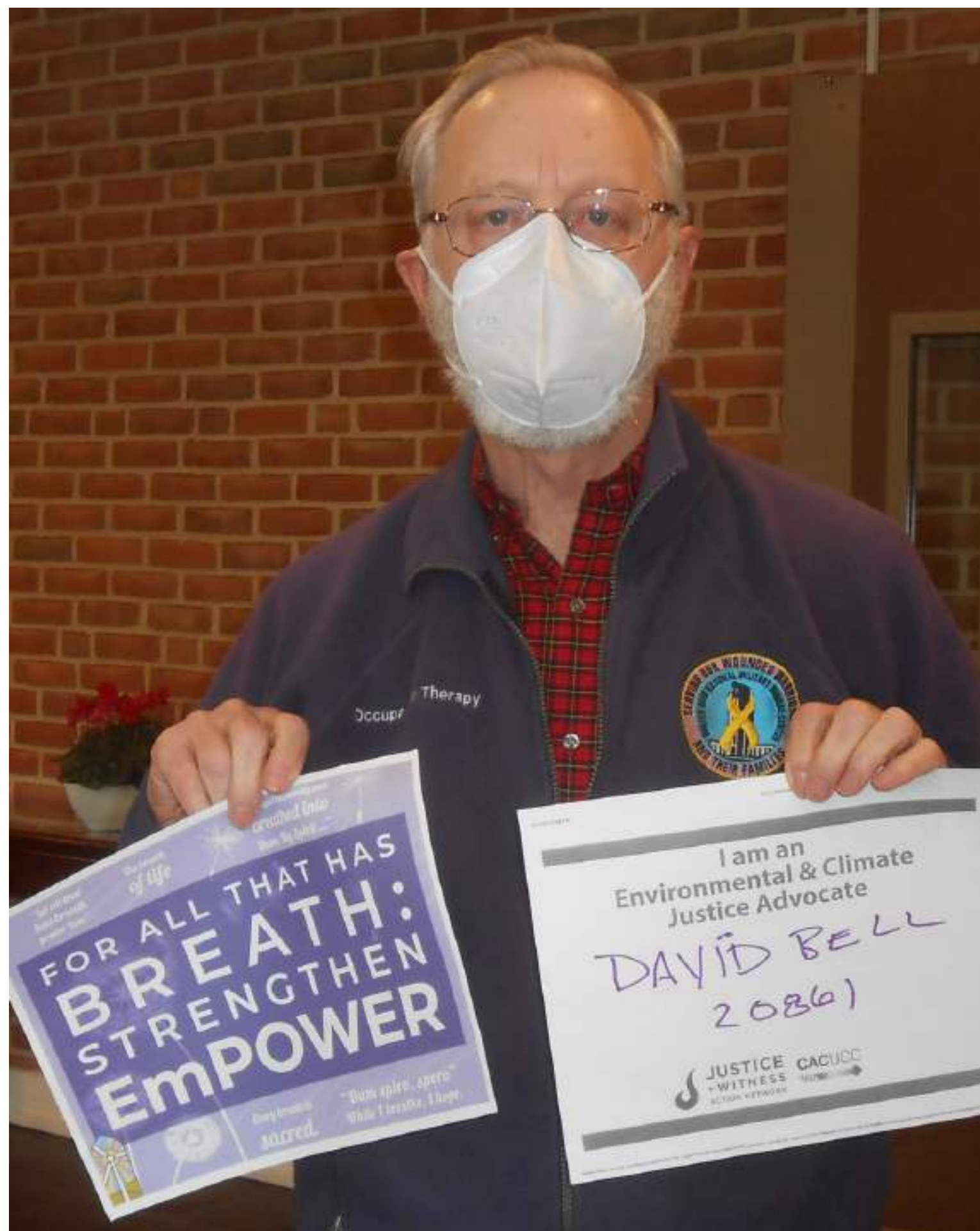
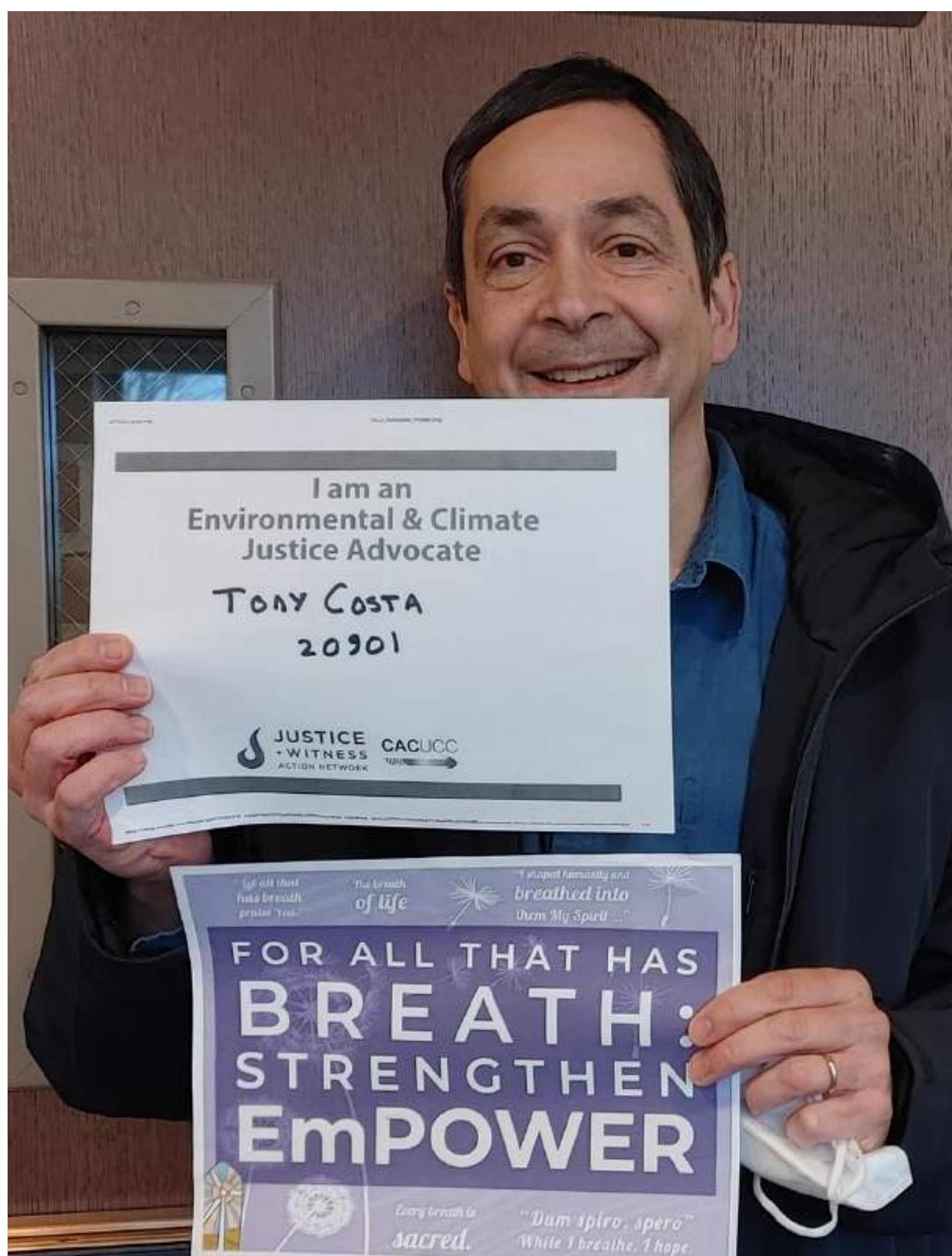












SB689 Written Testimony.pdf

Uploaded by: Jose Coronado Flores

Position: FAV



**Testimony in SUPPORT of SB689
Public Utilities -
Energy Efficiency and Greenhouse Gas Emissions Reductions -
Alterations and Requirements**

Senate Education, Energy, and the Environment Committee

Jose Coronado-Flores , On Behalf of CASA

February 23, 2023

Dear Honorable Chair Feldman and Members of the Committee,

CASA is pleased to offer **favorable testimony in support of SB689 - Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements**. CASA is the largest immigrant services and advocacy organization in Maryland, and in the Mid-Atlantic region, with a membership of over 120,000 Black and Latino immigrants and working families.

SB689 is important legislation that will address Maryland's residential emissions and promote electrification and energy efficiency in low-income households and multifamily residential buildings. In particular, we are invested in seeing this bill pass, because CASA members are overwhelmingly renters in multifamily buildings.

When it comes to retrofitting and advancing ubiquitous energy efficiency, low-income renters can be left out of the process or feel as if that cannot do anything, because they don't own their own homes. SB689 is an important bill, because it sees the value of renters and aims to work with owners of multifamily residential buildings to promote energy efficiency and reduce use of natural gas. Renters make up a large portion of Marylanders, and focusing on their adoption of energy efficient appliances and practices would make a great impact on reducing the state's emissions.

Low-income renters are usually the last to fully adopt new practices and technologies, but this bill gives them a chance to work with their landlords to be leaders in the state's goal of reducing fossil fuel use. Not only does this bill address greenhouse gas emission in residential buildings, but it also tangentially addresses housing conditions. Many of our members live in apartments where appliances and weatherization are subpar. With navigators to facilitate building retrofits, building owners can act to improve weatherization efforts and offer tenants new, more efficient, appliances to reduce electricity use and promote safer, more comfortable living situations.

With the benefits of improving housing conditions, offering low-income tenants a stake in greenhouse reductions, and lowering electric bills, SB689 is a worthy bill. CASA urges a favorable report.

Jose Coronado-Flores

Research and Policy Analyst

jcoronado@wearecasa.org, 240-393-7840

2023 Testimony in Support of SB 0689.pdf

Uploaded by: Joseph Jankowski

Position: FAV

**Testimony in SUPPORT of SB689 Public Utilities-Energy Efficiency
and Greenhouse Gas Emissions Reductions-Alterations and
Requirements**

Dear Chairman Feldman and members of the Education, Energy and the Environment Committee,

Maryland's homes contain many appliances based on old technology which contribute greenhouse gas emissions. Current technology of electrical appliances including induction stoves/cooktops, heat pump home heating, heat pump hot water heaters and heat pump dryers can eliminate greenhouse gas emissions in the home. When the electrical grid is powered by clean energy sources we will eliminate greenhouse gas emissions associated with home appliances. This bill provides numerous incentives to achieve this objective.

The Eastern Shore of Maryland will be impacted by sea level rise before most of the rest of Maryland and it is essential for Maryland to do everything possible to reduce greenhouse gas emissions which cause global warming that will contribute significantly to sea level rise.

My waterfront home is located on the coastal bays of the Eastern Shore of Maryland. My home's existence and value are threatened by rising sea levels. Your passage of this bill will help protect me and my family from future harm.

Respectfully,

Joseph Jankowski

Berlin, Maryland 21811

SB689_MDSierraClub_fav 28Feb2023.pdf

Uploaded by: Josh Tulkin

Position: FAV



P.O. Box 278
Riverdale, MD 20738

Committee: Education, Energy, and the Environment

Testimony on: SB689 “Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements”

Position: Support

Hearing Date: February 28, 2023

The Maryland Chapter of the Sierra Club urges a favorable report for SB689, one of the Sierra Club’s five priority bills for this session.¹

This bill updates and reforms Maryland’s EmPOWER energy efficiency program – which has significantly improved the energy efficiency of Maryland homes and commercial buildings – in order for it to more directly mitigate climate change by reducing carbon emissions from Maryland buildings. To do this, the bill provides incentives for households and businesses to electrify their buildings, and ends rebates for fossil fuel appliances and furnaces for homes. It also facilitates the coordination of both federal and state programs to deliver energy efficiency and electrification for low-income households, supports efforts to prepare homes for cleaner heating and hot water heating, and requires the Public Service Commission (PSC) to provide incentives for utilities to meet cost effectiveness and greenhouse gas emissions.

It is important to note several things that this legislation will not do. It will not ban new gas stoves, will not require anyone to install an efficient electric appliance, and will not require new buildings to be all-electric. Instead, consistent with the longstanding approach followed by the EmPOWER program, the legislation modifies State incentives and rebates for specified electrification actions that ratepayers themselves choose to undertake.

Historical and Legislative Background

The EmPOWER program, overall, has been effective at delivering energy efficiency in a cost-effective manner over the last 15 years. It has resulted in about \$12.7 billion in energy savings for utility customers at a cost of \$3.5 billion.² One problem, however, is that it has fallen short in providing benefits to low-income households. This concern is addressed by provisions included in SB689, and provisions in a separate bill this session (SB144/HB169) which sets increased energy efficiency goals for low-income families under the EmPOWER program. The Sierra Club is supporting that bill as well.

