

HOUSE BILL 521

C5
HB 1535/25 – HRU

EMERGENCY BILL

6lr1912

By: **Delegates Chisholm, Anderson, Arentz, Arikan, Fisher, Grammer, Griffith, Jacobs, Kipke, M. Morgan, T. Morgan, Nawrocki, Reilly, Schmidt, Szeliga, and Tomlinson**

Introduced and read first time: January 27, 2026

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Companies and Gas Companies – Customer Bill Surcharge – Repeal**

3 FOR the purpose of repealing on electric and gas bills a certain surcharge used to encourage
4 and promote the efficient use and conservation of energy in support of certain
5 greenhouse gas emissions reduction goals and targets; and generally relating to
6 surcharges imposed on electric company and gas company customers.

7 BY repealing and reenacting, with amendments,
8 Article – Public Utilities
9 Section 7–222(d)
10 Annotated Code of Maryland
11 (2025 Replacement Volume and 2025 Supplement)

12 BY repealing
13 Article – Public Utilities
14 Section 7–222(e)
15 Annotated Code of Maryland
16 (2025 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – State Government
19 Section 9–20B–05(a)
20 Annotated Code of Maryland
21 (2021 Replacement Volume and 2025 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – State Government
24 Section 9–20B–05(f)(4)
25 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2021 Replacement Volume and 2025 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Public Utilities

7–222.

(d) The Commission shall encourage and promote the efficient use and conservation of energy in support of the greenhouse gas emissions reduction goals and targets required under Title 2, Subtitle 12 of the Environment Article, established by the Commission under § 7–223(b) of this subtitle, and specified in § 7–224(a)(2) of this subtitle by:

(1) requiring each electric company and gas company to establish any program or service that the Commission determines to be appropriate and cost-effective;
AND

(2) [adopting rate-making policies that provide, through a surcharge line item on customer bills:

(i) full cost recovery of reasonably incurred costs for programs and services established under item (1) of this subsection, including full recovery on a current basis on or before January 1, 2028;

(ii) on or before December 31, 2032, the elimination of any unpaid costs and unamortized costs that:

1. A. existed on December 31, 2024; or

B. were incurred before January 1, 2028; and

2. were accrued for the purpose of achieving statutory targets for annual incremental gross energy savings;

(iii) compensation for any unpaid costs and unamortized costs under item (ii) of this item at not more than each electric company's and each gas company's average cost of outstanding debt; and

(iv) reasonable financial performance incentives and penalties for investor-owned electric companies and gas companies, as appropriate; and

(3)] ensuring that adoption of electric customer choice under Subtitle 5 of this title and gas customer choice under Subtitle 6 of this title does not adversely impact these goals and targets.

1 [(e) The Commission shall, by regulation or order, require each electric company
2 and each gas company subject to subsection (a) of this section that has submitted to the
3 Commission, on or before July 1, 2024, a plan for achieving electricity or gas savings and
4 demand reduction targets to disclose the following information in a form and format readily
5 understandable to the average customer:

6 (1) that the surcharge imposed in accordance with subsection (d) of this
7 section includes the cost of paying down the unpaid costs and unamortized costs that were
8 accrued over time by programs and services required by the Commission dating back to
9 2008; and

10 (2) the period of time that the surcharge will include excess charges to pay
11 down the unpaid costs and unamortized costs.]

12 Article – State Government

13 9–20B–05.

14 (a) There is a Maryland Strategic Energy Investment Fund.

15 (f) The Administration shall use the Fund:

16 (4) to provide rate relief by offsetting electricity rates of residential
17 customers[, including an offset of surcharges imposed on ratepayers under Title 7, Subtitle
18 2, Part II of the Public Utilities Article];

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
20 measure, is necessary for the immediate preservation of the public health or safety, has
21 been passed by a yea and nay vote supported by three-fifths of all the members elected to
22 each of the two Houses of the General Assembly, and shall take effect from the date it is
23 enacted.