



Maryland Energy Administration

TO: Chair Korman, Vice Chair Guyton, and Members of the Environment & Transportation Committee
FROM: MEA
SUBJECT: HB 1532 - Continuing the Next Generation Energy Act
DATE: March 3, 2026

MEA Position: FAVORABLE WITH AMENDMENTS

The Maryland Energy Administration (MEA) respectfully submits this testimony in support of House Bill 1532 with amendments.

House Bill 1532 represents a comprehensive effort to lower energy costs by modernizing Maryland's energy framework in response to increasing load growth, evolving market structures, and the State's long-term climate and reliability commitments. The bill addresses large load rate design, multiyear rate plan guardrails, EmPOWER program cycles, nuclear procurement structure, and long-term planning for energy siting and permitting.

MEA appreciates the Speaker's leadership, and that of Chair Marc Korman and Subcommittee Chair David Fraser-Hidalgo, in advancing a forward-looking energy package that seeks to balance affordability, reliability, and environmental progress.

HB 1532 includes a directive for the Power Plant Research Program (PPRP), housed within the Department of Natural Resources (DNR), to conduct a study in consultation with the Maryland Energy Administration and the Maryland Department of the Environment to identify priority energy sites and streamline permitting processes. The newly established Energy Subcabinet is working with the Economic Competitiveness Subcabinet on this smart siting approach. The subcabinets should coordinate these efforts to avoid duplication and promote interagency coordination, environmental review, and long-term energy planning. Because PPRP plays a central role in CPCN review and environmental impact evaluation, careful coordination with DNR will be critical to ensure that any streamlining recommendations preserve environmental protections, community engagement, and statutory responsibilities under existing law.

Furthermore, MEA endorses delaying an increase in the EmPOWER goal to reduce future surcharges to ratepayers. To further reduce costs, MEA suggests that the Strategic Energy Investment Fund (SEIF) could be utilized to reduce the surcharge or pay down the unamortized debt associated with EmPOWER. This is already an allowable use of SEIF under the existing statute.

While MEA supports the overall intent of the legislation, we respectfully request consideration of the following additional amendments:

1. Retain the Current Definition of “Large Load Customer”: The bill lowers the threshold for a large load customer from 100 MW to 25 MW at a single location. MEA advises against reducing the threshold to 25 MW, which will potentially capture non-data center commercial and industrial customers. Maintaining a higher threshold preserves clarity of intent in the Next Generation Energy Act that the State is excluding more traditional businesses from the special rate class.

2. Remove the Cost-Effectiveness Test Floor Within EmPOWER: The bill prohibits the Commission from approving a residential sector subprogram with a benefit-to-cost ratio below 1.0 under the primary cost-effectiveness test. MEA recommends removing this restriction. EmPOWER’s greenhouse gas reduction framework already requires the Commission to evaluate cost-effectiveness across sector portfolios. A rigid subprogram-level floor may constrain innovative measures, workforce development initiatives, and emerging technologies that produce long-term emissions and equity benefits not fully captured by traditional screening tools. Providing the Commission flexibility to evaluate portfolios holistically will better support Maryland’s greenhouse gas reduction targets while protecting ratepayers.

With the amendments outlined above, MEA believes the legislation can help to stabilize costs and advance reliability while preserving flexibility in program design and maintaining strong interagency coordination.

MEA respectfully requests a favorable report with amendments and looks forward to continued collaboration with the Speaker, the Committee, DNR, MDE, and other stakeholders as this important legislation moves forward.

MEA urges the committee to adopt the proposed amendments and to issue a **favorable report as amended**.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy manager, at megan.outten@maryland.gov or 443.842.1780.