



## Maryland Legislation Taps Energy Efficiency as the "First Fuel"

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Governor O'Malley's Energy Efficiency Bills Are Passed by Legislature

Washington, D.C. (April 9, 2008): Maryland's legislators gave final approval this week to two landmark energy bills that together aim to reduce the state's energy consumption by 15% by 2015. The legislation, proposed by Governor Martin O'Malley, sets the stage for Maryland to become a leader in capturing the benefits of energy efficiency.

"These two bills provide a foundation for a clean and sustainable energy future for the state of Maryland," said Steven Nadel, Executive Director of the American Council for an Energy-Efficient Economy (ACEEE). "Maryland's policies now recognize energy efficiency as the 'first fuel' for meeting its future energy needs.

A study released in February by ACEEE evaluated a suite of energy efficiency policies for Maryland and found that more than enough energy efficiency resources exist in the state to meet Governor O'Malley's ambitious 15 by '15 goal, and confirmed that reducing electricity consumption is the quickest, cheapest, and cleanest way for policymakers to bring consumer bills down and keep the lights on in the state.

Two of the bills are key to meeting the Governor's goals. The first codifies the goal of reducing per capita electricity consumption 15 percent by 2015. This target, known as an energy efficiency resource standard, will require the state's electric utilities to achieve 10% savings by 2015 and the Maryland Energy Administration (MEA) to oversee programs to meet the remaining 5%. The second bill establishes a Strategic Energy Investment Fund supported by the proceeds of upcoming auctions of the state's carbon dioxide emission allowances and administered by MEA. About half of this new fund, which is expected to reach \$100 million or more per year, is to be expended on programs to reduce energy consumption, including low- and moderate-income electric customers.

In addition, the General Assembly passed a bill that requires energy-efficient and environmentally friendly design and materials for new state buildings and public schools, and a separate bill that boosts the state's renewable portfolio standard (a target for the portion of the state's energy derived from wind, solar, and other renewable sources) to

20 percent by 2022.

Among all the possible energy resources available to the state, energy efficiency is the least-cost and the quickest to deploy," said Maggie Eldridge, ACEEE's State Team Leader. "By committing to investing in energy efficiency, Maryland can meet its future electricity needs while containing energy costs for the state's consumers. This legislation is an extremely smart investment for all Marylanders.

ACEEE's analysis shows that the benefits of energy efficiency include lower consumer electric bills, improved system reliability, significant job and economic development in the state, and reduced pollution. Our analysis of policy options available to Maryland identified potential net consumer electric bill savings of about \$900 million and over 8,000 new in-state jobs in 2015," said Eldridge. "The provisions included in this year's energy legislation and last year's appliance efficiency standards address about 90% of the efficiency savings that we identified.

Helping consumers save energy means helping families reduce their electric bills, said Ed Osann, Senior Associate with ACEEE. We commend the General Assembly for answering the Governor's call to help Marylanders make their energy use more efficient.

The foundation for a more energy-efficient Maryland is now in place, said Neal Elliott, ACEEE's Associate Director for Research. "ACEEE looks forward to working with the Maryland Energy Administration, the Public Service Commission, utilities, and consumers as new programs are developed that will achieve these ambitious goals. Based on our work with leading energy efficiency programs across the country, we are confident that Maryland can succeed."

Energy Efficiency: The First Fuel for a Clean Energy Future-Resources for Meeting Maryland's Electricity Needs can be downloaded for free at <http://aceee.org/pubs/eo82.htm> or purchased for \$50 plus \$5 postage and handling from ACEEE Publications, 1001 Connecticut Avenue, N.W., Suite 801, Washington, D.C. 20036-5525, phone: 202-429-0063, fax: 202-429-0193, e-mail: [aceee\\_publications@aceee.org](mailto:aceee_publications@aceee.org).

About ACEEE: The American Council for an Energy-Efficient Economy is an independent, nonprofit organization dedicated to advancing energy efficiency as a means of promoting economic prosperity, energy security, and environmental protection. For more information about ACEEE and its programs, publications, and conferences, visit <http://aceee.org>.



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