



**Testimony to the House Economic Matters Committee
HB505 Utility Transparency and Accountability Act
Position: Favorable**

February 22, 2024

The Honorable C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401
cc: Members, House Economic Matters

Honorable Chair Wilson and members of the committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances economic rights and equity for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

I am writing to urge your favorable support for HB505, which would require utility companies with over 75,000 customers to disclose the source of funding for certain expenses that are not directly related to the provision of utility services. Furthermore, this bill prohibits these companies from recovering the costs of such expenses through rates applied to the consumer.

One key provision of the bill is the prohibition of cost recovery for activities such as lobbying, political activities, and advertising that seek to influence public opinion or create goodwill towards the company. By disallowing these expenses from being passed on to consumers, the bill prevents ratepayers from unknowingly financing activities that do not directly benefit them. The cost of utilities is already high enough, and low-income households are struggling to make ends meet. Consumers should not have to bear the cost of anything besides the direct services and products they are receiving, especially since 18% of Marylanders are already cost burdened by high energy bills.¹

Ultimately, this bill benefits consumers by ensuring that their rates are based on just and reasonable expenses that directly contribute to the provision of essential services.

For these reasons we urge a favorable report.

Sincerely,
Zoe Gallagher

¹<https://www.psehealthyenergy.org/over-18-percent-of-maryland-households-are-burdened-by-high-energy-bills/>