To address the climate crisis and meet Maryland’s climate goals, it is essential that EmPOWER and its annual budget (now close to \$379 million) work to reduce Maryland’s greenhouse gas (GHG) emissions. The Climate Solutions Now Act, enacted last year, set a goal of reducing carbon emissions by 60% from 2006 levels by 2031. It also called for EmPOWER to take on “mutually reinforcing goals,” including “greenhouse gas emissions reduction, energy savings, net customer benefits and reaching underserved

¹ This testimony discusses the substance of the bill as contemplated by sponsor amendments to be introduced. The bill came out of legislative drafting with several errors but, in order to have it introduced by the Senate Bill Introduction Date (February 6), it was decided that the bill would be introduced in that form rather than return it to the Department of Legislative Services for corrections.

² PSC, “The EmPOWER Maryland Energy Efficiency Act Report of 2022,” at 2 (hereafter, “PSC 2022 EmPOWER Report”) <https://www.psc.state.md.us/wp-content/uploads/2022-EmPOWER-Maryland-Energy-Efficiency-Act-Standard-Report.pdf>.

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

customers.” In July 2022, the PSC recommended that the General Assembly adopt greenhouse gas emissions goals for EmPOWER, measured on a gross lifecycle basis for the 2024 to 2026 cycle.³

SB689 calls for a 1.8% annual reduction in lifecycle greenhouse gas emissions from our buildings, achieved through the EmPOWER program. The bill needs to be passed in this legislative session for the new EmPOWER GHG goals to be effective for the next EmPOWER operating cycle.

Using Gas in Buildings Contributes to Climate Change and Adverse Health Results

Fuels burned in buildings generate about 13% of GHG emissions in Maryland.⁴ To meet Maryland’s climate goals and keep energy affordable for all Maryland residents, we need to reduce greenhouse gas emissions from burning fossil fuels in our buildings.

Efficient electric cold-climate heat pumps can be up to three times as efficient as gas-fired or electric-resistance heat, lowering operating costs for Maryland residents and lowering greenhouse gas emissions. As Maryland installs more solar and wind energy, emissions associated with electric heat pumps will fall even further.

Gas and other fossil fuels delivered about half of Maryland’s home heating as of 2020.⁵ Natural gas, made mostly of methane, leaks both in our streets and in our homes and businesses, and is a powerful greenhouse gas, 84-87 times as powerful as carbon dioxide over a 20-year period.⁶ Inside our homes, it also increases the likelihood that children will develop asthma. One study showed that about 13% of childhood asthma is attributed to gas appliances in homes.⁷

Reforming EmPOWER to Support Building Electrification

The EmPOWER rebates provided by this bill – along with rebates, credits and deductions available through the federal Inflation Reduction Act and the federal Infrastructure Investment and Jobs Act – will make the transition to clean, all-electric heating, electric cooking, hot water heating, and clothes drying affordable for a large number of Maryland residents. This financial support is particularly important for heat pumps, which typically have a higher upfront cost than gas furnaces or electric resistance heat, but lower operating costs.

EmPOWER currently offers rebates for gas-fired appliances.⁸ Continuing to invest in gas-fired heating, hot water heating, and clothes dryers commits us to higher greenhouse gas emissions for the life of these

³ PSC, “Recommendations on the Future of EmPOWER Maryland” (July 1, 2022). https://www.psc.state.md.us/wp-content/uploads/EmPOWER-Recommendations-to-General-Assembly_Final.pdf.

⁴ Including the electricity consumed by buildings, not all of which is yet generated from clean sources, the building sector accounts for about 40% of Maryland’s GHG emissions. Maryland Building Decarbonization Study, Energy and Environmental Economics (October 2021), at 5, https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/Documents/MWG_Buildings%20Ad%20Hoc%20Group/E3%20Maryland%20Building%20Decarbonization%20Study%20-%20Final%20Report.pdf.

⁵ U.S. Energy Information Administration, “Residential Energy Consumptions Survey” (2020), <https://www.eia.gov/consumption/residential/data/2020/index.php?view=state>.

⁶ International Energy Agency, <https://www.iea.org/reports/methane-tracker-2021/methane-and-climate-change>

⁷ Talor Gruenwald, Brady A. Seals, Luke D. Knibbs, and H. Dean Hosgood III, “Population Attributable Fraction of Gas Stoves and Childhood Asthma in the United States,” <https://www.mdpi.com/1660-4601/20/1/75>.

⁸ Washington Gas, https://www.washingtongas.com/home-owners/savings/rebates?utm_campaign=ee_brand&utm_source=google&utm_medium=cpc&utm_content=english&

appliances, typically 15-18 years. It also impairs the health of our children. This bill will end these rebates, and instead encourage homeowners and businesses to transition to electric heat pumps as their heating equipment reaches the end of its life.

It is important to plan ahead for Maryland homes to be ready for the installation of electric heat pumps and appliances. If a fossil-fuel furnace breaks down during winter and the home does not have the necessary wiring and breaker box, the furnace likely will be replaced by another fossil-fuel furnace because of the need for a replacement to be installed quickly.

EmPOWER's audit program, as provided in this bill, offers a solution. During an EmPOWER home energy audit, which is done before major efficiency and appliance rebates are authorized, the auditor will evaluate the home to see whether it is are ready for heats pumps and other efficient electric appliances. Should the home need electrical upgrades, the bill will provide rebates to upgrade wiring and breaker boxes if the Inflation Reduction Act does not cover the upgrade.

Replacing electric resistance heat with heat pumps also will be important in managing the load on the electric grid and lowering bills for Maryland households, especially low-income households. As noted above, electric heat pumps can be as much as three times as efficient as electric resistance heat for the 27% of Maryland homes that use electric resistance heat.⁹ By replacing electric resistance heat with heat pumps, these homes will have much smaller electric bills and a significantly lower impact on the electricity load at peak times. As with those replacing a gas furnace with a heat pump, the incentives from EmPOWER and the Inflation Reduction Act will support this transition.

To support utilities in this transition from GHG-intensive appliances and furnaces to efficient electric ones, the bill provides for EmPOWER to offer utilities incentives for achieving the greenhouse gas and other EmPOWER goals. It also includes penalties for failure to achieve those goals. The proposed changes to EmPOWER in this bill continue to require investments made by EmPOWER to be cost effective for EmPOWER programs delivered by the utilities.

Another important reason why EmPOWER needs to support the ability of low-income households to electrify their residences is to avoid burdening them with a potential increase in the price of gas. The Office of the People's Counsel estimates that gas bills could rise by more than 100% by 2035 if gas utilities continue to invest in gas infrastructure when, at the same time, fewer utility customers pay the bills for this infrastructure because they have switched from gas to electric homes.¹⁰ EmPOWER incentives along with Inflation Reduction Act incentives will enable a significant portion of low-income families to have efficient, safe homes heated by heat pumps.

Braiding together the incentives available to low-income families can be challenging. This bill will provide community outreach specialists to help with this. Along with SB144/HB169 (noted above), which sets increased energy efficiency goals for low-income families under the EmPOWER program, SB689 will help assure that low-income families benefit from electrification and get a fair shake from EmPOWER.

gclid=CjwKCAiA_6yfBhBNEiwAkmXy56LCxediaAJevHMSwsJckcFErY7hkTj43W3UEDNzrE-9WURBbn2GtBoCRwsQAvD_BwE#maryland.

⁹ U.S. Energy Information Administration, "Renewable Energy Consumption Survey, 2020," <https://www.eia.gov/consumption/residential/data/2020/index.php?view=state>.

¹⁰ Office of the People's Counsel, "Climate Policy for Maryland's Gas Utilities, Financial Implications," at 19, (November 2022), <https://opc.maryland.gov/Gas-Rates-Climate-Report>.

Lastly, SB689 calls for 85% of utility savings to take place in the impacted buildings, behind the meter. This is important because EmPOWER, from its inception, has been financed by a small surcharge on ratepayers' bills, and thus ratepayers should be the beneficiaries of savings paid for by these charges.

In last year's debate on the Climate Solutions Now Act, a number of utility representatives questioned whether building electrification would stress our electric grid. The Building Energy Transition Plan, prepared for the Maryland Climate Commission by consultant E3, shows that, with an all-electric building system, peak winter electric loads in 2045 would be less than 20% higher than 2021 loads and that costs would be lower than costs for a system that relied more heavily on fossil fuels.¹¹

Conclusion

The Maryland Sierra Club strongly supports SB689. We urge a favorable report with the sponsor amendments.

Chris Stix
Maryland Sierra Club Clean Energy Team
stixchris@gmail.com

Josh Tulkin
Chapter Director
Josh.Tulkin@MDSierra.org

¹¹ Maryland Commission on Climate Change, "Building Energy Transition Plan, at 12, 15 (November 2021), <https://opc.maryland.gov/Portals/0/Files/2021%20Annual%20Report%20Appendices%20FINAL.pdf> The policy proposal by the Commission's Mitigation Working Group policy did allow for mixed fuels in commercial buildings. A recently released report from BG&E for their territory came to different conclusions, but it relied on a number of dubious assumptions concerning continued investment in the gas system and changes in the electricity load shape.

Signed - SB689 - Letter of Support - GHHI.pdf

Uploaded by: Justin Barry

Position: FAV



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February 27, 2023

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

Re: **SUPPORT** – SB689 – PUBLIC UTILITIES - ENERGY EFFICIENCY AND GREENHOUSE GAS EMISSIONS REDUCTIONS - ALTERATIONS AND REQUIREMENTS

Dear Chairman Feldman and Members of the Committee:

On behalf of the Green & Healthy Homes Initiative (GHHI), I offer this testimony in support of SB689. GHHI is a member of Energy Efficient Maryland and served recently on the New York State Climate Action Council Housing and Energy Efficiency Advisory Panel. In addition, I represent GHHI as a member of the EPA Children's Health Protection Advisory Committee, CDC Lead Exposure and Prevention Advisory Committee, Maryland Public Health Association Advisory Committee and as Chair of the Maryland Lead Poisoning Prevention Commission. GHHI is dedicated to addressing the social determinants of health and advancing racial and health equity through the creation of healthy, safe and energy efficient homes. GHHI has been at the frontline of holistic healthy housing for over three decades.

Over its 30-year history, GHHI has developed the holistic energy efficiency, health and housing service delivery model that is implemented in our nationally recognized, Maryland-based direct service program. The model was adopted by the U.S. Department of Housing and Urban Development and is currently being advanced in partner jurisdictions nationally. In addition, GHHI helped to elevate Maryland as a national leader in healthy housing by helping reduce childhood lead poisoning by 99% in the state and helping design over 49 pieces of healthy housing legislation that became law in the State of Maryland and local jurisdictions. By delivering a standard of excellence, GHHI aims to eradicate the negative health impacts of unhealthy housing and unjust policies to ensure better health, economic, and social outcomes for children, seniors and families with an emphasis on black and brown low-income communities. GHHI's holistic intervention approach was recently cited by HUD as a model for effective coordination of federal healthy homes and weatherization programs and resources.

Through our own research and evidence-based practice, GHHI has found that a healthy and energy efficient home yields a multitude of energy and non-energy benefits for residents, particularly low-income residents who can benefit the most from such energy efficiency improvements in terms of economic mobility, housing stability and wealth retention over the

long-term. We are deeply committed to advancing racial and health equity, economic mobility and climate resiliency through efficiency standards for low-income housing, and thus write in support of SB689 which advances energy equity and addresses home health for Maryland's families and households.

Why is SB689 Needed?

Maryland has a nation-leading 2-percent-per-year electricity consumption savings target enacted by the legislature in 2017. With last year's passage of the Climate Solutions Now, the State of Maryland has set clear and ambitious statewide goals for emissions reductions including a nation-leading goal of 60% emissions reduction by 2031. According to the US Energy Information Administration, approximately 30% of Maryland's energy consumption comes from the residential sector. The state will not be able to meet climate goals or properly serve the needs of low-income clients without the types of housing energy retrofits directed by SB689. The Energy Savings Act aligns our state EmPOWER program with climate goals and strengthens the program. By implementing our home energy retrofit transition now, we can ensure a smooth transition including making sure that low-income residents are not left behind as we replace oil and natural gas sources in homes.

