



Montgomery County

Office of Intergovernmental Relations

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HB 864

DATE: March 21, 2024

SPONSOR: Delegates Crosby and Qi

ASSIGNED TO: Education, Energy, and the Environment Committee

CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)

POSITION: Favorable

Energy Efficiency and Conservation Plans

The EmPOWER Maryland program has driven statewide building energy efficiency improvement for more than a decade through programs delivered by the State's regulated utilities and the Department of Housing and Community Development (DHCD). This legislation provides important policy direction to guide the Public Service Commission (PSC) in evolving the program to better align with the State's climate priorities and ensure ongoing benefits to residents and property owners.

This bill will reform EmPOWER Maryland in several ways. First, the bill establishes new minimum greenhouse gas (GHG) reduction targets to replace those previously defined only in terms of electricity savings. It requires electric utilities to provide support for beneficial electrification such as through incentives for replacing combustion equipment with high efficiency heat pumps. It requires utilities to promote the availability of State and federal incentives alongside their own program offerings, which will help property owners and residents to make more informed decisions and should lead to more energy- and cost-saving projects.

The bill also requires that program funding primarily be used to improve building energy performance in ways that will directly benefit ratepayers, and directs DHCD to streamline and improve program access for low-income households. Finally, the bill seeks to lower long-term costs to ratepayers by requiring utilities to end the practice of accruing costly program debt and to pay down existing debt.

These are important and reasonable reforms that will improve the EmPOWER Maryland program and benefit participants and ratepayers. Montgomery County suggests that the program could be further strengthened by discontinuing incentives for fossil fuel combustion equipment, while maintaining incentives for other energy efficiency improvements in buildings that continue to rely on fossil fuel combustion for heat.

Montgomery County respectfully requests that the Education, Energy, and the Environment Committee issue a favorable report on House Bill 864.