

Support

House Ways & Means Committee

1/29/2026

House Bill 87 – Income Tax – Energy Efficient Home Improvement Credit

Baltimore Gas and Electric Company (BGE) supports **House Bill 87 (HB 87) – Income Tax – Energy Efficient Home Improvement Credit** that establishes a Maryland energy efficient home improvement income tax credit. BGE serves 1.3 million customers with safe and reliable energy across Maryland and we recognize that energy efficiency remains one of the most effective tools for reducing household energy burdens, improving comfort, and supporting statewide climate and affordability goals. HB 87 delivers a practical, customer-focused incentive that will directly benefit Marylanders.

The timing of this legislation is particularly important. With the federal §25C Energy Efficient Home Improvement Credit terminating for properties placed in service after December 31, 2025, Maryland residents will soon lose access to meaningful assistance that helps reduce upfront costs for energy-saving home improvements. HB 87 fills this gap by providing a predictable, well-structured incentive that aligns with the federal program’s familiar definitions and safeguards. This continuity is vital for customers already navigating rising costs.

HB 87 provides targeted, capped incentives that encourage high impact upgrades without placing undue burden on the State. These annual limits mirror the federal credit structure and include:

- \$150 for a home energy audit
- \$600 total for exterior windows and skylights
- \$500 total for exterior doors (up to \$250 per door)
- \$2,000 for heat pumps, heat pump water heaters, biomass stoves, or biomass boilers
- \$600 for other eligible residential energy property expenditures

These incentives meaningfully lower barriers for customers, especially low- and moderate-income households, who often face the highest energy burdens but lack the resources to invest in efficiency upgrades. Encouraging adoption of modern heat pumps, weatherization, and efficient equipment directly reduces monthly energy bills, improves year-round comfort, and lessens the need for costly energy assistance over time.

As drafted, HB 87 supports Maryland’s diverse housing types. By permitting credits for improvements applied to multiple dwelling units and establishing rules for allocating costs among joint occupants, cooperative housing corporations, and condominium associations, HB 87 ensures

BGE, headquartered in Baltimore, is Maryland’s largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company’s approximately 3,300 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation’s largest energy delivery company.

equitable access across both single-family and multifamily settings. Additionally, tying the credit to the completion of installation aligns with best practices and reinforces accountability.

From a utility perspective, energy efficiency investments supported by HB 87 help reduce peak demand, defer infrastructure investments, and support grid reliability. These benefits are shared across all ratepayers. This legislation complements existing energy efficiency programs and provides increased incentive for customers to take steps that reduce long-term energy consumption.

For these reasons, BGE believes HB 87 represents a smart, customer centered approach to supporting Maryland households during a critical policy transition. We respectfully urge a **favorable report** on HB 87.

Thank you for your consideration and for your continued commitment to Marylanders' energy affordability and resilience.