

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.