

Committees: Education, Energy, and the Environment Committee
Testimony on: HB864: Energy Efficiency and Conservation Plans
Organization: Climate Law & Policy Project
Submitted by: Donald M. Goldberg, Executive Director
Position: Favorable
Hearing Date: March 21, 2024

Climate Law & Policy Project strongly supports HB864: Energy Efficiency and Conservation Plans and urges this Committee to issue a favorable report.

The bill would build on the current EmPOWER Maryland program, the State's successful energy efficiency program, by aligning the program with the State's climate goals and maximizing the use of federal energy efficiency funds available from the Inflation Reduction Act, while continuing to help homeowners and businesses save money through energy efficiency rebates.

The General Assembly has established clear guidance through Climate Solutions Now for actions the State must take to address climate change, and the Department of the Environment has issued Maryland's Climate Pollution Reduction Plan to put this guidance into action. Following a recommendation from the PSC's Future Programming Work Group, the plan recommends that a *greenhouse gas (GHG) reduction goal be established as the central goal* under EmPOWER. It calls for legislation to establish GHG reduction goals and require EmPOWER programs to include beneficial electrification — the use of electricity to replace the direct use of fossil fuels in buildings in a manner that reduces overall lifetime GHG emissions or customers' energy costs.

EmPOWER is not currently in line with the State's plan. Because its goals are currently measured in electrical savings, EmPOWER does not adequately prioritize some of the most efficient electric equipment, like electric heat pumps, which are [two to three times](#) more efficient than gas furnaces even in winter.

HB864 includes guardrails to ensure that the utilities deliver savings directly to ratepayers and are held accountable to their goals.

A revamped EmPOWER that prioritizes GHG reductions and beneficial electrification is critical to the State meeting its ambitious climate goals of 60% GHG emission reduction from 2006 levels and net-zero by 2045.

Climate Law & Policy Project urges the Committee to adopt HB864.