

HB0864: Energy Efficiency and Conservation Plans

Hearing Date: March 21, 2024 Bill Sponsor: Delegate Cosby

Committee: Education, Energy, and the Environment Committee

Submitting: Ruth White for Howard County Climate Action

HoCo Climate Action is a 350.org local chapter and a grassroots organization representing approximately 1,400 subscribers. It is also a member of the Climate Justice Wing of the Maryland Legislative Coalition. We strongly urge support for HB0864 for EmPOWER program reform as amended in the House of Delegates. These amendments provide technical clarity on the bill and the goal setting. 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 further amendments to shift the EmPOWER program funding into the rate base, delay the bills implementation, or weaken ratepayer protections.

The EmPOWER Program created in 2008 has been effective in promoting energy efficiency and helping Marylanders reduce their electricity bills and save energy. Many members in our local community have taken advantage of free and discounted home energy audits and have been encouraged to change to more efficient lighting and more. This program is one way Marylanders have learned about the importance of saving energy by weatherization, other building shell improvements and the use of more efficient appliances.

However in 2024 we can and must do more. The Climate Solutions Now Act of 2022 (CSNA) requires that Maryland reach netzero emissions by 2045, a mere 21 years away. We can't reach that goal if we continue burning fossil fuels in buildings since this creates substantial methane emissions. Overall, space and water heating with fossil fuels creates 17% of Maryland's greenhouse gas (GHG) emissions.

HB0864 critically shifts target goals from reducing electricity usage to GHG reduction emissions and directs the Public Service Commission to set specific goals for each utility. We support the House amendments to direct PSC to set the utilities' goals with a set of clear parameters. This is long overdue, and as stated above, aligns energy policy with climate goals set under CSNA. In addition, HB0864 provides EmPOWER incentives for Marylanders who choose to switch from fossil fuel appliances to the more efficient electrical appliances and home heating. We support House amendments to make these incentives a requirement for electric utilities.

This incentive, combined with federal Inflation Reduction Act incentives, will help Marylanders reduce climate causing emissions and save on their ongoing utility bills.

We would like to see the bill further strengthened by eliminating most or all EmPOWER subsidies for gas appliances since these subsidies are counter to the state's electrification goals. New fossil fuel appliances will last 15 years or more, and make it even more difficult and expensive to reach our 2031 and 2045 climate targets. We need to stop spending ratepayer dollars through our utility bills for subsidizing polluting gas appliances and home heating. Also, we note large buildings subject to Buildings Energy Performance Standards (BEPS) under CSNA (those covered buildings over 35,000 square feet), will be aided to meet BEPS requirements by taking advantage of EmPOWER and other electrification incentives.

We support HB0864 for these and many other benefits elaborated in other's testimonies:

- lower energy costs for homeowners and businesses,
- leveraging of state and federal funds for efficient appliances,
- healthier homes with less indoor fossil fuel combustion,
- reduced demand on the grid as the state transitions to all-electric buildings and vehicles,
- reduced GHG emissions, and
- right-sizing utility profits and ratepayer impacts.

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.

For all these reasons, we strongly urge a FAVORABLE report for this bill.

Howard County Climate Action
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