SB689 improves the use of federal rebates, holistic home energy audits and community outreach. Along with other bills that have been introduced this year, SB689 will ensure that all households—including the low-income households with the highest need—will have access to energy efficiency housing program services including fuel switching measures that place households on a long-term path towards energy affordability and healthy housing.

Proactive program design to pair home energy efficiency and electrification will help ensure that Maryland manages our planned energy transition in the most equitable way. The upfront costs to home energy efficiency and electrification upgrades can be prohibitive to many families, so pairing the interventions within existing housing programs helps ensure there is support to access the benefits of efficiency and electrification. This includes financial support for low-income residents to afford fuel switching of appliances and heating and cooling systems.

SB689 additionally encourages DHCD to leverage federal and state sources of available funding for energy efficient and healthy housing beyond just the funds collected through the EmPOWER program. SB689 also creates a role for community outreach specialists ("Navigators") to increase enrollment by recruiting low-income clients to meet the needed enrollment, providing application assistance for all housing interventions needed, and helping increase the use of energy efficiency retrofits. These are important components of a successful greenhouse reduction strategy to scale up programs by accessing all available federal, state and private resources and by including all Marylanders in the solutions.

Throughout Maryland, low-income residents face disproportionately higher utility bills. The average low-income Maryland resident has an energy bill that represents 13% of their total income (Apprise, 2018). By comparison, the statewide average is 2%. Every dollar that low-income residents allocate to costly utility bills is a dollar that cannot be used on other household

essentials ranging from affording medical bills and school supplies to food (Apprise, 2018). Approximately 55% of Maryland’s low-income households include Asian, Hispanic or Black residents — communities that have historically seen the lowest levels of investments, especially in their housing. Electrification will be a key part of alleviating this burden in the coming years. On the other hand, a poorly managed transition risks exacerbating these inequalities. Without assistance, the upfront costs of electrification will be a barrier that prevents lower-income residents from moving to more affordable fuel sources and appliances, and therefore from reaping the energy cost reduction and health benefits.

Benefits of providing low-income households with energy efficiency and electrification

Low-income residents typically rent or own older housing that is less efficient, healthy, and safe. Heating and air conditioning systems are often outdated and inefficient, contributing to poor air quality due to incomplete combustion or improper venting. Poorly sealed building envelopes introduce pests, moisture, and air pollution. Leaky windows and poor insulation expose residents to drafts and extreme temperatures. Unhealthy housing contributes to a variety of chronic diseases, including asthma, and can increase vulnerability to other diseases. Indoor and outdoor gas leaks and other sources of local air pollution exacerbate these adverse health impacts. This risk increases even more in multifamily buildings where gas leaks or air quality issues in one unit can create health risks for entire building.

Energy efficiency and weatherization interventions provide not only energy benefits related to reductions in energy usage and costs, but also non-energy benefits as well. Non-energy benefits are considered the overall socio-economic benefits that are derived from energy efficiency improvements, aside from energy savings. Studies have shown that energy efficiency and weatherization can improve housing conditions relating to thermal comfort, indoor air quality, pest management, and fire safety.

Household energy efficiency upgrades can spur community benefits such as economic growth, neighborhood revitalization, and climate resilience. These investments help to support and stimulate the local economy by providing households with greater disposable income, which can help alleviate poverty and increase purchasing power while generating more local jobs (Bell 2014; IEA 2014). One study found that between 9 and 13 gross jobs are generated per every \$1 million investment in weatherization. Energy efficiency also provides sustainable reductions in energy burden that can reduce state costs on bill assistance and related programs.

Healthy Housing and Safety Benefits

Through improved coordination of weatherization funding with other housing resources and increased federal funding for healthy housing interventions, clients participating in state energy efficiency programs will experience improved indoor air quality and home safety from energy efficiency and electrification measures. Early pilots of electrification in low-income homes in New York City (WE ACT for Environmental Justice with RMI and New York City Housing Authority), Montgomery County (Action in Montgomery), and Chicago (Elevate Energy) have all had positive responses to appliance replacements around indoor air quality improvements and overall benefits. Evidence is growing that stove replacement reduces NOx emissions that are linked with asthma development and symptoms (Paulin 2014), and that 12% of childhood asthma

can be attributed to gas stoves (Gruenwald 2022). The comprehensive interventions prioritized by SB689 will benefit residents and the state through reductions in asthma related ED visits and hospitalizations.

Over 500,000 adults and children in Maryland have diagnosed asthma. Research has shown that race, ethnicity and income are also common risk factors in asthma diagnoses and the impact of asthma episodes. Asthma-related health disparities have disproportionately affected African American residents in Maryland. Data available from the Maryland Asthma and Surveillance Report has demonstrated that African American asthmatics in Maryland visit the emergency room 5 times more often than White asthmatics and are hospitalized 2.7 times more often than White asthmatics in Maryland. Many asthma episodes are preventable, yet high rates of asthma related emergency department visits and hospitalizations result in substantial medical costs for the state and its residents – including \$42.1 million annually for asthma related hospitalizations and \$93.3 million for asthma related emergency department visits.

Furthermore, electrification reduces fire risks in buildings. Upgrading older electrical system will replace inadequate panel capacity, eliminate dangerous knob-and-tube wiring, and ensure that homes can meet modern appliance needs safety.


How Does Maryland Compare with Other States?

Currently, Maryland falls behind other states in terms of low-income residents' energy costs and energy savings. Across the US, low-income homes allocate 8% of annual incomes to household energy costs; in contrast Maryland's low-income homes dedicate 13% of yearly household incomes to cover these utilities (Apprise, 2018).

Maryland does not have a dedicated electrification program. Maine (Efficiency Maine) and California (Low-Income Weatherization Program) are two states that have strong programs supporting low-income residents moving to electric and clean energy systems. Recently, Massachusetts (Low- and Moderate-Income Housing Decarbonization Grant Program) announced a grant program to support low-income residents move to electric home heating systems. Other recent examples include Minnesota's Energy Conservation and Optimization (ECO) Act, Illinois's Climate and Equitable Jobs Act, and Colorado's beneficial electrification law. Each directs regulators to update efficiency policies to encourage electrification through increased customer incentives (ACEEE report 2022).

As a key part of ensuring long-term energy efficiency, affordability and healthy housing for all Marylanders, we ask for a favorable report on SB689.

Respectfully Submitted,


Ruth Ann Norton
President and CEO



SB689 Empower Climate Bill 2023 Cover Letter.pdf

Uploaded by: Karen Lewis Young

Position: FAV

KAREN LEWIS YOUNG
Legislative District 3
Frederick County

Committee on Education, Energy,
and the Environment



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11 Bladen Street, Room 302
Annapolis, Maryland 21401
410-841-3575 · 301-858-3575
800-492-7122 Ext. 3575
Karen.Young@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 27, 2023

Support of SB 689 – Public Utilities - Energy Efficiency and Greenhouse Gas Emissions
Reductions - Alterations and Requirements

The Honorable Brian Feldman

Education, Energy, and Environment Committee

Maryland Senate

11 Bladen Street, Room 302

Annapolis, MD 21401

Chair Feldman, Vice-Chair Kagan, and Esteemed Members of the Education, Energy, and
Environment Committee,

Senate Bill 689 makes important changes to the EmPOWER Maryland Energy Efficiency
Act of 2008 to make sure the state's energy efficiency program that is funded by ratepayers is in
alignment with our climate goals while ensuring we continue to deliver energy efficiency savings
directly to Marylanders.

Energy efficiency is one of the smartest investments the state can make. Already, the
EmPOWER program has delivered \$4 billion in direct savings to ratepayers from a \$3.5 billion
investment. And lifetime savings from that investment are expected to come in over \$12.7
billion.¹ The Public Service Commission estimates EmPOWER programs generate
approximately \$1.61 in benefits from every \$1 spent.

However, we urgently need to make these changes to EmPOWER to ensure that state
directed incentives are prudently administered to help meet our shared goals to shift away from
using fossil fuels to power our homes and buildings in the upcoming decade.

I have worked with stakeholders on a set of amendments to the bill to ensure it meets the
legislative intent to: include a specific greenhouse gas emissions (ghg) goal for the program as
directed by the Climate Solutions Now Act; include electric readiness in EmPOWER energy

¹ Office of Energy Efficiency and Renewable Energy, [EmPOWER Maryland saves consumers \\$4 billion and counting](#). The Public Service Commission of Maryland, [The EmPOWER Maryland Energy Efficiency Act Report of 2022, May 2022](#).

audits; sufficiently incentivize electrification and efficient electric home heating and appliances; stop any lingering subsidies for fossil fuel heating and appliances; ensure ratepayers are receiving maximum benefits; direct the Public Service Commission (PSC) to establish standards for utilities so program profits are tied to performance; task the Department of Housing and Community Development with establishing a multilingual community outreach program to increase service utilization for limited-income Marylanders; maximize use of federal energy efficiency rebates and tax returns; and, ask the Department of Labor to report annually on workforce development related to home energy efficiency and electrification.

This bill strikes a reasonable balance by meeting the demands of the day, while carefully considering the impacts on consumers and ratepayers. It does not attempt to greatly change a successful program, but simply to shift the goals and incentives so it can be even more successful in the next 15 years as it has for the last.

For these reasons, I urge you to support SB689, and I request a favorable report on the bill with sponsor amendments.

Sincerely,

A handwritten signature in blue ink that reads "Karen Lewis Young". The signature is written in a cursive, flowing style.

Senator Karen Lewis Young

Support SB 689 - Energy Savings Act.pdf

Uploaded by: Kristen Harbeson

Position: FAV



Kim Coble
Executive Director

2023 Board of
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Thomas

February 28, 2023

Support SB 689: Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements (Energy Savings Act)

Chair Feldman and Members of the Committee:

Maryland LCV supports SB 689, and we thank Senator Lewis Young for her leadership on the issue. 2008's landmark EmPOWER law, and the revision passed in 2017, are fundamental pillars of Maryland's energy efficiency policy. Efficiency initiatives continue to be the most cost-effective way to meet Maryland's energy needs and for 15 years, the program has consistently saved Marylanders money while reducing per-capita energy demand.¹ However, as climate change becomes an increasingly pressing issue, EmPOWER also represents an opportunity for greenhouse gas (GHG) abatement. SB 689 makes the necessary changes to the EmPOWER program to achieve GHG reductions, as well as maintain energy efficiency programs, and is a priority bill for the environmental community.

Where EmPOWER previously only promoted efficiency, SB 689 would also direct the PSC to determine goals for each utility company to enact programs that reduce GHG emissions at an average of 1.8% yearly, or 14.4% by 2031. Likewise, under SB 689, EmPOWER rebates would now apply to electrification, both to make homes electric-ready and to incentivize the purchase of electric appliances. In addition to the climate benefits of this program, increased electrification is also beneficial for health - as the gasses and particulates emitted by gas appliances contribute to bronchitis, asthma, and cancer - and for equity, as low-income households experience the strongest pollution burden from gas appliances.²

The bill increases accessibility and outreach to low-income communities by establishing a multilingual community outreach specialist program within the Department of Housing and Community Development, the agency that runs the program for low-income customers, as well as directing utility companies to focus at least 85% of the program's goals on "behind-the-meter" efficiency that reduces costs to consumers.

In the light of the Climate Solutions Now Act, EmPOWER has an important role to play in supporting Maryland's progress towards net-zero emissions. Efficiency programs will be a necessary piece of the puzzle - nothing less than a comprehensive approach will do. SB 689 represents a significant investment in a clean, healthy, and energy efficient future for Maryland.

Maryland LCV strongly urges a favorable report on this important bill.

¹ <https://energy.maryland.gov/pages/facts/empower.aspx>

² <https://hub.jhu.edu/2022/02/22/gas-stoves-environment-warning/>

SB0689_Public Utilities - Energy Efficiency & GHG

Uploaded by: Laurie McGilvray

Position: FAV



Committee: Education, Energy, and the Environment
Testimony on: SB0689 - Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements
Organization: Climate Justice Wing of the Maryland Legislative Coalition
Submitting: Laurie McGilvray, Co-Chair
Position: Favorable
Hearing Date: February 28, 2023

Dear Chair and Committee Members:

Thank you for allowing our testimony today in support of SB689. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably on SB689 including the sponsor's amendments.

The Energy Savings Act of 2023 (SB689), will strengthen the original EmPOWER Maryland Energy Efficiency Act, passed in 2008 to incentivize energy efficiency and energy conservation, and will help Maryland meet its ambitious greenhouse gas (GHG) reduction goals. While the current EmPOWER Program has improved energy efficiency, saved customers money, and reduced GHG emissions, it needs to be updated to move the State away from fossil fuels and toward energy efficient electrification of appliances and home space and water heating.

