



The Maryland Department of the Environment
Secretary Serena McIlwain

House Bill 864
Energy Efficiency and Conservation Plans

Position: Support with Amendments
Committee: Economic Matters
Date: February 29, 2024
From: Hadley Anthony

The Maryland Department of the Environment (MDE) **SUPPORTS HB 864 WITH AMENDMENTS.**

Bill Summary

House Bill 864 would require applicable electric or gas utilities, small rural electric cooperatives, and the Department of Housing and Community Development (DHCD) to provide programs that support energy efficiency and conservation, demand response, and beneficial electrification. The Public Service Commission (PSC) will review and approve these programs. The PSC would be required to encourage and promote the efficient use and conservation of energy in support of greenhouse gas (GHG) goals and targets. Alongside other agencies, MDE would be expected to provide feedback on the programs and provide baseline emissions data from consumption of gas and electricity across applicable utility companies and customer classes. MDE would also be responsible for conducting a GHG analysis for each of the three-year plans from utility companies and DHCD.

Position Rationale

This bill aligns with Maryland's statewide climate goals: to reach 60% GHG reductions, compared to 2006 levels, by 2031 and net-zero emissions by 2045. One of the most affordable ways to save on energy costs is to invest in energy efficiency, and EmPOWER programs have built-in requirements that consider verifiable outcomes, cost-effectiveness, job creation, and ratepayer impacts. MDE supports the new goal of achieving GHG reductions through EmPOWER energy efficiency and conservation programs in equitable ways. This bill also aligns with the recommendations made by the Climate Pollution Reduction Plan, the Maryland Climate Change Commission, and the Building Energy Transition Implementation Task Force.

Accordingly, MDE asks for a **FAVORABLE WITH AMENDMENTS** report for HB 864.

Bill Amendments

AMENDMENT NO. 1

On page 8, in line 19 after “CYCLE” insert “, **BEGINNING IN 2027 AND EVERY 3 YEARS THEREAFTER**”.

AMENDMENT NO. 2

On page 9, in line 4 strike “2020” and substitute “**2016**”.

AMENDMENT NO. 3

On page 17, in line 17 strike “AN ANALYSIS” and substitute “**A STATEMENT**”.

Amendment Rationale

MDE collaborated with other agencies in offering these amendments, including the changes relating to implementable timelines. Other agencies will also be offering amendments that align with the Department’s amendments. The amendments will make the bill easier to implement.

The first amendment clarifies the start date and duration of a program cycle, as established elsewhere in the bill.

The second amendment intends to avoid 2020 as a baseline year due to COVID impacts and maintain 2016 as the baseline year for EmPOWER programs.

The third amendment reduces the burden on MDE to provide an in-depth analysis of each utility’s plan and allows, when appropriate, MDE to provide a qualitative statement on the sufficiency of a utility’s plan to achieve the state’s greenhouse gas emissions reduction goals.