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Testimony before the Senate Budget & Taxation Subcommittee on Public Safety,
Transportation, and Environment

Funding for Maryland Energy Administration Energy Efficiency Programs

Dear Delegates,

I am submitting this testimony as president of our company, TerraLogos Energy Group, and also as Co-Chairman of the Mid-Atlantic Chapter of Efficiency First, the national trade organization for Home Performance Contractors.

Our company and other Home Performance Contractors are in the energy efficiency business. We perform energy audits and energy improvement contracting to reduce the energy use at our customers' properties. Our solutions simultaneously improve comfort and indoor air quality while reducing our customers' energy bills and impacts on global warming.

In last year's Budget Reconciliation and Financing Act (SB 166/HB 101), funding raised in Regional Greenhouse Gas Initiative (RGGI) auctions was diverted away from energy efficiency programs into the Electric Universal Service Program (EUSP) for two years.

TerraLogos Energy Group and Efficiency First strongly urge you to you to reject any proposal to extend that diversion beyond the two years. If you do so, after the diversion expires the RGGI funding formula will return to the original numbers, specifically:

- 17% for EUSP and other electricity assistance programs
- at least 46% for energy efficiency and conservation programs, of which at least half is targeted to the low- and moderate-income residential sector

There has been lots of talk nationally about a cap and trade program for carbon. Showing tremendous leadership, the Maryland legislature and 9 other states in the Northeast already have such a program. Together they passed the landmark Regional Greenhouse Gas Initiative (RGGI) in 2008.

According to this law, the major portion of the money collected from selling the carbon credits was earmarked to fund energy efficiency measures - measures that would benefit the growing local Home Performance industry. Local Maryland companies are ready and able to deliver these energy efficiency contracting services, creating new long-term local jobs that can't be outsourced.

However, last year the budget office and the legislature diverted almost all the money from energy efficiency programs to pay the utility bills of citizens needing assistance. This year there is a proposal to make this diversion permanent.

I think the old analogy rings true. Providing rate payer assistance is feeding a person fish for a day. Making their homes more efficient is teaching them to fish so they can provide for themselves for a life time.

We are not suggesting abandoning those who need assistance with energy costs. A portion of the RGGI funds has always been earmarked for assistance. However, we are strongly urging that the majority of the funds go towards energy efficiency programs as originally intended and dictated by law.

This will

- Reduce homeowners utility bills and energy use while improving their comfort;
- Help us achieve our EmPower Maryland energy reduction goals and limit our exposure to energy shortages;
- Improve our environment and reduce our contribution to global warming;
- Create sustainable, well-paying local jobs;
- Reduce our reliance on foreign oil from countries that do not support us.

Please reject any proposal to make the diversion of RGGI funds permanent.

Sincerely,

A handwritten signature in black ink that reads "Peter Van Buren". The signature is written in a cursive, flowing style.

Peter Van Buren
President, TerraLogos Energy Group
Co-Chairman, Mid-Atlantic Chapter of Efficiency First