SB689 sets clear performance targets and climate benchmarks, and includes incentives and penalties for utilities to meet these goals. In addition, the bill will make homes healthier, through weatherization and health and safety improvements such as lead removal, mold remediation, asbestos removal, and other building improvements.

The Climate Justice Wing supports policies that benefit overburdened and underserved communities, so we are particularly excited about the Energy Savings Act's provisions to expand EmPOWER's reach into these communities by creating a multilingual community outreach specialist program for low-wealth communities. We also strongly support the bill's provisions to expand the network of contractors eligible to participate in EmPOWER, and the ongoing education, outreach, training, and certification for contractors to deliver services and ensure the most vulnerable communities realize the greatest benefits.

Together, these measures and program improvements will move Maryland more aggressively toward its energy use and GHG emissions reduction goals, save customers money, and put a greater focus on the low-income communities that have historically received the fewest benefits. We urge the Committee to recommend a **FAVORABLE** report for SB689.

sb689- Climate Solutions revision- EEE 2-28-'23.pd

Uploaded by: Lee Hudson

Position: FAV



Delaware-Maryland Synod
Evangelical Lutheran Church in America
God's work. Our hands.

Testimony Prepared for the
Education, Energy, and the Environment Committee
on
Senate Bill 689
February 28, 2023
Position: **Favorable**

Mr. Chairman and members of the Committee, thank you for this opportunity to testify about an energy regime to care for creation by accelerating decarbonization. I am Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod, Evangelical Lutheran Church in America. We are a faith community in three judicatories across our State.

We hold that lowering carbon emissions is a social, economic, and moral necessity for the obvious reasons; fire, drought, flood, sea rise, human displacement, storm catastrophe, infrastructure vulnerability. The *Climate Solutions Act* of 2022 accelerated GGR targets in Maryland. The urgency of the necessary is already instructing us that we must do more, sooner. Most projections of GHG-related temperature rise have lagged behind the actual for several decades.

Senate Bill 689 would adjust the targets of the *Climate Solutions Act* by substituting greenhouse gas **emissions** for **energy use** targets in EmPOWER program goals. This will get the intent of the *Climate Solutions Act* more inline with the necessary goal.

We concur. Lowering energy demand alone is insufficient for the reductions to GHG required to address the climate crisis. Making **emissions** the measure improves the equation.

We urge your favorable report for **Senate Bill 689**.

Lee Hudson

SB689 Energy Savings_Ferretto 23_0227.pdf

Uploaded by: Lisa Ferretto

Position: FAV

LISA M. FERRETTO, AIA, LEED AP BD+C, WELL AP, Eco-Districts AP, GGP

February 27, 2023

Senator Young
Education, Health, and Environmental Affairs Committee

Re: SB 689, Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements (Energy Savings Act)

Position: Favorable

Dear Senator Young and members of the EHEA Committee,

Thank you for the opportunity to provide testimony in support of Senate Bill 689, the Energy Savings Act. I am currently a Sustainability Director and Architect and am a member of both the AIA, American Institute of Architects, as well as USGBC, the U.S. Green Building Council. I am a representative on the AIA Large Firm Sustainable roundtable collaborating with other large architecture firms across the country to lead the way to carbon neutrality. I have served as a member of the MD Green Building Council (MDGBC) for three years and am currently serving as a Commissioner for Baltimore City's Commission on Sustainability.

Senate Bill 689 aligns the EmPOWER program to our Maryland Climate Goals and updates the program to ensure greater energy savings for all. In addition to the existing great offerings in the program (free or discounted energy audits, weatherization, rebates, etc.), the bill adds a home readiness evaluation for electrification in the energy audits and provide rebates to support fuel switching and home electrification. It clarifies the "behind the meter" programs and expands access for low-income households.

The Maryland General Assembly notes that "energy efficiency is among the least expensive ways to meet the growing electricity demands of the State" (Maryland.gov). And the American Council for an Energy Efficiency Economy (ACEEE) reports that "Energy Efficiency Can Cut Energy Use and Greenhouse Gas Emissions in Half by 2050" (ACEEE, 2019). Energy efficiency is simply our lowest hanging fruit and has many benefits.

Reducing energy:

- Reduces greenhouse gases
 - Providing cleaner healthier air for all
- Reduces demand on electric grid
 - Allowing the switch from fossil fuel to electricity without increasing demand on the grid
- Reduces operating costs – saving money over the life of the building
- Can help to address energy equity and energy burdens
 - The median energy burden of low-income households in Baltimore is over 3 times higher than non-low-income households. And weatherization is estimated to reduce energy burden by 25% (ACEEE, 2020).
- Will make adding renewable energy like Solar PV in the future easier as the overall demand is reduced

As a sustainability architect and advocate, I look forward to the favorable passing of this bill and the positive impact this bill will have. It ensures Maryland is doing its part to meet our climate goals and ensures greater energy efficiency with its multitude of benefits to our environment and our residents.

Sincerely;



Lisa M. Ferretto, AIA, LEED AP BD+C, WELL AP, Eco-Districts AP, GGP

SB689_EEE_FAV_HoCoClimateAction.org.pdf

Uploaded by: Liz Feighner

Position: FAV



HoCoClimateAction.org
Howard County, Maryland

SB689/HB904: Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements (Energy Savings Act)

Hearing Date: Feb. 28, 2023

Bill Sponsor: Senator Lewis Young

Committee: Education, Energy, and the Environment

Submitting: Liz Feighner for Howard County Climate Action

Position: Favorable - Support with Sponsor Amendments only

[HoCo Climate Action](#) is a [350.org](#) local chapter and a grassroots organization representing more than 1,400 subscribers. It is also a member of the [Climate Justice Wing](#) of the [Maryland Legislative Coalition](#).

Howard County Climate Action supports SB689/HB904, a bill critical to implementation of the purpose and goals of the Climate Solutions Act of 2022. This bill retains the best features of the current EmPOWER program: free or discounted energy audits, weatherization help and rebates for energy efficient home appliances. But it fixes the current EmPOWER program to align with the goals of the Climate Solutions Now Act.

First, we must reduce the use of fossil fuels, especially fossil gas which is methane, 84x as strong a climate pollutant as carbon dioxide. The current EmPOWER program allows incentives to install new methane/fossil gas appliances and those incentives will no longer be allowed in the new program.

Second, the current program is focused on reducing the use of electricity. The focus must change to reducing fossil fuels. Fossil fuels appliances in the home are responsible for about 18% of Maryland's climate polluting greenhouse gasses.

Third, the current program does not provide incentives to a customer wanting to switch from a gas appliance to an electric appliance, creating a disincentive to electrification. This is incompatible with the goals of the Climate Solutions Now Act and is changed under this bill.

This bill has many provisions to incentivize electrification and to provide more support to low/moderate income families to take advantage of home upgrades, including;

- A program for State-issued rebates for residential electrification upgrades and provision for coordination with the many federal rebates now available
- A program for navigators to assist owners with whole-home retrofits, retrofits addressing lead removal, mold remediation, asbestos, air quality. These are problems common in some housing (especially for the lower income) that must be fixed before a house is "weatherized", i.e, made less drafty. Lack of whole-home retrofits has been a major barrier to heating upgrades in the past, since health problems from these issues

compound in a less drafty house. And you need a tightly sealed house to get the best benefit from a more efficient heat pump.

There has been wide publicity on the studies demonstrating the dangers of toxic emissions from gas stoves, which even when turned off, cause a 42% increase in asthma symptoms in children. All electric homes will be healthier for people of all ages, but especially any with vulnerable lung conditions. And SB689 provision for whole home retrofits will obviously increase health benefits, especially for the low-income and disadvantaged.

We are excited about the synergy between the provisions of this bill and provisions of another bill on EmPOWER which passed last year but was vetoed by the then Governor, and which will hopefully pass this year. This bill, sponsored by Senator Feldman.(SB144, Public Utilities - Energy Efficiency and Conservation Programs - Energy Performance Targets and Low-Income Housing), changes EmPOWER to specially address the current radical disparity in assistance. The current EmPOWER program disproportionately funds energy upgrades for the wealthy, and well-to-do, and does not reach poor and disadvantaged communities proportionately. In addition to focusing more money on those in need, SB144 establishes a plan to provide energy efficiency retrofits to all low-income households by 2031.

In summary, pass both bills!

We urge a favorable report for SB689 (with sponsor amendments only).

Howard County Climate Action

Submitted by Liz Feighner, Steering and Advocacy Committee

www.HoCoClimateAction.org

HoCoClimateAction@gmail.com

SB689 - Balt Sust Commn.pdf

Uploaded by: Miriam Avins

Position: FAV

BALTIMORE COMMISSION ON SUSTAINABILITY

People ♦ Planet ♦ Prosperity

February 27, 2023

Senator and Committee Chair Brian J. Feldman
Senator and Committee Vice Chair Cheryl Kagan
Members of the Senate Education, Energy, and the Environment Committee

RE: **Support** for SB0689, Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements

Dear Chair Feldman and Members of the Senate Education, Energy, and the Environment Committee,

We are writing in support of SB0689, the Energy Savings Act.

The Baltimore Commission on Sustainability is a body appointed by the Mayor to oversee the creation and implementation of the Baltimore Sustainability Plan. The 2019 Baltimore Sustainability Plan addresses a wide range of social, economic, and environmental goals for the City, and it does so through an equity lens.

The Baltimore Commission on Sustainability has a strong interest in the success of SB0689. Baltimore's 2019 Sustainability Plan calls for increased energy programs including efficiency and weatherization (Energy Strategy 1, Action 2), and for programs to reduce energy use in buildings. This bill aligns the emPOWER program with Maryland's climate goals and expands access to savings to low-income residents.

We urge the Committee to support SB0689.

Sincerely,

Miriam Avins
Mia Blom
Co-chairs, Commission on Sustainability

Cc: Senator Lewis Young

SB0689_QVM_Testimony_SUPPORT.pdf

Uploaded by: Molly Finch

Position: FAV



February 27, 2023

Dear Chair Senator Feldman, Vice Chair Senator Kagan and Members of the Committee,

Quaker Voice of Maryland is writing in **SUPPORT** of **SB0689 – Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements.**

Quaker Voice of Maryland represents Quaker Meetings throughout the State of Maryland. Our faith as Quakers is entwined with our commitment to stewardship and respect for the earth and her natural resources and the belief in equity in access to basic human needs including decent, safe and affordable housing and energy. This bill ensures Maryland will provide leadership towards the new green future by building on the success of EmPOWER Maryland and keeping us on the path to a clean, affordable, and energy efficient future.

SB 0689 will move the State in the direction of reducing greenhouse gas emissions and slowing the rate of climate change by:

- Setting clear performance targets, climate benchmarks, incentives, and penalties for utilities to ensure the program is reducing Maryland's overall energy use and greenhouse gas emissions.
- Building on the successful EmPOWER rebates and resources for energy audits and weatherization.
- By creating a multilingual community outreach program to expand access for low-income and multilingual households to funds for energy efficiency, whole-home retrofits including lead and asbestos removal, mold remediation, and other improvements.

We encourage a **FAVORABLE** report for this legislation that is essential to achieving the state's greenhouse gas reduction targets as well as moving towards equity of access to the EmPOWER Maryland resources.

Sincerely,

Molly Finch

Working Group Member, on behalf of Quaker Voice of Maryland

Personal email: mgsfinch@gmail.com

Organization email: quakervoicemd@gmail.com

SB 689_Maryland Catholics for Our Common Home_FAV.

Uploaded by: Robert Simon

Position: FAV



Maryland Catholics for Our Common Home

Responding to the cry of the Earth
and the cry of the poor.

Hearing before the Senate Education, Energy and the Environment Committee
Maryland General Assembly
February 28, 2023

Statement of Support (FAVORABLE) of Maryland Catholics for Our Common Home on SB 689, Public Utilities – Energy Efficiency and Greenhouse Gas Emissions Reductions – Alterations and Requirements

Maryland Catholics for Our Common Home (MCCH) is a lay-led organization of Catholics from parishes in the three Catholic dioceses in Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington. It engages in education about, and advocacy based on, the teachings of the Catholic Church relating to care for creation. MCCH is a voice for the understanding of Catholic social teaching held by a wide array of Maryland Catholics—over 350 Maryland Catholics have already signed our statement of support for key environmental bills in this session of the General Assembly—but should be distinguished from the Maryland Catholic Conference, which represents the public policy interests of the bishops who lead these three dioceses.

