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March 21, 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 Plan. We extend our gratitude to the Public Service Commission, Office of the People's Counsel, Moore-Miller Administration, and legislative leadership in both chambers who worked to find consensus around technical amendments to the bill.

Energy efficiency initiatives are the most cost-effective way to meet Maryland's energy needs and 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.
 - 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 for what percent of goals are met through 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.

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