How 1 Percent Energy Savings Will Help Lower Energy Costs for Low-Income Marylanders

**Background:** Maryland lawmakers have introduced legislation to ease the energy burden on low-income residents through energy efficiency. Delegate Lorig Charkoudian and Senator Brian Feldman introduced legislation (House Bill 0379/Senate Bill 0462) in 2021 Maryland legislative session to require the State to provide funding to place Maryland on a path to achieve 1% energy consumption savings by 2026 for low-income households.

- **Low-Income Marylanders Face High Energy Burdens:** Low-income Marylanders face an unsustainable combination of high energy costs and poorly insulated homes and apartments, including broken HVAC systems, drafty windows, and unreliable electrical systems, all of which contribute to high energy bills and unhealthy living conditions.

- **Maryland’s low-income residents pay 550% more** as a portion of income for energy than non-low-income Marylanders. Most of these households (55%) are Black, Hispanic, or Asian households, meaning the racial disparities evident in the availability of quality, affordable housing also affects the distribution of high energy burdens. The money spent on higher-than-average utility bills is money that cannot be used for other daily necessities, from school supplies to medical bills. (APPRISE Report, October 2018)

- **Maryland lags other states** in helping low-income residents achieve energy savings and lower their energy costs. Nationally, low-income households dedicate 8% of their annual incomes to energy costs, while Maryland’s low-income households pay 13%. (APPRISE Report)

- At Maryland’s current funding levels, **it will take 130 years** for state programs to provide energy efficient upgrades in all 450,000 limited-income households. Residents in low-income homes already endure dangerous heat in poorly insulated homes, including one Baltimore City child’s bedroom where the heat index reached **113 degrees** in July 2019. (Capital News Service, Code Red: Heat & Inequality, September 2019)

- Marylanders with the highest energy burden in the state get the least amount of benefit from utility-customer-funded energy efficiency programs.
House Bill 0379/ Senate Bill 0462 Can Reduce Utility Bills for Low Income Marylanders:

- House Bill 0379/ Senate Bill 0462 would establish 1) energy consumption savings targets equal to 0.4% of annual low-income electricity demand in Maryland with the intent of achieving 1% by 2026 and 2) a Green & Healthy Task Force, comprised of state agencies and key stakeholders, that will develop a plan to improve all Maryland low-income housing conditions and energy efficiency. The Plan will include recommendations on how to leverage federal, state, local, and private resources to maximize energy efficiency, healthy housing, and housing affordability for all low-income Marylanders.

- The savings would be achieved by 1) increasing funding for the Maryland Department of Housing & Community Development’s (DHCD) Multifamily Energy Efficiency & Housing Affordability (MEEHA) program and the Low-Income Energy Efficiency Program (LIEEP) programs and 2) by encouraging DHCD to leverage other available sources of funding, including the federal Weatherization Assistance Program, for energy efficiency and housing upgrades.

- The programs enable state-funded home energy performance audits in qualified low-income homes and then fund needed energy efficiency improvements such as new insulation, better windows, EnergyStar® appliances, LED lightbulbs and more.

- 1% energy savings would also achieve greater energy equity for all low-income Marylanders, especially minority households that currently pay disproportionately higher costs. Both rural and urban Marylanders would benefit. One in every five low-income Marylanders lives outside of urban areas. (APPRISE Report)

- 1% savings will yield big results, including:
  - $509.9 million in benefits to Maryland with a cost-benefit ratio of 1.35-2.7
  - Achieving 32,000 energy efficient retrofits in low-income homes annually
  - Reaching all 450,000 income-eligible households in 13 years - 90% faster than Maryland’s current pace
  - Preserving and improving affordable housing
  - Combating climate change by avoiding fossil fuel emissions
  - Creating jobs for home energy performance small businesses.

About Energy Efficient Maryland

Energy Efficient Maryland is dedicated to lowering energy costs for Maryland households, preserving affordable housing, protecting Maryland’s environment, and building a stronger state economy through energy efficiency. Our Partners are business, consumer, health, environmental, energy efficiency, and affordable housing advocates who see how strong energy efficiency policies benefit the lives of everyday Marylanders. Energy Efficient Maryland is the Maryland affiliate of Energy Efficiency for All and the Network for Energy, Water and Health in Affordable Buildings, a national organization and member network dedicated to linking the energy and housing sectors to tap the benefits of energy efficiency for millions of low-income households.