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TESTIMONY

**WASHINGTON GAS LIGHT COMPANY
EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE**

MARCH 14, 2023

SENATE BILL 905

**Electric Companies, Gas Companies, and the Department of Housing and
Community Development - Energy Efficiency and Conservation Plans**

Washington Gas respectfully submits this statement in **SUPPORT** of *Senate Bill 905 Electric Companies, Gas Companies, and the Department of Housing and Community Development - Energy Efficiency and Conservation Plans* (SB 905).

Washington Gas strives to be one of the safest and most innovative energy companies in the region, and the United States. We keep our finger on the pulse of new operating practices and developments relating to emissions detection and reduction and the introduction of lower carbon fuels. We work daily on fulfilling our longstanding commitment to ensure we deliver energy safely, reliably and affordably. At Washington Gas, we embrace our role in helping the communities we serve and are supportive of fully informed efforts to reduce greenhouse gas emissions.

Climate change is a defining challenge across Maryland, and natural gas, natural gas utilities, and the delivery infrastructure are essential to meeting the state's greenhouse gas emissions reduction goals. Maryland can continue to achieve significant emissions reductions by accelerating the use of tools available today, including high-efficiency natural gas applications, renewable gases, combined heat-and-power, and enhanced energy efficiency initiatives. Senate Bill 689 would limit Maryland residents and businesses from saving money and impede the state's ability to optimize all available resources towards reducing emissions.

EmPOWER Maryland

The Maryland General Assembly passed the EmPOWER Maryland Energy Efficiency Act of 2008, which created a statewide program that helps homeowners, renters, and businesses save energy and money. According to Energy Efficient Maryland, “combined with other energy initiatives, EmPOWER Maryland has helped 21,000 low-income households save \$340 annually on their electric bills” and “the energy savings from EmPOWER have cut nearly 19 million metric tons of carbon dioxide emissions, over 34 million pounds of nitrogen oxides, and nearly 78 million pounds of sulfur dioxide”. These statistics exemplify the success and necessity of the EmPOWER programs.

Washington Gas EmPOWER Programs

The original intent of EmPOWER Maryland was to focus on reducing electricity consumption across the State. However, certain regulations authorized Washington Gas to deliver complementary energy efficiency programs through the EmPOWER Maryland regulatory framework. As of early 2015, Washington Gas has been an active participant of EmPOWER by delivering cost-effective energy efficiency programs designed to **reduce energy consumption by promoting and incentivizing the efficient use of natural gas**, which is realized through (1) installing high-efficiency equipment and appliances such as furnaces or commercial kitchen equipment, (2) optimizing home and commercial building operations to use less energy, and (3) educating customers and changing consumption behaviors towards energy conservation.

Since breaking into EmPOWER in early 2015, Washington Gas has been delivering programs to Maryland residents, businesses, and underserved communities which have resulted in:

- Serving over 400,000 Maryland customers through the various program offerings.
- Issuing a total of \$25 million in incentives (rebates) to participating customers, making the investment of energy improvement projects more affordable.
- Investing over \$10.5 million towards 2,300 projects that serve low-income customers and communities, making homes and buildings more efficient and safer.
- Reducing over 96.7 million therms in natural gas consumption over the useful lifetime of installed measure or equipment (lifecycle energy savings), which has resulted in helping Maryland residents and businesses save over \$121 million in energy costs.

The Future of EmPOWER Maryland

In late 2020, the Maryland Public Service Commission (“Commission”), convened the EmPOWER Maryland Future Programming Workgroup (FPWG), which was tasked, among

other things, to inform the Commission on modifying the EmPOWER reporting and goal structure to better align with the State's climate policies and greenhouse gas (GHG) reduction targets. Washington Gas, along with the other EmPOWER utilities and a litany of Maryland stakeholders, were heavily involved with meetings and discussions over the course of 12 months in an effort to build consensus on the multiple components that will comprise the EmPOWER Maryland framework starting in 2024. The FPWG also oversaw the development of a comprehensive study that focuses on the GHG abatement potential that could be realized by EmPOWER Maryland utility programs over the next 6 years. Ultimately, the FPWG issued a final report in early 2022 to the Commission that provided consensus items, non-consensus items, and recommendations to transition the EmPOWER goal structure to focus on reducing GHG emissions and enable Maryland utilities to leverage innovative solutions to drive further emission reductions beyond the conventional means typically implemented through EmPOWER.

The Importance of SB 905

Washington Gas believes that SB 905 represents a holistic and pragmatic approach to reshaping EmPOWER Maryland to align with the State's GHG reduction goals. Reducing emissions through holistic and pragmatic means is increasingly important in today's climate policy landscape, as the trajectory and performance of EmPOWER may impact (1) the State's economic vitality, (2) the effectiveness and resiliency of the State's energy infrastructure, and (3) the ability for Maryland consumers to choose how they use energy and reduce their own impact on the climate. As such, Washington Gas is in support of SB 905 as the provisions contained therein:

- Preserve the successes and best practices of EmPOWER Maryland in order deliver cost-effective energy efficiency programs as a method to (1) meet the energy demands of the state and (2) contribute to Maryland's climate commitments for reducing statewide GHG emissions.
- Encapsulate a faithful representation of the many hours of thorough analysis, thoughtful deliberation, and sincere consensus-building efforts among the many EmPOWER Maryland stakeholders through the Future Programming Workgroup.
- Acknowledges the GHG reducing capability electric utilities, gas utilities, and the Dept. of Housing and Community Development (DHCD) and consequently places accountability on each entity to develop and deliver energy efficiency programs that are cost-effective and verifiably reduce GHG emissions.

For the above reasons Washington Gas respectfully requests a favorable vote on Senate Bill 905. Thank you for your consideration of this information.

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