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ODOGWU OBI LINTON  
RYAN C. MCLEAN

## PUBLIC SERVICE COMMISSION

Chair Marc Korman  
Environment and Transportation Committee  
250 Taylor House Office Building  
Annapolis, MD 21401

### RE: **HB 1532 - Favorable with Amendment - Continuing the Next Generation Energy Act**

Dear Chair Korman and Committee Members:

The Public Service Commission (the "Commission") appreciates the opportunity to provide this testimony for HB 1532. The bill amends the Public Utilities Article (PUA) in several ways. The Commission supports the overarching goal of the bill to make energy more affordable for Maryland ratepayers and has not identified any serious barriers to implementing any of the legislation's provisions. The Commission requests a favorable report with consideration of some small amendments that would assist in implementing the bill and achieving its goals.

HB 1532 makes several changes to Maryland's current EmPOWER framework. The bill maintains the program's 2026 greenhouse gas reduction targets through 2028 and adjusts the 2029 target to match the level previously planned for 2027. By postponing the higher target, the bill avoids potential cost increases in 2027 and 2028, when utilities would otherwise have needed to invest additional funds to achieve the more aggressive goals.

Additionally, the bill introduces a cost containment mechanism for EmPOWER's residential subprograms, requiring them to pass the primary State jurisdiction-specific test with a benefit-cost ratio of no less than 1.0. This means that any residential subprogram independently must demonstrate that its benefits at least equal its costs. Under the current cost-effectiveness construct, program cost-effectiveness is evaluated in aggregate at the portfolio level.

Effectively, this change would make it so several existing programs may be eliminated from the residential portfolio, which in turn may reduce program costs. It is possible that these changes will lower EmPOWER costs to customers but also reduce the likelihood of meeting the statutory EmPOWER greenhouse gas (GHG) emissions reduction goal. The General Assembly may want to consider expanding the benefit-cost requirement to commercial and industrial customers to further the bill's goal of reducing energy costs for all consumers.

Also related to EmPOWER, Section 2 of HB 1532 requires the Commission to employ an RFI and RFP process to explore the use of a third-party, single-implementer program for the

implementation of the EmPOWER Maryland programs. This would represent a significant change in the operation of EmPOWER. Currently, utilities each administer their own portfolio of programs with assistance from the Department of Housing and Community Development. Consolidating implementation of every utility's programs into one administrator may allow for cost savings and more equitable availability of programs across the State. The Commission appreciates that the bill gives it the ability to evaluate responses to determine whether such an arrangement would be cost effective. The Commission may seek amendments related to dates and will work with the Speaker to ensure the process as drafted is able to be implemented effectively.

In addition to EmPOWER amendments, HB 1532 also expands the applicability of the large load tariff to large load customers that have a monthly maximum demand as low as 25 MWs within their initial contract term. Effectively, this would require certain new commercial and industrial customers, or those who increase their loads to be on a large load tariff subject to regulations. This could increase costs for these customers and be seen as a business barrier, but provides protections to other customers from the financial risk of investments made to serve these customers. The Commission notes it is unclear if there is a minimum load factor threshold for the large load tariff given the inconsistency with the definition of "large load customer" in PUA § 4-212(a)(3). The General Assembly could clarify this to minimize inadvertently applying the tariffs to customers not intended to be impacted by this tariff change.

HB 1532 amends the PUA by re-introducing the reconciliation mechanism as a tool to be considered for use in a multi-year rate plan (MRP). The Next Generation Energy Act passed in 2025 introduced language that barred reconciliation for MRPs completely. This legislation enables an MRP reconciliation of the utility's forecasted revenue requirement but prohibits any proposal that would result in collecting an additional charge from customers. Customers would receive refunds if actual costs are lower than forecasted.<sup>1</sup>

HB 1532 updates what types of generation can apply for the Next Generation Energy Act's expedited CPCN process to increase the likelihood that new generation may apply for the process and develop in Maryland. Finally, HB 1532 makes updates to the nuclear procurement process the Commission is developing and had been suggested by the Commission in a report filed with the General Assembly on January 21, 2026. These changes may also help better facilitate the development of generation in Maryland.

The Commission is happy to continue working with the Speaker to address the important goals of energy affordability and consumer protection in Maryland. Please contact Niki Wiggins, Director of Legislative Affairs, at [irene.wiggins3@maryland.gov](mailto:irene.wiggins3@maryland.gov) if you have any questions related to this informational testimony.

(signature follows)

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<sup>1</sup> Because the Commission currently has pending cases before it that involve reconciliation mechanisms, it is not favorable or unfavorable on this portion of the bill. This paragraph is included to provide contextual information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kumar", with a stylized flourish underneath.

Kumar P. Barve  
Chair, Maryland Public Service Commission