



Montgomery County

Office of Intergovernmental Relations

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HB 864

DATE: February 27, 2024

SPONSOR: Delegate Crosby

ASSIGNED TO: Economic Matters Committee

CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)

POSITION: Favorable

Energy Efficiency and Conservation Plans

The EmPOWER Maryland program has driven statewide building energy efficiency improvement for more than a decade, delivered by the State's regulated utilities and the Department of Housing and Community Development (DHCD). This program is now poised to play a more prominent role in helping to achieve the State's climate goals.

This legislation provides important policy direction to guide the Maryland Public Service Commission (PSC) in its oversight of EmPOWER Maryland. The resulting program will better align with the State's climate priorities and will benefit Montgomery County residents and property owners.

This bill will reform EmPOWER Maryland to achieve deeper reductions in greenhouse (GHG) emissions, accelerate the transition to high efficiency electric technologies, and better support participation by low-to-moderate income families. Most importantly, the bill establishes new minimum GHG reduction targets for the program and requires the inclusion of incentives for high efficiency electric appliances such as heat pumps. The bill also requires that program funding is primarily used to improve building energy performance in ways that will directly benefit ratepayers, and it directs DHCD to streamline and improve program access with multilingual services. Finally, the bill seeks to lower long-term costs to ratepayers by requiring utilities to end the practice of accruing costly program debt and to pay down existing unamortized debt.

These are important and reasonable reforms that will improve the EmPOWER Maryland program and benefit participants and ratepayers. Montgomery County suggests that the program could be further strengthened by discontinuing the provision of incentives for fossil fuel combustion equipment, while maintaining incentives for other energy efficiency improvements in buildings that continue to rely on fossil fuel combustion for heating.

Montgomery County respectfully requests that the Economic Matters Committee issue a favorable report on House Bill 864.