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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

