



# Energy Savings Act (Update to EmPOWER Maryland)

HB 904 (Del. Lily Qi) and SB 689 (Sen. Karen Lewis Young)



Heat pump photo courtesy of US Dept of Energy

Transitioning Maryland households from gas to electric space heating and appliances is essential for achieving our state's legislatively-enacted climate goals. EmPOWER Maryland, our longstanding energy efficiency program, needs to be updated to become an important tool for accomplishing this transition, with EmPOWER rebates supporting households switching to electric in order to reduce greenhouse gas (GHG) emissions.

## Did You Know?

- Maryland must substantially reduce GHG emissions from buildings to achieve its goal of reducing emissions by 60% by 2031 (from 2006 levels) and reaching net-zero emissions by 2045. Burning fossil fuels in buildings generates up to 20% of Maryland's greenhouse gas pollution. The resulting indoor air pollution also is harmful and is a major contributing cause of asthma and other illnesses.
- The pathway for reducing building emissions is to increase Maryland's capacity for generating clean electricity from wind and solar power, and design state programs that support electrifying our buildings.
- EmPOWER Maryland has helped thousands of households be more energy efficient, saving \$9.2 billion over 15 years. But it also subsidizes gas-burning furnaces and provides no rebates to support households switching to electric heat pumps and induction stoves. Fueling electricity-efficient buildings by gas will leave Maryland far short of meeting our climate goals.
- Electric heat pumps not only avoid the GHG emissions from gas furnaces, they are three times as efficient as gas heat. As we continue to expand clean energy, electric heating and cooking become even more climate friendly.

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**Reform EmPOWER Maryland to Equitably Support Our Climate Goals**

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## Now Is The Right Time To Update EmPOWER!

- Acting now will help Maryland meet its legislatively-enacted climate goals and reduce health impacts from indoor air pollution.
- Replacing fossil fuel burning equipment takes time. Most appliances and furnaces are replaced when they are old. We need to start now.
- Combining support from EmPOWER for investment in new equipment with federal rebates from the Inflation Reduction Act will make the transition happen.

### What This Bill Will Do:

- Sets a goal to reduce GHG emissions from fuels burned in buildings by a specific amount by 2031.
- Promotes switching to high-efficiency electric heating, cooking, and clothes dryers through rebate programs starting in 2024.
- Eliminates subsidies for fossil fuel burning furnaces starting in 2024.
- Helps homes get ready for electrification through home energy audits; provides incentives to make buildings electric-ready.
- Requires that at least 85% of EmPOWER savings directly benefit ratepayers.
- Coordinates benefits from EmPOWER and the federal Inflation Reduction Act and the Infrastructure Investment and Jobs Act for low-income households.
- Trains new contractors.
- Works in concert with a separate bill from Del. Charkoudian to assure that low-income households get a fair shake. Low-income households currently pay almost twice as much into the EmPOWER program as they receive in rebates and other benefits.

**Maryland Sierra Club**  
P.O. Box 278  
Riverdale, MD 20738  
(301) 277-7111

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Email: [legislation@mdsierra.org](mailto:legislation@mdsierra.org)

