



HoCoClimateAction.org
Howard County, Maryland

HB0505: Limitations on Cost Recovery by Public Service Companies and Reports on Votes Cast at Meetings of Regional Transmission Organizations (Utility Transparency and Accountability Act)

Hearing Date: February 22, 2024

Bill Sponsor: Delegate Charkoudian

Committee: Economic Matters Committee

Submitting: Liz Feighner for HoCo Climate Action

Position: Favorable

[HoCo Climate Action](#) is a [350.org](#) local chapter and a grassroots organization representing approximately 1,400 subscribers. It is also a member of the [Climate Justice Wing](#) of the [Maryland Legislative Coalition](#).

We urge you to **vote favorably on HB0505** which restricts how investor-owned utility companies can spend ratepayer dollars and adds important transparency requirements. This bill addresses several issues: the widespread use of ratepayer dollars to lobby to oppose electrification, and Maryland utilities the lack of transparency on policy positions they take at PJM.

HoCo Climate Action has been [advocating for decarbonizing buildings since October 2020](#) and soon after spearheaded a campaign to electrify all new buildings in Howard County. We supported the Climate Solutions Now Act of 2022 (CSNA) and were frustrated when it passed with only a study for all-electric new buildings. We believe the utilities used their influence in Annapolis with an army of lobbyists to weaken the bill. The utilities have a right to lobby, but our concern is that in many cases they are using ratepayers dollars to lobby against landmark climate policies essential to the public interest and meeting the State's climate goals.

For example, not only did the utilities lobby against the CSNA, Energy & Policy Institute [documented](#) how BGE, the state's largest gas and electric utility, **lobbied against electrification policies** in Howard in 2023. Records highlight BGE's involvement in providing testimony and talking points for a county council member against the passage of CB5. Several other groups provided testimony in opposition to CB5 that also hold connections to BGE. Eventually, the Howard County Council passed the Clean New Buildings Climate Act (CB5-2023) to put the county on the pathway to all-electric new buildings despite BGE's lobbying.

As others are probably testifying, the Office of the People's Counsel's post-hearing brief on [Case No. 9704](#) indicates Washington Gas spent \$633,476 on **membership dues** to the

American Gas Association (AGA) in 2022, and \$271,865 of that came from Maryland ratepayers. AGA regularly engages in lobbying efforts to stop the expansion of renewable energy and pad their profits. [Pepco](#), [BGE](#), [Delmarva Power](#), and [Potomac Edison](#) also each request hundreds of thousands of dollars for trade association dues to be paid for by ratepayers.

Last year, [Colorado](#), [Connecticut](#), and [Maine](#) passed similar legislation to prevent utility companies in those states from using ratepayer money for political activities.

During the [2023 state legislative session](#), Baltimore Gas and Electric (BGE) reported spending over \$338,000 on lobbying efforts, Pepco reported spending over \$358,000, and Washington Gas reported spending over \$165,000.

Finally, we are concerned about the lack of transparency for electrical grid policy decisions made by our regional transmission organizations (RTO) known as PJM. While decisions made at PJM significantly affect rates and our state's ability to meet our climate goals, the decision making process is not transparent and votes by utilities are not public.

HB0505 will:

- More clearly defines lobbying and how utility companies can use ratepayer money, closing loopholes that are being exploited by utility companies.
- Requires all utilities to be part of a regional transmission organization and requires public disclosures of policy decisions votes made by utilities at the PJM.

Transparency is good governance and does not cost much to utilities or the state. For these reasons, we ask for a favorable report for HB0505.

Howard County Climate Action

Submitted by Liz Feighner, Steering and Advocacy Committee

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