



March 21, 2024

Education, Energy, and the Environment Committee  
2 West  
Miller Senate Office Building  
Annapolis, MD 21401

RE: Testimony on HB 864 Energy Efficiency and Conservation Plans

Dear Chair Feldman, Vice Chair Kagan, Members of the Committee,

The American Council for an Energy-Efficient Economy (ACEEE) tremendously appreciates your leadership advancing affordability and growth in Maryland through energy efficiency and clean energy. We respectfully **urge you to lower costs for households and businesses and fully align the EmPOWER MD energy efficiency programs with the state's goals** by passing HB 864 regarding Energy Efficiency and Conservation Plans out of your committee.

As the Nation's preeminent national energy efficiency research, technical assistance, and advocacy organization, ACEEE has deep experience and expertise when it comes to the benefits and best practices of energy efficiency programs, particularly when considering the investments needed to meet Maryland's climate pollution reduction and equity goals.<sup>1</sup> The EmPOWER MD energy efficiency programs have been the cornerstone of the state's success to date, contributing to a top ten ranking for Maryland in the most recent ACEEE State Energy Efficiency Scorecard.<sup>2</sup> Those efforts to date **will deliver an estimate \$13.6 billion in savings for Maryland households and businesses**, with savings more than doubling investment costs in 2021.<sup>3</sup>

Unfortunately the EmPOWER MD programs administered by the state's utilities are starting to fall behind their peers. **BGE's ranking in the ACEEE Utility Energy Efficiency Scorecard declined from 5<sup>th</sup> in 2020 to 12<sup>th</sup> in 2023**, largely because of reductions in the percentage of revenue invested in energy efficiency and the lifetime savings from efficiency measures.<sup>4</sup> Directing a shift from short-term savings to behind-the-meter measures that deliver long-term savings and climate pollution reductions, as HB 864 does, may help reverse that disappointing trajectory. Leading states have embraced that opportunity by ending incentives for gas appliances and prioritizing measures for electrification and building envelopes.<sup>5</sup>

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<sup>1</sup> [Climate-Forward Efficiency Initiative | ACEEE](#)

<sup>2</sup> [The State Energy Efficiency Scorecard | ACEEE](#)

<sup>3</sup> [Allegheny Power \(state.md.us\)](#)

<sup>4</sup> [The Utility Energy Efficiency Scorecard | ACEEE](#)

<sup>5</sup> [Leading States Embracing Climate-Forward Efficiency | ACEEE](#)

Those savings are particularly important for low-income households in Maryland, who already face some of the highest energy burdens – the percentage of their income going to energy costs - in the United States. The American Housing Survey estimated that fully a quarter of low-income homeowners in Baltimore may have faced an absolutely shocking energy burden of nearly 50% in recent years.<sup>6</sup> The Maryland Office of People’s Counsel has found that the price of fuel for households that remain on the gas distribution system will skyrocket in coming years.<sup>7</sup> **Directing the Maryland Public Service Commission (MD PSC) to fully align the EmPOWER MD energy efficiency programs with the state’s climate pollution reduction goals and implement beneficial electrification programs will help those most vulnerable, underserved, and overburdened households** with the necessary transition off fossil fuels. This is particularly important to do before utilities submit filings to the MD PSC to address potentially ending gas appliance incentives and proposing electrification programs on August 1<sup>st</sup>, 2024.<sup>8</sup>

**HB 864 regarding Energy Efficiency and Conservation plans will help households and businesses save even more money than they have to date with the EmPOWER MD programs, and reduce pollution that damages public health and disrupts the climate.** Please pass it expeditiously out of your Committee, through the Senate, and to the Governor to be signed into law.

Sincerely,

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American Council for an Energy-Efficient Economy  
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<sup>6</sup> [American Housing Survey \(AHS\) \(census.gov\)](https://www.census.gov/hhes/ahs/)

<sup>7</sup> [Gas Rates & Climate Report \(maryland.gov\)](https://www.maryland.gov/gas-rates-climate-report/)

<sup>8</sup> [2024-2026-Transition-Order.pdf \(state.md.us\)](https://www.state.md.us/2024-2026-Transition-Order.pdf)