

National Housing Trust

Testimony on:

SB905: Electric Companies, Gas Companies, and the Department of Housing and Community Development - Energy Efficiency and Conservation Plans

Education, Energy, and the Environment

Tuesday, March 14, 2023

Position: FAVORABLE WITH AMENDMENTS

Submitted by:

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National Housing Trust (NHT) is a non-profit that creates and preserves affordable homes to provide opportunity, advance racial equity, reduce economic disparities, and strengthen community resilience through practice and policy. As an affordable housing developer, NHT has preserved 450 affordable housing units in Maryland. As a policy advocate for sustainable housing, NHT has actively participated in proceedings before the MD Public Service Commission to ensure that EmPOWER programs deliver benefits to affordable housing providers and residents.

NHT has successfully implemented energy efficiency upgrades in our MD properties thanks largely to support through EmPOWER. Maryland has one of the country's best affordable housing retrofit programs- the Multifamily Energy Efficiency and Housing Affordability program or MEEHA. MEEHA is administered by DHCD and funded through EmPOWER.

However, MEEHA's impact is limited for two reasons. One, the program is vastly underfunded. The program's budget in 2020 accounted for just 2% of the overall EmPOWER program budget. Second, the program does not prioritize replacing fossil fuel-burning heating systems with high-efficiency electric heat pumps. Prioritizing high-efficiency electric appliances over gas-burning appliances is critical to ensuring that affordable housing providers can access the resources needed to meet the state's Building Energy Performance Standard.

The revisions suggested below will strengthen EmPOWER by maximizing incentives available to residential housing and ensuring that funding is available to help meet the state's decarbonization goals.

Suggested revisions to the bill:

- Consumer protection guardrails to ensure rate payer funds are used to maximize in-home energy efficiency through an 80 - 85% goal for in-home energy savings (aka behind-the-meter), and to clarify that neither vehicle electrification or gas appliance incentives will count towards the goal.
- Ratepayer protection to ensure the programs will be expensed through surcharges with the allowance for reasonable profits instead of added to ratebases or guaranteeing profits.
- A clear goal for overall greenhouse gas reductions and direction to PSC on assigning specific goals to each utility.

- The establishment of a Community Outreach program under DHCD to help increase utilization of state and federal energy efficiency programs.
- Direction to electric utilities and DHCD to provide incentives for beneficial electrification.
- Inclusion of electrical readiness in home energy audits.
- Direction to utilities and DHCD to promote state and federal energy efficiency rebates.