

August 29, 2016

Honorable Governor Larry Hogan
Office of the Governor
100 State Circle
Annapolis, MD 21401-1925

Dear Governor Hogan:

On behalf of our organizations and our millions of members, we write you to underscore the importance and our continued support of EmPOWER Maryland, and its utility-sponsored energy efficiency programs. EmPOWER Maryland is popular and successful, and we encourage you to support continuation and expansion of the program.

Reducing energy consumption through energy efficiency is the easiest and most cost-effective means of saving money on utility bills. In Maryland, the primary policy driver for energy efficiency upgrades is the set of programs under EmPOWER Maryland. Since its enactment in 2008, EmPOWER has saved a total of 5,394,086 Megawatt-hours (MWh) of electricity and more than \$4 billion on consumer energy bills.¹ More than 2 million Marylanders have participated in one of EmPOWER's programs.

By lowering peak demand and reducing energy consumption, these savings reduce transmission costs and cut utility bills for Maryland businesses and residents while simultaneously creating jobs and improving the environment. The program is popular as confirmed by a recent statewide survey which found that more than 8 out of 10 Marylanders back EmPOWER's "rebates to help people purchase energy-efficient lighting and appliances."²

Wayne Harbaugh, director of regulatory strategy for BGE, Maryland's largest utility, noted the importance of EmPOWER in recent testimony before the Public Service Commission:

"[In 2006] we were growing 2, 3 percent per year in [electricity] load ... We could have done nothing, and that wouldn't have raised the utility rates, and we would have been in brownouts and blackouts... We could have built new generation, and generation is very expensive... So had we gone the generation route and not gone the energy efficiency route, we could have had two \$2 billion coal plants sitting in the state of Maryland."³

Instead we have saved energy by boosting efficiency, which yields sufficient demand-side management to avoid outages and the need to build new generating facilities while also lowering

¹ <http://www.psc.state.md.us/wp-content/uploads/2015-EmPOWER-Maryland-Energy-Efficiency-Act-Standard-Report.pdf>

² http://www.climatemaryland.org/wp-content/uploads/2015/10/ENERGY_REPORT_FULL_102515.pdf

³ Public Service Commission Semi-Annual Report – 2nd Half of 2015 Volume II. Testimony on May 5, 2016.

costs. Under the state's efficiency programs, the average cost to save a kilowatt-hour (kWh) of electricity is 2.6 cents, yet the average cost to buy a kWh of generation is 6.2-9.3 cents.⁴ Average utility bills in Maryland have decreased since the launch of EmPOWER. The state's energy efficiency programs thus result in money back in the coffers of Maryland businesses that are able to save significantly on their electric bills.

EmPOWER targets substantial benefits to low-income Marylanders who welcome such relief. While the average burden of energy costs is 3.5% of household income it's more than twice as high in low-income homes. For these families, EmPOWER provides much-needed utility bill savings that can be spent instead on food, school supplies, and clothes. Furthermore, energy efficiency improvements in low-income residences have been shown to reduce stress, improve household health and safety, and increase property value.⁵

Maryland's energy efficiency programs have earned the state national recognition. In the American Council for an Energy-Efficient Economy's (ACEEE) *State Energy Efficiency Scorecard*, Maryland ascended to the 7th spot in the nation in 2015 and was named as one of the "most improved" states.⁶ The state should continue its progress and work towards the annual electric energy efficiency goal of two percent savings rate in retail electricity sales.

We thank you for your leadership of this great state, and we encourage you to stand with the majority of Marylanders and support the continuation and expansion of crucial energy efficiency programs through EmPOWER Maryland.

Sincerely,

1000 Friends of Maryland
AHC Greater Baltimore, Inc.
Alliance to Save Energy
A.J. Michaels Company
Arundel Community Development Services, Inc.
Building Performance Institute (MD division)
Chesapeake Climate Action Network
Chesapeake Physicians for Social Responsibility
CohnReznick LLP
The Community Builders
Complete Home Solutions
Conifer Realty, LLC
Earthjustice
Efficiency First Maryland
Enterprise Community Partners
Green and Healthy Homes Initiative

⁴ <http://www.psc.state.md.us/wp-content/uploads/2015-EmPOWER-Maryland-Energy-Efficiency-Act-Standard-Report.pdf>

⁵ http://energyefficiencyforall.org/sites/default/files/Lifting%20the%20High%20Energy%20Burden_0.pdf

⁶ <http://aceee.org/sites/default/files/pdf/state-sheet/2015/maryland.pdf>

greeNEWit
Groundswell
Homes for America
Housing Association of Nonprofit Developers (HAND)
Howard County Climate Change
Humphrey Management
Interfaith Power & Light (DC.MD.NoVA)
Labor Network for Sustainability
League of Women Voters of Maryland
Maryland Affordable Housing Coalition
Maryland Alliance of Energy Contractors
Maryland Climate Coalition
Maryland Conservation Council
Maryland Environmental Health Network
Maryland League of Conservation Voters
Maryland Public Interest Research Group
Maryland United for Peace and Justice
Montgomery Housing Partnership
National Church Residences
National Consumer Law Center, on behalf of its low-income clients
National Housing Trust
National Wildlife Federation, Mid-Atlantic Regional Center
Natural Resources Defense Council
New Ecology, Inc.
NHP Foundation
Pando Alliance
Pennrose Properties, LLC
Preservation of Affordable Housing
The Shelter Group
Sierra Club
Unitarian Universalist Legislative Ministry of Maryland
Victory Housing

Cc: PSC Chairman Kevin Hughes, MEA Director Dr. Mary Beth Tung, Secretary of the Environment Ben Grumbles, Secretary of Housing and Community Development Kenneth Holt, People's Counsel Paula Carmody