MCCH would like to express its strong support for passage of Senate Bill 689, Public Utilities – Energy Efficiency and Greenhouse Gas Emissions Reductions – Alterations and Requirements. As Catholics, we see a strong link between care for God’s creation and concern for the poor, as both are an integral part of our faith. In his 2015 encyclical, entitled *Laudato Si’: On Care for Our Common Home*,* Pope Francis calls for a comprehensive response to the threats from climate change, including “an urgent need to develop policies so that, in the next few years, the emission of carbon dioxide and other highly polluting gases can be drastically reduced, for example, substituting for fossil fuels and developing sources of renewable energy.” (no. 26) He identifies “promoting ways of conserving energy” as an important line of action, including “removing from the market products which are less energy efficient or more polluting...and encouraging the construction and repair of buildings aimed at reducing their energy consumption and levels of pollution.” (no. 180) *Laudato Si’* also contains a call to “integrate questions of justice in debates on the environment, so as to hear both the cry of the earth and the cry of the poor” (no. 49).

The provisions of Senate Bill 689 build on the success of the EmPOWER program in ways that are consistent with the broad vision of Pope Francis. Senate Bill 689 ends incentives for the use of fossil fuels in home appliances and creates new incentives for electrification, efficient electric appliances, and home heating. Its provisions expand access for low-income households to state and federal funds for energy efficiency and whole-home retrofits. The bill will make a positive difference for low-income Marylanders, while also making a positive difference for the environment.

For these reasons we strongly urge your support for this bill. Thank you for your consideration of our views and our respectful request for a **favorable** report on Senate Bill 689.

* The English text of the encyclical, to which the paragraph numbers in the following parentheses refer, can be found at: https://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20150524_enciclica-laudato-si.html.

SB689_IndivisibleHoCoMD_FAV_RuthWhite.pdf

Uploaded by: Ruth White

Position: FAV



**SB689 – Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions -
Alterations and Requirements**

**Testimony before
Senate Education, Energy, and the Environment Committee**

February 28, 2023

Position: Favorable

Dear Education, Energy, and the Environment Committee Members,

My name is Ruth White, and I represent the 750+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are providing written testimony today to **support with the sponsor's amendments SB689**, which updates the EmPOWER Maryland Energy Efficiency Program to align it with the state's greenhouse gas reduction goals. We are grateful for the leadership of Senator Lewis Young in sponsoring this critical legislation.

This legislation is a necessary complement to the Climate Solutions Now Act of 2022 which provided the State with ambitious climate goals, culminating in netzero emissions by 2045. EmPOWER, which currently aims to reduce electricity use, is out of step with this goal. To reach Maryland's new goals, we must dramatically reduce greenhouse gas emissions from fossil fuels used in homes. SB689 requires EmPOWER to promote fuel switching from gas to electricity by supporting home owners in replacing old fossil fuel equipment with more efficient electric appliances. Such a switch also lowers monthly costs over the life of the new appliance.

Currently, EmPOWER provides incentives for upgrades to gas appliances, which is totally incompatible with the goals of the Climate Solutions Act. Under this legislation, the incentives for gas appliances are eliminated.

As members of Indivisible, we are very focused on both rapid reduction of greenhouse gasses and equity in providing resources for the disadvantaged. This bill establishes a program that not only distributes state-issued rebates for residential electrification upgrades, but it also provides for coordination with the many federal rebates now available. It creates a program to assist owners with whole-home retrofits, including lead and asbestos removal, mold remediation, and addressing air quality problems common in some housing (especially for the lower income) that must be fixed before "weatherization". Lack of whole-home retrofits has been a major barrier for EmPOWER in the past.

All-electric homes with whole-home retrofits are healthier homes, with electric stoves, protecting children and anyone with vulnerable lung conditions from toxic emissions from gas stoves.

Finally, SB689 retains the best of the current EmPOWER program: free or discounted energy audits, weatherization help, and rebates for energy efficient home appliances.

Thank you for your consideration of this important legislation. **We respectfully urge a favorable report on this bill with the sponsor's amendments.**

Ruth White
8945 Footed Ridge
Columbia, MD 21045

SB 689 FAV Energy and Environment Moore LS23.pdf

Uploaded by: Shannon Moore

Position: FAV



FREDERICK COUNTY GOVERNMENT
DIVISION OF ENERGY & ENVIRONMENT

Jessica Fitzwater
County Executive

Shannon Moore, Director

SB 689– Energy Savings Act

DATE: February 27, 2023
COMMITTEE: Senate Education, Energy, and the Environment Committee
POSITION: Support
FROM: Shannon Moore, Director, Division of Energy and Environment

Thank you for your consideration of SB 689: Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements (Energy Savings Act). As the Director of the Division of Energy and Environment in Frederick County, I urge the committee to give SB 689 a favorable report.

Frederick County Government has a number of robust programs designed to help constituents lower their energy bills and to reduce greenhouse gases, to include the Power Saver Retrofits program that provides energy audits and retrofits for low to moderate income residents; the Green Homes Challenge, a greenhouse gas reduction program (www.frederickgreenchallenge.org) with 2,495 participating households saving 16,302 MTCO₂E/yr; the Green Homes navigator who provides one-on-one support including multilingual support to participants needing help connecting to resources; and the Building Community Together partnership that helps Asset Limited Income Constrained Employed (A.L.I.C.E.) and low income households through a quilt of homebuilding and retrofitting services from partner organizations. Despite these programs, there are looming issues with climate resilience for vulnerable households due to heat - and increasing numbers of A.L.I.C.E. households with energy burden.

SB 689 would help to address the needs of Frederick County residents in key ways:

- provide additional rebates for efficient heating and appliances;
- help ratepayers see greater benefits through home weatherization, building shell improvements, and more efficient home heating and appliances;
- help with fuel switching to electric where feasible;
- focus on goals for both energy efficiency and greenhouse gas reduction.

For these reasons, Frederick County is in support of SB 689– Energy Savings Act.

Thank you for your consideration. On behalf of Frederick County Government, I urge a favorable report.

Shannon Moore
Director
Division of Energy and Environment
Frederick County Government
30 N. Market St., Frederick, MD 21701
(O) 301.600.1413 (C) 240.608.7406

SB 689 FAV Energy and Environment Moore LS23.pdf

Uploaded by: Victoria Venable

Position: FAV



FREDERICK COUNTY GOVERNMENT
DIVISION OF ENERGY & ENVIRONMENT

Jessica Fitzwater
County Executive

Shannon Moore, Director

SB 689– Energy Savings Act

DATE: February 27, 2023
COMMITTEE: Senate Education, Energy, and the Environment Committee
POSITION: Support
FROM: Shannon Moore, Director, Division of Energy and Environment

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- focus on goals for both energy efficiency and greenhouse gas reduction.

For these reasons, Frederick County is in support of SB 689– Energy Savings Act.

Thank you for your consideration. On behalf of Frederick County Government, I urge a favorable report.

Shannon Moore
Director
Division of Energy and Environment
Frederick County Government
30 N. Market St., Frederick, MD 21701
(O) 301.600.1413 (C) 240.608.7406

2023-SB689-PHI-OPP-Empower--.pdf

Uploaded by: Anne Klase

Position: UNF



February 28, 2023

112 West Street
Annapolis, MD 21401

OPPOSE – Senate Bill 689 Public Utilities- Energy Efficiency and Greenhouse Gas Emissions Reductions- Alterations and Requirements

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) respectfully oppose *Senate Bill 689 Public Utilities- Energy Efficiency and Greenhouse Gas Emissions Reductions- Alterations and Requirements*. Senate Bill 689 would alter the goals and requirements of energy efficiency programs under the EmPOWER program (the program) to include targeted greenhouse gas emissions reductions from electric companies and gas companies beginning January 1, 2024. The bill would also require the EmPOWER Maryland Program to provide consumer rebates, and promote the use of federal rebates, for various technologies, and lastly the bill would require the Department of Housing and Community Development (DHCD) and electric utilities to promote fuel switching from gas to electricity.

In 2017, the Maryland General Assembly enacted legislation which updated the electricity savings goals for the EmPOWER Maryland Program and extended the program through 2023. With the current program cycle ending this year, legislation is necessary to continue Maryland's successful EmPOWER program. In 2020 the Public Service Commission (PSC) established the Future Programming Work Group (the "Work Group") to aid the PSC in answering the directives outlined by the General Assembly's 2017 legislation. After soliciting proposals from the EmPOWER stakeholders, and in consultation with the Commission's technical staff, on March 3, 2021, a proposed plan and timeline was filed setting forth a schedule to address topics. The Work Group's 28 virtual meetings were well attended with between 35 to 75 individuals participating at each meeting. All stakeholders had ample opportunities to express their views, both verbally and in writing, on each topic and to question/respond to all stakeholders' proposals. There were also numerous meetings with a smaller number of stakeholders held outside of the Work Group's scheduled meetings in an effort to reach agreement on various issues. The Work Group consisted of all relevant stakeholders, PSC Staff, the Maryland Energy Administration, Office of People's Counsel, and the utilities, to name a few, and put forth recommendations in a report for the future of EmPOWER program to the General Assembly on July 1, 2022.

While Senate Bill 689 is laudable, Pepco and Delmarva Power have concerns with certain provisions in the bill that were not part of the consensus items agreed to by the work group, which included all relevant stakeholders, at the PSC). Senate Bill 689 sets an annual incremental target for savings at 2% each year with a cumulative impact of 14% by 2031, without regard to cost effectiveness, customer affordability and equity of the programs. EmPOWER was designed with a robust PSC process in place to minimize the impact of the program's expenses on customers and ensure programs are cost effective. While Pepco and Delmarva Power want to partner with the State to meet its climate goals and continue to provide our customers with safe and reliable service, we are concerned the specificity in this legislation could have unintended consequences to customers. Pepco and Delmarva Power believe that the PSC should have more flexibility and less constraints to set the incremental greenhouse gas reduction targets and program designs for the EmPOWER program. The more prescriptive the targets and program designs are the more challenging it will be for the programs to deliver desired results.

For the reasons stated, Pepco and Delmarva Power respectfully request an unfavorable report on Senate Bill 689.

Contact:

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230227-SB689-switch-gas-electric.pdf

Uploaded by: Christine Hunt

Position: UNF

Christine Hunt and Jay Crouthers
1014 Dockser Drive
Crownsville, MD 21032

February 27, 2023

Maryland General Assembly
Members of the Education, Energy and the Environment Committee
Annapolis, MD

RE: SB 689-Public Utilities-Energy Efficiency and Greenhouse Gas Emissions Reductions – Alternations and Requirements.

Dear Senators,

We oppose SB 689 and respectfully request that you vote against it.

This bill is another example of government overreach in dictating to citizens what type of fuel they should be using.

The use of rebates to entice people to switch from gas to electricity is nothing more than manipulation to switch everyone over to an electric based energy system. Electric heating, cooking, cars, all put additional load on an electric grid that is ill equipped to handle it, as experienced in California the last couple of years. People with electric cars were told NOT TO CHARGE them due to the load other electric services required.

This push to have one form of energy for all uses is dangerous and opens the door for future manipulation of citizens as per the WEF (World Economic Forum) goal to control the population. If someone doesn't do what the government wants, well, let's just turn off your electricity until you do.

We strongly oppose this bill and ask that you vote against it.

Sincerely,

Christine Hunt and Jay Crouthers

BGE-EEE-OPP-Senate Bill 689 - Public Utilities – E

Uploaded by: Dytonia "Dy" Reed, Esq.

Position: UNF

Oppose
Education, Energy and
Environment
2/28/2023

Senate Bill 689 - Public Utilities – Energy Efficiency and Greenhouse Gas Emissions Reductions – Alterations and Requirements

Baltimore Gas and Electric Company (BGE) opposes Senate *Bill 689 - Public Utilities – Energy Efficiency and Greenhouse Gas Emissions Reductions – Alterations and Requirements*. While fully supporting the change in focus from reducing energy consumption to reducing greenhouse gas emission, BGE opposes Senate Bill 689 because it is contrary to the work performed by the EmPOWER stakeholders and is too prescriptive as to the manner by which greenhouse gas reductions may be achieved.

BGE strongly supports energy efficiency and conservation programs as well as the State’s greenhouse gas reduction policies. EmPOWER programs are managed by utilities operating in Maryland and the Maryland Department of Housing and Community Development (DHCD), which administers programs for low-income customers.

