KAREN LEWIS YOUNG Legislative District 3 Frederick County

Committee on Education, Energy, and the Environment



James Senate Office Building 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, <u>EmPOWER Maryland saves consumers \$4 billion</u> and counting. The Public Service Commission of Maryland, <u>The EmPOWER Maryland Energy Efficiency</u> <u>Act Report of 2022, May 2022.</u>

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,

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Senator Karen Lewis Young