



The Maryland Department of the Environment
Secretary Serena McIlwain

House Bill 864
Energy Efficiency and Conservation Plans

Position: Support
Committee: Education, Energy, and the Environment
Date: March 21, 2024
From: Hadley Anthony

The Maryland Department of the Environment (MDE) **SUPPORTS** HB 864 as amended.

Bill Summary

House Bill 864 would require participating electric or gas utilities, small rural electric cooperatives, and the Department of Housing and Community Development (DHCD) to provide programs that support energy efficiency and conservation, demand response, and beneficial electrification. The Public Service Commission (PSC) would review and approve these programs. The PSC would be required to encourage and promote the efficient use and conservation of energy in support of greenhouse gas (GHG) emissions reduction goals and targets. MDE and other agencies would be required to provide feedback on the programs, and MDE would provide baseline emissions data from the consumption of gas and electricity across applicable utility companies and customer classes. MDE would also be responsible for conducting a GHG analysis for each of the three-year plans from utility companies and DHCD.

Position Rationale

This bill aligns with Maryland's statewide climate goals: to reach 60% GHG reductions, compared to 2006 levels, by 2031 and net-zero emissions by 2045. One of the most affordable ways to save on energy costs is to invest in energy efficiency. EmPOWER energy efficiency and conservation programs have built-in requirements that consider verifiable outcomes, cost-effectiveness, job creation, and ratepayer impacts. HB 864 designates GHG reductions as a central EmPOWER goal. MDE supports the new goal of achieving GHG reductions through EmPOWER energy efficiency and conservation programs in equitable ways. This bill also aligns with the policy recommendations made by the Climate Pollution Reduction Plan, the Maryland Climate Change Commission, and the Building Energy Transition Implementation Task Force.

Accordingly, MDE asks for a **FAVORABLE** report for HB 864 as amended.