EmPOWER has been extremely successful over the years, and BGE is of the view that the State should leverage that success to help achieve its greenhouse gas reduction goals. BGE is supportive of using the EmPOWER program to help reduce greenhouse gas emissions. However, as currently drafted, BGE is concerned that the legislation is overly prescriptive and restrictive in ways that may foreclose consideration of optimal solutions and result in unreasonable ratepayer impacts. First, Senate Bill 689 does not appear to take into account the recommendations of the EmPOWER Future Programming Workgroup. This Maryland Public Service Commission initiated workgroup is composed of a variety of stakeholders, including the Office of People’s Counsel, the Commission Staff, the State’s utilities, the Maryland Energy Administration, and several advocacy groups.

After having met over thirty (30) times for more than a year, the Workgroup developed several recommendations that were presented to the Public Service Commission on the future of the EmPOWER program. Many consensus recommendations were reached and proposed to the Commission, including a goal structure for how GHG savings should be achieved through EmPOWER. In addition, a significant study on the potential of the EmPOWER program to save greenhouse gases was conducted. Unfortunately, Senate Bill 689 does not appear to be informed by the work or consensus recommendations of the wide variety of workgroup stakeholders.

Second, Senate Bill 689 is too prescriptive in that it codifies greenhouse gas reduction targets by requiring that energy customers reduce emissions by 2% each year with a cumulative impact of 14%. This goal is not backed by specific analysis and discounts the GHG Potential Study performed by AEG on behalf of the EmPOWER Future Programming Work Group. As the State’s utility regulator, the Commission, incorporating information from the Potential Study and

various stakeholders, is best positioned to determine the greenhouse gas reduction targets that are appropriate to set for the EmPOWER program. Senate Bill 689 would codify GHG reduction targets that do not appear to consider the Potential Study or allow for the Commission to exercise appropriate administrative discretion to establish appropriate goals that are in the public interest. Rather than mandating specific GHG reduction goals in statute, the State should provide general direction and a framework to the Public Service Commission, while preserving its ability to exercise its administrative expertise in this area to set specific goals, after having considered all stakeholder views and recommendations. BGE is concerned about the costs that may be imposed on customers because of the GHG reduction goals mandated by Senate Bill 689. Imposing specific mandates as Senate Bill 689 does, inappropriately restricts the discretion of the Commission to consider bill impacts and to determine what goals will best meet the overall public interest.

BGE has reservations related to the bill as proposed and have shared those additional concerns with the bill sponsor, and we look forward to continuing conversations with the sponsor to address those concerns. For the reasons stated above, BGE respectfully request an unfavorable report.

Jason Ascher - OPPOSE - SB 689 – Public Utilities

Uploaded by: Jason Ascher

Position: UNF



Education, Energy, and the Environment Committee

To: Senator Brian Feldman, Chair; Senator Brian Feldman; Senator Cheryl Kagan, Vice Chair; and Members of the Committee.

From: Jason Ascher, Political Director, Mid-Atlantic Pipe Trades Association.

OPPOSE – SB 689 – Public Utilities – Energy Efficiency and Greenhouse Gas Emissions Reductions – Alterations and Requirements (Energy Savings Act)

On behalf of the Mid-Atlantic Pipe Trades Association and our 10,000+ United Association of Plumbers and Steamfitter members across Maryland, I ask you to **OPPOSE SB 689**.

The transition from fossil fuels to renewable sources will not happen just because you think it should. Significant investment in renewable energy infrastructure is needed before this transition begins. In Denmark, they get approximately 50% of their energy from wind and solar (the only renewable most Maryland activists will consider), and they started building this infrastructure in the 1970s. A mandate like this legislation will only increase electricity demand, increasing demand for fossil fuel generation. We must consider an “all of the above” energy approach to make this transition work. Our energy generation sources must include gas, carbon capture, hydro, nuclear, geothermal, hydrogen, wind, and solar. Next, you need to build the infrastructure for renewables, including wind, geothermal, solar, nuclear, and hydro, while using carbon capture to decrease the harmful emissions from natural gas facilities. Stopping energy generation from everything but wind and solar will only succeed in making Maryland a net energy importer. This energy will come from states such as West Virginia, Pennsylvania, and Ohio which will continue to burn fossil fuels.

The other side of this transition is the loss of good-paying jobs, which this bill needs to do more to help. Renewable energy developers want to make as much profit as possible, which means they want to get their supplies from overseas and pay their labor as little as is legally possible. This legislation does nothing to help workers. There are no labor protections included. There is also the problem of cost to the consumer. Upgrading your home from gas to all-electric can cost more than \$25,000. While this might be fine for someone in the upper middle class or wealthy, this could be devastating financially for someone working class or poor.

For all the reasons listed above, I ask that you **OPPOSE SB 689**.

Sincerely,

Jason Ascher
Political Director
Mid-Atlantic Pipe Trades Association
7050 Oakland Mills Road, Suite 180
Columbia, MD 21046

MID-ATLANTIC PIPE TRADES ASSOCIATION



PLUMBERS - STEAMFITTERS - SPRINKLER FITTERS
PIPE FITTERS - PIPE WELDERS - HVAC SERVICE TECH

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Plumbers and Gasfitter Local 5 – Camp Springs, MD
Plumbers and Steamfitters Local 10 – Richmond, VA/Roanoke, VA
Plumbers and Pipefitters Local 110 – Norfolk, VA
Road Sprinkler Fitters Local 669 – Columbia, MD

Plumbers and Steamfitters Local 486 – Baltimore, MD
Plumbers and Steamfitters Local 489 – Cumberland, MD
Steamfitters Local 602 – Capitol Heights, MD

SB0689_Unfavorable_Stanek.pdf

Uploaded by: Jason Stanek

Position: UNF

STATE OF MARYLAND



OFFICE OF THE CHAIRMAN

JASON M. STANEK

PUBLIC SERVICE COMMISSION

February 28, 2023

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

RE: UNFAVORABLE – SB 689 - Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements

Dear Chair Feldman and Committee Members:

Transitioning Maryland's successful EmPOWER program from an energy efficiency to a greenhouse gas reduction goal is in line with state policies and ripe for consideration. While SB 689 accomplishes this task, it is overly prescriptive and creates program constraints that do not belong in statute. Despite the Commission's agreement with the main purpose of the bill, the Commission strongly opposes this bill and urges an unfavorable finding.

In 2021, the Commission predicted the need to make significant changes to the EmPOWER program. Beginning with the 2024-2026 program cycle, the costs for existing programs will increase significantly based on current statutory goals. This is largely due to the success of national energy efficiency efforts to transform the lighting market. Until now, efficient lighting has been the foundation of our cost effective programs and continuing to pursue energy efficiency without this program will be costly. In addition, while energy efficiency and conservation are important, they alone are not the most impactful way to achieve the State's current climate change commitments. With this upcoming challenge in mind, the Commission convened a workgroup to examine the future of this successful program. Based on the recommendations of that diverse group, which included utilities, the ratepayer advocate, environmental organizations and others, the Commission agrees that the focus of future EmPOWER programs should be to reduce greenhouse gas emissions.

Ideally, shifting the focus of the EmPOWER programs to reducing greenhouse gas emissions will open the door to new program offerings and align program goals with state policy priorities. While SB 689 does shift the focus of the program, it also creates unnecessary constraints and conditions on the program which will compromise implementation and potentially impose unreasonable costs on ratepayers. Perhaps the most significant binding

constraint is establishing a 2% annual reduction in GHG emissions, without any information about the feasibility or cost impacts of this 2% goal. Reaching such a goal will be challenging and expensive, which will have disproportionate impacts on low- and moderate-income Marylanders. Moreover, without significant program design flexibility, it may be nearly impossible to deliver.

Specifically, SB 689 codifies a number of current program offerings and program limitations into law. By writing these offerings into the law, the Commission permanently loses the ability to terminate or redesign these programs and design new offerings better suited to the new goal. Codifying program offerings in statute will make it harder and more expensive to meet the proposed goals. For example, the bill codifies and limits specific gas programs, home energy audits and checkups, and sets specific behind the meter and front of the meter targets. These program design elements may or may not be appropriate; however, codifying prescriptive program design while undertaking an entirely new goal structure will make it harder and more expensive to meet the goals mandated by this legislation. Now is the time to transition EmPOWER to a greenhouse gas reduction goal, but adding significant and costly constraints before programs have even been designed will compromise the success of these offerings.

Additionally, the bill creates significant confusion between utility programs and DHCD's offerings. In particular, the final section of the bill requires DHCD to create a statewide rebate program, navigators and enact regulations. While DHCD has been a productive partner agency in providing low income energy efficiency offerings, they have never been involved in utility program offerings or oversight. This bill provides no guidance on how these obligations interact with the Commission's oversight of the programs and which agency will have authority over various aspects of the program. The Commission also has concerns regarding whether this bill could practically be implemented as intended, and these concerns can be discussed separately.

Given the significant concerns with the SB 689, I request the Committee pass an unfavorable vote. However, in its place, I would urge the Committee to vote favorably on SB 905 — a related, PSC-supported bill which alleviates the multitude of concerns laid out in this testimony — and provides a better foundation to build upon EmPOWER's track record of success. I appreciate the opportunity to provide information on SB 689. Please contact Lisa Smith, Director of Legislative Affairs, at (410) 336-6288 if you have any questions.

Sincerely,



Jason M. Stanek
Chairman

WG Written Testimony - SENATE BILL 689 Opposition_

Uploaded by: Manuel Geraldo

Position: UNF



1000 Maine Avenue, SW | Suite 700 | Washington, DC 20024 | www.washingtongas.com

COMMITTEE: EDUCATION, ENERGY, AND THE ENVIRONMENT

TESTIMONY ON: SB0689 PUBLIC UTILITIES - ENERGY EFFICIENCY AND GREENHOUSE GAS EMISSIONS REDUCTIONS - ALTERATIONS AND REQUIREMENTS

POSITION: OPPOSE

HEARING DATE: FEBRUARY 28, 2022

Washington Gas respectfully submits this statement in **OPPOSITION** to **Senate Bill 689 - Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements**.

Washington Gas strives to be one of the safest and most innovative energy companies in the region, and the United States. We keep our finger on the pulse of new operating practices and developments relating to emissions detection and reduction and the introduction of lower carbon fuels. We work daily on fulfilling our longstanding commitment to ensure we deliver energy safely, reliably and affordably. At Washington Gas, we embrace our role in helping the communities we serve and are supportive of fully informed efforts to reduce greenhouse gas emissions.

Climate change is a defining challenge across Maryland, and natural gas, natural gas utilities, and the delivery infrastructure are essential to meeting the state's greenhouse gas emissions reduction goals. Maryland can continue to achieve significant emissions reductions by accelerating the use of tools available today, including high-efficiency natural gas applications, renewable gases, combined heat-and-power, and enhanced energy efficiency initiatives. Senate Bill 689 would limit Maryland residents and businesses from saving money and impede the state's ability to optimize all available resources towards reducing emissions.

Senate Bill 689 does not allow for the wide variety of low-cost decarbonization methods and technologies beyond electrification. The legislation eliminates EmPOWER Maryland program incentives for energy-efficient gas appliances and further requires the Department of Housing and Community Development to promote fuel switching from gas to electricity. While Washington Gas strongly support efforts to decarbonize and combat climate change, the Senate Bill 689 proposal to eliminate natural gas incentives and promote electrification is not an appropriate or efficient way to advance climate solutions for customers in Maryland.

Further, Senate Bill 689 impermissibly directs the Public Service Commission to set greenhouse gas reduction goals that, for gas utility companies, can only be met in two ways: building envelope improvements and fuel switching. The bill fails to define “building envelope improvements” but this term could include insulation or window upgrades to a building. Fuel switching is also undefined but the purpose clause indicates the intent is to switch existing customers from gas to electric. The effect of this bill would be that natural gas rate payers would bear the financial burden of building upgrades and electrification across every ratepayer class. This simply goes too far.

Decarbonization is unlike any energy or environmental challenge that Maryland has faced before, because it will require planning and execution at a “building by building” and “neighborhood-by-neighborhood” level. Moreover, it will have potentially dramatic cost and convenience implications for every existing homeowner and building owner. Maryland should adopt an approach that is focused on getting as much value (GHG emissions reductions) for every dollar from Day 1. *The Maryland Building Decarbonization Study* report prepared by Energy+Environmental Economics (“E3”) and released in October 2021 for the Maryland Commission on Climate Change provides generalized cost estimates that will not help building owners make informed decisions.

