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February 29, 2024

Favorable: HB 864 - Energy Efficiency and Conservation Plans

Mr. Chair and Members of the Committee:

Maryland LCV is writing in support of HB 864 - Energy Efficiency and Conservation Plans - and we thank Delegates Crosby and Qi for their leadership. We also extend our gratitude to the Public Service Commission, Office of the People's Counsel, Moore-Miller Administration, and legislative leadership in both chambers who are working to find consensus around technical amendments to the bill. We have not seen the final version yet, but based on what stakeholders worked on over the summer, we expect to support these amendments. We support, for example, directing the PSC to establish greenhouse gas reduction goals for the utilities with a clear set of parameters. We would not support amendments to shift the EmPOWER program funding being moved into the rate base.

Energy efficiency initiatives are the most cost-effective way to meet Maryland's energy needs and for more than 15 years, EmPOWER has consistently saved Marylanders money while reducing per-capita energy demand.¹ As climate change becomes an increasingly pressing issue, EmPOWER also represents an opportunity for renewed emphasis on greenhouse gas (GHG) abatement and a key program in helping Maryland meet its GHG emissions reductions targets passed in the Climate Solutions Now Act.

The three main pillars of HB 864 are:

- **Reinforce EmPOWER's core function**, continuing to offer free or discounted energy audits, home weatherization, and rebates for efficient heating and appliances.
- **Align EmPOWER with Maryland's climate goals** -
 - Shift program goals from electrical savings to greenhouse gas emissions reduction goals, directing the Public Service Commission to set specific goals for each utility with a set of clear parameters.
 - Require that electric utilities provide incentives to their customers for switching to clean, efficient electric appliances and home heating.
 - Ensure consumers who want to make the switch to electric appliances have access to state and federal incentives.

¹ <https://energy.maryland.gov/pages/facts/empower.aspx>

- Make these changes to both 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 DHCD to hire multilingual community outreach specialists to promote programs and help low-income households access federal & state incentives.
 - Bring down costs to utility customers by lowering the rate of return to utilities on existing EmPOWER debt.

Maryland LCV urges a favorable report on HB 864.