



TESTIMONY OF
BRITTANY BAKER
MARYLAND DIRECTOR

—
MIKE TIDWELL
EXECUTIVE DIRECTOR

HB1532- CONTINUING THE NEXT GENERATION ENERGY ACT

FAVORABLE WITH AMENDMENT

MARCH 3, 2026

Chair Korman, Vice Chair Guyton, and Members of the Environment and Transportation Committee, Marylanders are suffering acutely from high utility bills. Utility bills are high due to a confluence of factors:

- 1) Intentional rise in distribution rates, particularly by Exelon-owned utilities, due to accelerated spending on capital expenditures on both the electric and gas distribution systems
- 2) Impacts of data center development across PJM and the distortion of PJM's capacity market auction demand forecast due to highly speculative data center load growth forecasts
- 3) Increased costs due to lack of oversight of capital expenditure spending on local transmission lines, especially in the BGE territory
- 4) Increased usage at the household level due to the extreme weather caused by the changing climate
- 5) PJM mismanagement of the interconnection queue for new energy sources and capacity market auction rules that favor legacy generation sources and expose ratepayers to volatile costs

This bill focuses on the levers within the control of the Maryland General Assembly to ensure that we are lowering costs for Marylanders in a way that cuts at the heart of these problems and ensures the MGA champions provisions designed to lower costs in the short and long term.

Chesapeake Climate Action Network requests one amendment to the bill. We request the removal of this section that will affect how Empower is implemented in the next program cycle.

(6) THE COMMISSION MAY NOT APPROVE A PLAN UNDER THIS 15 SUBSECTION THAT INCLUDES A RESIDENTIAL SECTOR SUBPROGRAM WITH A 16 BENEFIT-TO-COST RATIO OF LESS THAN 1.0 UNDER THE PRIMARY STATE 17 JURISDICTION-SPECIFIC TEST, AS DEVELOPED, UPDATED, OR APPROVED BY THE 18 COMMISSION.

This provision will eliminate HVAC rebates from some investor owned utility territories. HVAC rebates are one of the most well-known programmatic elements of the Empower program. These rebates help consumers reduce energy usage, upgrade to the most quality appliances, and electrify their homes. Eliminating these rebates will significantly reduce the effectiveness of the Empower program by reducing one of the ways that utility bill holders can lower their personal, household costs.

The Empower program has a substantial benefit to the aggregate electricity grid due to reduced energy usage across the board. However, ratepayers also care about what services can be delivered on-site once they start down the path of engaging with their local utility's Empower services. Marketing, weatherization, quick home energy check-ups, HVAC rebates, and the other program offerings that vary by territory offer a complete portfolio that maximizes grid wide benefits and also ensures adequate service offerings for individual households.

I respectfully request a favorable with amendment report on HB1532.