As a foundational matter, the Department, armed with as much information as possible, should be directed to periodically assess and promote achievement of GHG emissions reductions in the most efficient manner possible. It is premature to eliminate options without sufficient information. The “navigator” concept is promising, but they will require tools that enable them to assess all options and measure and provide estimates based on the best available information regarding up-front and ongoing energy costs for individual measures and the overall project. In fact, all customers require this information from an independent, trusted source. Electric utilities should not be directed to promote electrification as currently directed in Section C(1). Electric and gas utilities should be provided to provide data and insights that enable policy makers and building owners to make informed decisions.

In 2008, the Maryland General Assembly passed the EmPOWER Maryland Energy Efficiency Act which created a statewide program that helps homeowners, renters, and businesses save energy and money. According to Energy Efficient Maryland, “combined with other energy initiatives, EmPOWER Maryland has helped 21,000 low-income households save \$340 annually on their electric bills” and “the energy savings from EmPOWER have cut nearly 19 million metric tons of carbon dioxide emissions, over 34 million pounds of nitrogen oxides, and nearly 78 million pounds of sulfur dioxide.” These statistics demonstrate the success and necessity of the EmPOWER programs – including for gas utilities.

Washington Gas’ energy efficiency programs are primarily designed to reduce energy consumption through promoting and incentivizing the efficient use of natural gas. There are three main mechanisms through which Washington Gas implements reduction in energy consumption:

- Installing (retrofit or new construction) high-efficiency equipment and appliances (furnaces, water heaters, kitchen equipment, etc.)

- Optimizing home and commercial building operation to use less energy (weatherization, conservation kits, retro-commissioning, etc.)
- Promoting change in consumption habits and behaviors towards energy conservation (home energy reports, online audits, demand response, etc.)

The rebates that are currently available to customers in Maryland via EmPOWER offer a pathway to make reductions in energy consumption, through equipment upgrades, more attainable for cost-driven homeowners and businesses. Washington Gas' energy efficiency programs reduce natural gas consumption, mainly through space heating and water heating end-use applications. With less natural gas being consumed, less natural gas is needed to be paid for, leading to lower monthly bills.

Eliminating gas appliances from the EmPOWER program also infringes on consumer choice. Many homebuyers prefer a gas stove; gas stoves offer instant heat, and, in most cases, gas stoves offer superior temperature control. and instant heat. According to National Association Home Builder's What Home Buyers Really Want, 2021 Edition, consumers generally prefer gas (51%) to electricity (39%) for cooking. Senate Bill 689 disregards consumer choice and severely limits options for Maryland customers.

Electrification by itself is not decarbonization. Depending on the source of the electricity, this could be just shifting the point source of the emissions. Senate Bill 689 could ultimately result in more emissions across Maryland and the prolonged use of less efficient appliances. Eliminating rebates for high-efficiency natural gas appliances would put an immediate, cost-effective emissions reduction solution out of reach for thousands of Maryland homes and businesses, locking them into the continued use of older, less efficient appliances. Given Maryland's current electric generation mix fuel, switching to an electric appliance could increase emissions, particularly during times of peak energy demand and add an increased strain on the electric grid threatening reliability.

For the above reasons Washington Gas respectfully requests an unfavorable vote on Senate Bill 689. Thank you for your consideration of this information.

Contact:

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M 202.924.4511 | manuel.geraldo@washgas.com

Grevatt Testimony 02-27-2023.pdf

Uploaded by: Jim Grevatt

Position: INFO

Testimony of Jim Grevatt of Energy Futures Group, Inc. regarding Maryland General Assembly SB689/HB904

February 26, 2023

SB689/HB904 updates the important provisions of last year's Climate Solutions Now Act ("CSNA") to reflect recommendations that were developed in a nearly two year-long collaborative work group process sponsored by the Public Service Commission ("PSC"). The work group, known as the Future Programming Work Group ("FPWG"), was led by Chief Public Utility Law Judge McLean and addressed many fundamental, forward-looking questions about the purpose of EmPOWER and the value it can provide both in supporting energy affordability and the critical greenhouse gas ("GHG") emissions reductions called for in CSNA. I have participated in EmPOWER work groups and proceedings on behalf of the Maryland Energy Efficiency Advocates ("MEEA")¹ for nearly a decade, and in the FPWG throughout the process. I appreciate the opportunity to speak with you today and to reflect on the development of several of the key provisions of the bill in the FPWG process.

The FPWG report states that

28 virtual meetings were well attended with between 35 to 75 individuals participating at each meeting. All stakeholders had ample opportunities to express their views, both verbally and in writing, on each topic and to question/respond to all stakeholders' proposals. Additionally, throughout the process, various presentations were made for the Work Group's benefit, including (1) Chris Hoagland and Mark Stewart from the Maryland Department of Environment ("MDE") presenting on the Maryland Commission on Climate Change ("MCCC") and the 2030 Greenhouse Gas Reduction Act ("GGRA") Plan, and the expectations for EmPOWER; (2) Amanda Best, Senior Commission Advisor and Electric Vehicle ("EV") Work Group Leader, provided an update on the EV Pilot Program and how EVs could potentially fit within EmPOWER; (3) on behalf of the Department of Housing and Community Development ("DHCD"), CADMUS made several presentations and provided a Maryland Statewide Low-Income Top-Down Potential Analysis; (4) on behalf of the Building Performance Association ("BPA"), Ms. Leticia Colon de Mejias, owner of Energy Efficiencies Solutions (Connecticut), President of Green Eco Warriors and Policy Co-Chair of the BPA, presented on the importance of workforce development; (5) Joe Loper, Staff's EmPOWER Consultant, provided

¹ The Maryland Energy Efficiency Advocates have consistently participated in EmPOWER hearings and work groups since 2014, and consists of an unaffiliated coalition of like-minded organizations including Sierra Club, Natural Resources Defense Council, and Earthjustice, with additional participation by Green and Healthy Homes Initiative, National Consumer Law Center, and others.

an overview of the current methodologies used to determine a program's cost effectiveness; and (6) Steve Nadel from ACEEE presented on PIMs.²

A range of organizations and individuals participated throughout the FPWG process, including utilities, Office of People's Council ("OPC"), the Maryland Energy Administration ("MEA"), PSC staff, the Maryland Department of Environment ("MDE"), the American Council for an Energy Efficient Economy ("ACEEE"), Northeast Energy Efficiency Partnerships ("NEEP"), and representatives of municipalities, environmental organizations, and technical experts. The conversations were productive, and significant ideas were discussed. There were numerous areas of consensus, including that greenhouse gas abatement should replace electricity and gas savings as the primary metric, that direct customer benefits should be prioritized over grid enhancements, and that cost-effectiveness should continue to be assessed using the "Societal Cost Test."

However, not surprisingly given the diverse perspectives in the FPWG there were also areas where it was not possible to achieve consensus, and this is not different than the Commission process that preceded establishment of the current 2% savings goal. In fact it is normal in PSC-directed work groups that consensus is not reached. Rather, agreements, where possible, are articulated as well as the different opinions of work group participants. This legislation includes many of the consensus items, as well as items broadly supported by ratepayer and environmental advocates and the Office of People's Counsel.

1. *The primary purpose of EmPOWER is changed to greenhouse gas abatement (3)(I).*

Consistent with the recommendation of the FPWG³ and as proposed by the PSC in its report to the General Assembly⁴, the bill reframes the primary metric by which EmPOWER is measured from electricity and gas savings to GHG abatement. Both the PSC and the FPWG recommended that GHG abatement goals should be established and measured on a gross lifecycle basis. However, for clarity the draft bill calls for an annual reduction in GHG emissions of at least 1.8% of 2020 emissions from the direct consumption of electricity and natural gas and further specifies that the "Commission shall prioritize long-lived greenhouse gas abatement measures in the utilities' plans by establishing a minimum weighted average measure life for each utility's plan." (g)(4). The combination of an annual savings goal and a required minimum average measure life is equivalent to using lifecycle emission reductions but avoids complications related to calculating emissions into the future while the emissions from electricity are also decreasing due to cleaner generation. The 1.8% annual reduction in GHG emissions is similar to the amount of electricity savings achieved by the utilities in recent years.

² Future Programming Work Group Report, April 15, 2022, pp. 2-3., available at psc.state.md.us, ML 240203.

³ Future Programming Work Group Report, April 15, 2022, p. 8, available at psc.state.md.us, ML 240203.

⁴ Recommendations on the Future of EmPOWER Maryland, Public Service Commission of Maryland Report, July 1, 2022, pp. 5-8.

2. *The bill establishes a statutory minimum annual greenhouse gas abatement goal for the utilities, consistent with previous statutes that established minimum electric energy efficiency goals.*

The Public Service Commission retains the authority to direct the utilities to achieve higher levels of emissions reductions if it finds that to be consistent with its assessment of the costs and benefits of doing so. The bill sets the floor at a level that is roughly consistent with the GHG abatement that would be achieved through the electricity savings required under the Climate Solutions Now Act of 2022 (“CSNA”), thus providing direction to the Commission regarding the General Assembly’s focus on climate preservation. The Commission’s mandate has been updated by lawmakers and now includes the preservation of the climate,⁵ but regulating GHG emissions is a departure from the historic responsibilities of the Commission and will require adapting to new approaches to assessing the public interest. Establishing a minimum savings requirement in statute that is consistent with law that is already enacted will ease the considerable burden the Commission would face in weighing the many competing factors it must consider in determining the amount of GHG emissions reductions that is in the public interest.

3. *The bill specifies that the primary focus of EmPOWER should be on reducing direct emissions from customers’ buildings rather than through distribution system changes or distributed generation.*

The FPWG reached consensus that a defined amount of savings should come from measures that directly benefit customers, which was reflected in the PSC report to the General Assembly.⁶ However, the FPWG could not reach agreement on specifically what the defined amount of savings should be. Generally, the utilities supported less guidance and MEEA and the OPC, along with Montgomery County and the American Council for an Energy Efficient Economy (“ACEEE”) supported higher prioritization of direct customer benefits. Specifically the OPC and MEEA recommended throughout the process that no less than 85% of the overall EmPOWER GHG abatement should come from measures that directly benefit customers. Commission Staff (80%) and the Maryland Energy Administration (“MEA”) (75%) recommended somewhat smaller, but still significant requirements for measures that directly benefit customers.

The bill, as drafted, aligns with the recommendation of MEEA and the OPC that at least 85% of the GHG emissions reductions should come from so-called behind-the-meter (“BTM”) savings. BTM savings come from the installation of GHG-reducing equipment at customers’ homes and businesses and are consistent with how EmPOWER has achieved most of its past results. High efficiency heat pumps and refrigerators installed at a customer’s home or business are examples of measure that produce BTM savings.

BTM measures are contrasted with front-of-the-meter (“FTM”) resources that are on the utility side of the meter. FTM resources would not be installed at a customer’s home or business but

⁵ 2021 Md. Laws at 75, 76 (chs. 614 and 615), <https://mgaleg.maryland.gov/Pubs/LegisLegal/2021-effective-dates-october.pdf>.

⁶ Recommendations on the Future of EmPOWER Maryland, Public Service Commission of Maryland Report, July 1, 2022, p. 7.

rather would contribute to GHG emissions reductions by managing aspects of the distribution grid or by providing local generation, such as through a community solar project. In the FPWG, the utilities advocated for greater flexibility to report savings from FTM resources but did not provide specific information on what such measures might be, what the magnitude of available savings are, or what such FTM measures might cost. In addition, the GHG Abatement Potential Study did not consider the savings that could be achieved from FTM resources, therefore there is little if any information available upon which to base a requirement for FTM resources.

4. *Switching from fossil fuel to electricity is a critical component of meeting climate goals and should be allowed in EmPOWER.*

The bill explicitly allows, but does not require, the use of EmPOWER funds to promote the replacement of fossil fuel-fired equipment with high efficiency electric alternatives, including in such areas as heating, water heating, and cooking equipment. For example, EmPOWER could be used to support customers in replacing inefficient gas furnaces with high efficiency heat pumps to heat their homes and businesses. This type of fuel-switching is commonly referred to as “beneficial electrification.”

The Maryland Department of the Environment’s (“MDE”) Maryland’s 2030 Greenhouse Gas Reduction Act (“GGRA”) Plan calls for reducing emissions from buildings through energy efficiency and by converting fossil fuel heating systems to electric heat pumps.⁷ Similarly, the Maryland Commission on Climate Change (“MDCC”) recommends retrofitting 100 % of low-income households by 2030; encouraging fuel-switching through EmPOWER beginning in 2024; targeting 50% of residential heating, ventilation, and air conditioning and water heater sales to heat pumps by 2025, with 95% by 2030.⁸ Continuing to use EmPOWER funds to subsidize gas appliances is directly contrary to the recommendations of the MDCC and the 2030 GGRA Plan.

