



**Committee:** Economic Matters  
**Testimony on:** HB0864 - Energy Efficiency and Conservation Plans  
**Organization:** Maryland Legislative Coalition Climate Justice Wing  
**Submitting:** Laurie McGilvray, Co-Chair  
**Position:** Favorable  
**Hearing Date:** February 29, 2024

Dear Mr. Chair and Committee Members:

Thank you for allowing our testimony today in support of HB0864. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, urges you to vote favorably on HB0864.

HB0864 is one of three priority bills for the Climate Justice Wing because it will strengthen in important ways the original EmPOWER Maryland Energy Efficiency Act, passed in 2008 to incentivize energy efficiency and energy conservation. While the current EmPOWER Program has improved energy efficiency, saved consumers millions of dollars, and reduced greenhouse gas (GHG) emissions, it needs to be updated. The bill will help Maryland meet its ambitious GHG reduction goals and benefit the electric grid by reducing electricity use through efficiency while the state electrifies the building and transportation sectors.

HB0864 includes a number of important components. First, it will continue to offer free or discounted energy audits, provide rebates for efficient heating and appliances, and help offset the cost of weatherization for homeowners. Second, the bill shifts the goals from energy savings to GHG reductions, which is critical for Maryland to meet its GHG emission reduction targets. Third, it requires electric utilities to provide incentives for switching to clean, efficient electric appliances and home heating. Now is the time to make this change and offer fuel-switching incentives, because Marylanders can combine them with federal Inflation Reduction Act incentives to further reduce their costs. While the bill could be strengthened by eliminating EmPOWER subsidies for all gas appliances, thereby making homes healthier, we are pleased that the bill at a minimum will provide incentives for switching from gas to electric appliances. Fourth, HB0864 delivers greater benefits to ratepayers by setting a benchmark of 85% of GHG reductions coming from efficiency measures “behind the meter” or inside the home, and lowers utilities’ rate of return on existing EmPOWER debt. Finally, the bill helps low-income households by directing the Department of Housing and Community Development to dedicate multilingual community outreach specialists to promoting the EmPOWER Program.

We also understand that the Public Service Commission (PSC), the Office of the People’s Counsel, and the Moore Administration and Agencies have worked on technical amendments to

the bill, although we have not seen specific language. We would be supportive of amendments, for example, that direct the PSC to establish GHG reduction goals for utilities with a clear set of parameters, but would not support amendments to rate-base EmPOWER Program funding.

The benefits of HB0864 are clear:

- lower energy costs for homeowners and businesses,
- leverage state and federal funds for efficient appliances,
- healthier homes with less indoor fossil fuel combustion,
- help commercial and multi-family buildings meet their building energy performance standards;
- reduce demand on the grid as the state transitions to all-electric buildings and vehicles,
- reduce GHG emissions, and
- right-size utility profits and ratepayer impacts.

For these reasons, we strongly support HB0864 and urge a **FAVORABLE** report in Committee.

350MoCo

Adat Shalom Climate Action

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry

Chesapeake Earth Holders

Chesapeake Physicians for Social Responsibility

Climate Parents of Prince George's

Climate Reality Project

ClimateXChange – Rebuild Maryland Coalition

Coming Clean Network, Union of Concerned Scientists

DoTheMostGood Montgomery County

Echotopia

Elders Climate Action

Fix Maryland Rail

Glen Echo Heights Mobilization

Greenbelt Climate Action Network

HoCoClimateAction

IndivisibleHoCoMD

Maryland Legislative Coalition

Mobilize Frederick

Montgomery County Faith Alliance for Climate Solutions

Montgomery Countryside Alliance

Mountain Maryland Movement

Nuclear Information & Resource Service

Progressive Maryland

Safe & Healthy Playing Fields

Takoma Park Mobilization Environment Committee

The Climate Mobilization MoCo Chapter

Unitarian Universalist Legislative Ministry of Maryland

WISE