

**February 29, 2024**  
**Economic Matters Committee**  
**FAVORABLE HB 864**

Mr. Chairman and Honorable Members of the Committee:

Maryland Health Professionals for a Healthy Climate and the Maryland Public Health Association support HB0864, Energy Efficiency and Conservation Plans, and we thank Delegates Crosby and Qi for their leadership on this issue.

This bill would require that each electric company, gas company, and the Department of Housing and Community Development (DHCD) develop a plan for achieving certain energy efficiency, conservation and greenhouse gas emissions targets through programs and services that will surpass existing energy efficiency and conservation goals. It also requires the Public Service Commission (PSC) to promote efficient use of and conservation of energy in support of greenhouse gas emission reduction goals and targets.

As a public health coalition, our concerns include the connection between climate change, health issues, and promoting health equity for Marylanders. With regard to the EmPOWER Maryland program, this means assuring that energy efficiency efforts are designed to protect and strengthen health, most especially for people in our state who are more vulnerable to the impacts of climate change like high heat days due to poor health, low income, and living in historically disinvested communities. While Marylanders have seen the benefits of the EmPOWER program since it was created in 2008 in the form of "... more than \$4 billion on their energy bills and reduced statewide greenhouse gas emissions of at least 9.6 million metric tons," the landscape of energy efficiency has evolved over time and so should the EmPOWER program ([EmPOWER Maryland](#)).

There is an inconsistency in the benefits from EmPOWER across populations with greater cost and less benefit going to disinvested communities and people who have lower incomes and/or minority backgrounds. Low-income people are paying more for this program than they are getting back. In addition, "...[l]ow-income Marylanders pay more than double what is considered a high energy burden, spending 13% of their household budget for energy bills. The lowest-income households in Maryland spend as much as 42% of their household budget on energy costs," according to [Energy Efficient Maryland](#). This burdensome disparity for low-income households must be addressed. It undermines the health of people who live in these dwellings and it is a blot on fairness in our systems.

The disparity in access to energy causes negative health impacts on the children, adults, and elders who live in the affected households. Making matters worse, weather-proofing and insulation are frequently poor. Health and safety dangers threaten people who live where heating and cooling are too expensive to begin with and energy is lost through inefficiency.

Asthma is the number one reason that children miss school and adults miss work. Minority families, often in low-income neighborhoods with reduced quality housing, have a higher incidence of asthma and the presence of mold may be a factor. Leakage from roofs, pipes, and walls lead to excessive moisture and the growth of mold, which can trigger asthma attacks in susceptible children and adults ([Pacheco et. al. 2014, Centers for Disease Control and](#)

[Prevention, Environmental Protection Agency](#)). In addition, those who are allergic, immunosuppressed and those with chronic lung disease are all at higher risk of infection from mold. Inadequate heating and cooling systems in housing for low-income people may be a factor and thus it becomes an important equity issue. We are likely to see mold become a greater problem with this change in our climate. According to the [International Energy Agency](#), “[c]hronic thermal discomfort and fuel poverty also have negative mental health impacts (anxiety, stress, and depression).”

Our understanding of how health problems respond to poor household energy systems and are also the cause of poor indoor air quality has increased over time. For example, poor ventilation is a significant issue which can lead to mold and damp environments that tend to exacerbate lung conditions, such as asthma. Retrofitting programs targeting energy efficiency by installing insulation have been shown to improve indoor air temperatures to healthy levels ([Zota et. al. 2005](#)). Covering the cost of retrofitting and weather proofing can meet needs of the rental communities. We note that temperature also has a large impact on employee productivity and comfort in the workplace ([International Energy Agency](#)).

The revenue generated by EmPOWER must be used simultaneously to address the problems of Maryland residents and to address climate change. These goals go hand in glove. The revenue to do this is already generated by the EmPOWER program. The increased profits of our utility companies reflect this fact.

New developments at the federal level and new technologies require adjustment and modernization of Maryland’s groundbreaking state EmPOWER program. Improved and more efficient energy saving systems are already a program goal. Updated technologies like heat pumps that do not rely on gas are a step forward. They are an opportunity to expand efforts at electrification and will help Maryland link our electricity to renewable energy sources. HVAC systems, water heaters, and everyday appliances like stoves can be powered without fossil fuels and thus reduce escaping gas that creates a negative impact on our climate and unhealthy effects on the lungs of children. Incentive programs can make the opportunity more note-worthy. Incentives for gas powered appliances are now of questionable value except as part of a planned transition to lower use of fossil fuels. We hope the sector of our economy that produces natural gas and gas systems and appliances will work with us to support the achievement of net zero carbon. We must do this now. Later is too late.

The Inflation Reduction Act of 2022 created new federal subsidies that Maryland should utilize. Modernizing the Empower program will help Maryland’s eligibility for federal climate reduction grants. The direct rebates, and generous tax incentives are a tremendous opportunity to continue Maryland’s roadmap to a future that will support us and our children and our children’s children.

#### **Bill components:**

- **Reinforce EmPOWER’s benefits** by continuing to offer free or discounted energy audits, help weatherize homes, and provide rebates for efficient heating and appliances.
- **Align EmPOWER with Maryland climate goals**
  - Shift program goals from electrical savings to greenhouse gas emissions reductions goals, directing the Public Service Commission to set specific goals for each utility with a set of clear parameters.

- Require electric utilities to provide incentives for switching to clean, efficient electric appliances and home heating. Electric appliances and equipment are tremendously more efficient and less polluting than gas appliances.
- Ensure consumers who want to make the switch have access to state and federal incentives.
- Make these changes across the scope of EmPOWER, including the utility run portion of EmPOWER and the Department of Housing & Community Development (DHCD) run programs directed at low-income households.
  
- **Deliver more savings to customers**
  - Establish a clear benchmark of 85% for what percent of goals are met though in home energy efficiency measures (behind the meter).
  - Direct the Department of Housing to staff multilingual community outreach specialists to promote the programs and help low-income households access federal and state incentives.
  - Bring down costs to utility customers by lowering the rate of return to utilities on existing EmPOWER debt.

Thank you for your attention. We request a favorable report on HB 864.