It was widely recognized in the FPWG that beneficial electrification should be allowed as a GHG emissions reducing measure in EmPOWER, though there was not agreement regarding the extent to which it should be prioritized – thus the bill leaves it up to the Commission to determine the level of emphasis to place on beneficial electrification in order to meet the required GHG emissions reductions.

5. *The focus of natural gas emissions reductions is changed from efficient equipment incentives to beneficial electrification and building efficiency (3)(II).*

The bill requires gas companies to end incentives for new natural gas-fired equipment such as furnaces, boilers, and hot water heaters. High efficiency electric heat pumps and heat pump water heaters are far more effective at reducing GHG emissions than the continued use of gas-

⁷ MDE, Greenhouse Gas Reduction Act: 2019 GGRA Draft Plan (Oct. 2019) (“GGRA Plan”), [https://mde.maryland.gov/programs/Air/ClimateChange/Documents/2019GGRAPlan/2019%20GRA%20Draft%20Plan%20\(10-15-2019\)%20POSTED.pdf](https://mde.maryland.gov/programs/Air/ClimateChange/Documents/2019GGRAPlan/2019%20GRA%20Draft%20Plan%20(10-15-2019)%20POSTED.pdf).

⁸ MDCC, 2021 Annual Report on Building Energy Transition Plan, at 8 (2021), [https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/2021%20Annual%20Report%20FINAL%20\(2\).pdf](https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/2021%20Annual%20Report%20FINAL%20(2).pdf).

fired equipment even when it is efficient, and as such the MEEA and OPC agree that these incentives should no longer be allowed. This position has been discussed at the Commission for several years, including with respect to a motion filed by MEEA⁹ that detailed the Commission’s obligation under the statutory mandate to protect the climate as enacted in the 2021 Session of the Maryland General Assembly Senate Bill 83 and House Bill 298.¹⁰

The utilities maintain that continued use of gas will be consistent with achieving the required GHG emissions reductions, but a GHG Abatement Potential Study that was prepared by Applied Energy Group at the direction of the PSC found nearly three times the amount of GHG abatement potential from electrification as it found for natural gas efficiency.¹¹ Given utility staff’s responsibilities to shareholders it is understandable that they would advocate for continued reliance on natural gas, but this position is not consistent with MDE’s analysis or the CSNA goals.

6. *The bill maintains the status quo regarding cost-effectiveness of EmPOWER.*

The “societal cost test” remains the primary cost-effectiveness test. This is consistent with the consensus recommendation of the FPWG, which further suggested that the societal test as defined in Maryland could be renamed the Primary Maryland Jurisdiction-Specific Test (“MJST”).¹²

7. *Grid system improvements that reduce emissions, as well as distributed clean generation can provide important benefits but should not supplant direct customer benefits in EmPOWER.*

FTM resources are important, and utilities should be encouraged to pursue them through general rate cases where they would provide cost-effective benefits to ratepayers – but they should not be used in place of BTM measures to meet EmPOWER savings requirements. The bill proposes limits on FTM contributions to the EmPOWER goal to prevent the use of FTM resources to supplant the efficiency and electrification measures that provide direct benefits to customers.

⁹ ML 240349

¹⁰ 2021 Md. Laws at 75, 76 (chs. 614 and 615),

<https://mgaleg.maryland.gov/Pubs/LegisLegal/2021-effective-dates-october.pdf>.

¹¹ EmPOWER GHG Abatement Study Results_FINAL_UPDATE_12152022.xlsx, provided by Applied Energy Group, tab “GHG Abatement Summary”, Cumulative Achievable Potential – Maximum. Also available at psc.state.md.us, ML 300751.

¹² Future Programming Work Group Report, April 15, 2022, p. 59.

SB0689(HB0904) - LOI - Public Utilities - Energy E

Uploaded by: Landon Fahrig

Position: INFO



Maryland Energy Administration

TO: Members, Senate Education, Energy, and the Environment Committee
FROM: Paul Pinsky - Director, MEA
SUBJECT: SB 689 - Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions
- Alterations and Requirements
DATE: February 28, 2023

MEA Position: Letter of Information

The Climate Now Act of 2022 (CSNA) already provided the means by which to achieve the goals this new legislation strives to achieve, and provided targets that set a minimum performance level to ensure that Maryland meets those goals. CSNA provided that, “The core objective of the [EmPOWER Program] shall include development and implementation of mutually reinforcing goals, including greenhouse gas emission reduction, energy savings, net customer benefits, and reaching underserved customers.” CSNA also provided specific energy consumption reduction requirements that necessarily incorporate the associated environmental benefits of those reductions.

Senate Bill 689 makes significant alterations to the Maryland EmPOWER Program. The EmPOWER Program was originally designed to reduce peak electricity demand within the State in order to make Maryland’s electrical grid more reliable and resilient through energy efficiency. It was, and is, generally a success.

Senate Bill 689 would alter the EmPOWER program to additionally focus on greenhouse gas (GHG) emissions reductions. The Maryland Energy Administration (MEA) strongly supports fuel switching as a mechanism that can assist with the State’s energy and GHG reduction goals. However, it should be noted that investments in transmission and distribution assets to accommodate growth in demand and peak load will be needed to maintain current levels of reliability and resiliency of the electricity grid, as this bill would likely increase electrification, overall demand, and peak demand.

MEA notes the following sections of the bill, and the potential challenges those sections present for the EmPOWER Program and the State.

Subparagraph 7-211(g)(3)(i)

This subparagraph requires the reduction of GHG emissions from each ratepayer class resulting from the direct consumption of electricity and natural gas by at least 2% below the 2016 level each year and a cumulative impact of at least 14% by 2031.

The cost implication of such a goal is unknown. **It is crucial that goals are achievable, and that they do not place unreasonable burdens on ratepayers.** The EmPOWER program

already has an unamortized balance approaching \$1 billion. In addition, the goal requires a 2% percentage reduction for every ratepayer class as opposed to an overall 2% reduction goal. This could also have additional cost implications.

Subparagraph 7-211(g)(3)(ii)

The bill limits certain utilities, requiring that they achieve the new specified goals of the program through building-shell improvements and fuel switching, and that energy efficiency in the form of certain equipment replacements would not count towards EmPOWER goals.

MEA strongly supports the promotion of beneficial fuel switching within EmPOWER, but disallowing any support whatsoever for gas appliance energy efficiency removes some of the low-hanging fruits that could contribute towards GHG reduction and introduces measures that will likely increase the overall expense of the program. This could contribute to an overall higher EmPOWER surcharge.

The challenges of this subparagraph are amplified by 7-211.1(d) that terminates incentives for *any* GHG-emitting appliances. Ending incentives for high-efficiency gas equipment could drive residents to opt for cheaper, lower-efficiency gas equipment since these equipment are still for sale in the State and in nearby neighboring states. MEA supports promoting and favoring electrification in most instances, but energy efficiency remains a useful and cost-effective tool to assist our state in reaching its energy and greenhouse gas reduction goals, especially as it applies to low-to-moderate income (LMI) ratepayers.

Paragraph 7-211.1(c)(1)

Within this paragraph, the bill states that the Department of Housing and Community Development (DHCD) should promote fuel switching from gas to electricity within the EmPOWER programming they offer.

Given that DHCD provides programs for low-income families, any program is only beneficial if it reduces the energy burden of the beneficiary. This is impossible in all cases relating to fuel switching, especially gas to electricity. There might be a need to make an edit to the bill here to reflect that. One such option is to **limit the promotion of fuel switching to instances that will provide a reduction in life-cycle societal cost to the ratepayer**.

Subparagraph 7-211.1(c)(2)(ii)

It is crucial that the State efforts incorporate the structure of anticipated federal programs to maximize the benefits of both State and federal programs. Prescribing federal rebate amounts absent explicit guidance from the U.S. Department of Energy is premature. **This runs the risk of conflicting with the requirements of the federal programs under the Inflation Reduction Act**. Promoting the federal incentives broadly is an appropriate course of action at this time.

Conclusion:

This bill carries with it significant policy implications for the State. **The legislation could help the push towards electrification as required by state policy, but it is likely to come at a significant cost to ratepayers.** A significant investment would be needed to make older and multi-family homes ready to transition to electricity-only. The incentive amount of \$2,000 for low-income residents is likely insufficient to effectively encourage homes to make that transition. The alternative is low-efficient gas equipment if electrification is prohibitively expensive and there are no incentives for higher efficiency gas equipment.

Additionally, the Future EmPOWER Programming Workgroup has been working toward policy changes that are somewhat similar to those in this bill. However, the goal set here differs substantially from what was agreed upon in the Future EmPOWER Programming Workgroup, where the consensus was to pursue *life cycle* GHG reduction goals. (*Emphasis added*)

Finally, there will be economic impacts on individuals, LMI households, and businesses large and small. The cost of EmPOWER programs are expected to significantly increase, therefore so must the EmPOWER budget for utilities, and the surcharge for individuals (including LMI individuals), businesses, and all ratepayers.

MEA urges the committee to consider the forgoing prior to rendering its report.

MDE SB 689_LOI.docx.pdf

Uploaded by: Tyler Abbott

Position: INFO



February 28, 2023

The Honorable Brian Feldman, Chair
Miller Senate Office Building, 2 West
Annapolis, Maryland 21401

Re: Senate Bill 689 - Public Utilities - Energy Efficiency and Greenhouse Gas Emissions Reductions - Alterations and Requirements

Dear Chair Feldman and Members of the Committee:

The Maryland Department of the Environment (MDE or the Department) has reviewed Senate Bill 689 and would like to provide the following information. For some background, certain provisions in the legislation correspond to recommendations of the Maryland Commission on Climate Change (MCCC), which MDE chairs and staffs. The 28 members of the MCCC voted nearly unanimously in November 2022 for recommendations directly related to SB 689. Relevant MCCC recommendations are included at the end of this letter.

Regarding the requirements set forth in § 7-211 (3) (i), MDE would need more time to evaluate the impact of this emissions reduction goal and determine how it aligns with the requirements of § 2-1204.1 of the Environment Article. Instead of defining the goal in legislation, it might be preferable to replace this goal with a requirement for the Public Service Commission (PSC) and MDE to work together to establish, in PSC's rulemaking, a greenhouse gas emissions reduction goal to support the requirements of § 2-1204.1 of the Environment Article.

Thank you for your consideration. We will continue to monitor SB 689 during the Committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or by e-mail at gabrielle.leach@maryland.gov.

Sincerely,

Gabrielle Leach
Deputy Director
Legislative and Intergovernmental Office

cc: The Honorable Karen Lewis Young
Christopher R. Hoagland, Air and Radiation Administration

MCCC Recommendations

- The General Assembly should amend Public Utilities Article § 7–211 to require that EmPOWER work better for reducing greenhouse gas (GHG) emissions with provisions to:
 - Include specific GHG reduction targets, to be established by MDE;
 - Encourage fuel-switching from fossil fuels to efficient electric appliances with incentives for heat pump space heating and hot water heating, high-efficiency electric clothes dryers, and induction ranges/stovetops starting in 2024 (as recommended by the MCCC in 2020 and 2021);
 - End incentives for fossil fuel appliances starting in 2023 (as recommended by the MCCC in 2021); and
 - Provide audits that recommend steps for homes/buildings to become electric ready, along with rebates for these investments.
- Increase emphasis on equitable benefits – On a portfolio level, the EmPOWER Maryland program was not designed to equitably serve Maryland residents. Lower-income residential customers, in aggregate, have been estimated to pay considerably more into the program on an annual basis than they receive in program benefits. The PSC should study these issues and establish more equitable goals for the EmPOWER portfolio (e.g., utilizing Justice 40 principles) to guide program design and evaluation. The General Assembly should also establish specific goals for energy programs administered by the Department of Housing and Community Development (DHCD) and direct the PSC to provide a commensurate amount of the EmPOWER budget and hold DHCD accountable for achieving those goals.
- The General Assembly should address the Public Service Commission’s (PSC) recommendations in “Recommendations on the Future of EmPOWER Maryland” to adjust the EmPOWER program to work toward achieving greater GHG reductions. The MCCC endorses the PSC’s recommendations including:
 - Amend or replace PUA § 7–211(g)(2) and adopt the PSC recommended GHG abatement goal for the Utilities;
 - Amend or replace PUA § 7–211(g) and adopt the PSC recommended limited income GHG abatement goal for DHCD; and
 - Amend or replace PUA § 7–211(i)(1) and (2) and adopt the Primary Maryland Jurisdiction-Specific Test.