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Low-Income Marylanders at Risk From High Energy Burdens, OPC Report Shows

BALTIMORE – New data shows that Maryland low-income households continue to face untenable burdens from high energy bills, according to a [new update](#) of the Office of People's Counsel's 2018 Maryland Low-Income Market Characterization Report. Households on the Eastern Shore and in Baltimore City face the highest burdens in the State, the data show.

“Low-income households are not receiving the energy assistance they need,” said People's Counsel David S. Lapp. “These households face unaffordable home energy burdens that adversely affect human health, perpetuate chronic poverty, and contribute to homelessness.”

OPC's report released today updates the Maryland county-specific information on the energy burden for low-income households that was in its comprehensive 2018 report, [Maryland Low-Income Market Characterization Report](#). Energy burden refers to the percentage of a household's gross income that is spent on energy costs, such as home and water heating and electricity.

The updated report examines the energy burdens of low-income households earning 200 percent or less of the Federal Poverty Level (FPL). The 2022 FPL for a household of four people is \$27,750. The updated data show that the two regions that make up the Eastern Shore have the highest average annual energy bill with a mean of \$3,096. These two regions, along with Baltimore City, have the highest gross energy burden, paying 15

percent of their annual income for their energy needs. The average statewide gross energy burden is 12 percent for all low-income households.

Unless someone aged 67 or older is in the household, only households that earn up to 175 percent of the FPL are eligible for assistance programs run by the Maryland Office of Home Energy Programs (OHEP). Statewide, OHEP-eligible households had an average gross energy burden of 14 percent. After accounting for energy assistance benefits, the statewide net energy burden falls to 9 percent. Baltimore City had the highest net energy burden at 11 percent. The two regions on the Eastern Shore had the second highest net energy burden at 10 percent. The statewide average net energy burden for OHEP-eligible households is 9 percent.

These energy burden levels are well above the widely accepted affordability metric of 6 percent of annual household income. Six percent is the standard used in OHEP's proposed Supplemental Targeted Energy Program (STEP) and for bill assistance programs in other states such as New Jersey and New York.

OPC released its update on the same day that the Public Service Commission held a hearing on OHEP's proposed fiscal year 2023 plan for the Electric Universal Service Program (EUSP), which offers qualifying individuals assistance with the electric bills. At the hearing, OPC presented a number of recommendations to make OHEP's programs more accessible to low-income households, many of whom do not participate in the program despite qualifying. OPC's comments acknowledged that there is more than \$50 million available in additional funding this year as a result of increased auction proceeds from the Regional Greenhouse Gas Initiative, the regional carbon reduction program, but explained that more funding is needed. The General Assembly would need to increase bill assistance funding through OHEP.

"Maryland needs to step up its efforts and funding for energy assistance," Lapp said. "Maryland continues to fall far short of making sure that energy is affordable for low-income households. When it's not affordable, people suffer and the State bears additional costs resulting from added need for medical care and from homelessness."

For information on energy assistance, visit [OPC's website](#).

The Maryland Office of People's Counsel is an independent state agency that represents Maryland's residential consumers of electric, natural gas, telecommunications, private water and certain transportation matters before the Public Service Commission, federal regulatory agencies and the courts.

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