

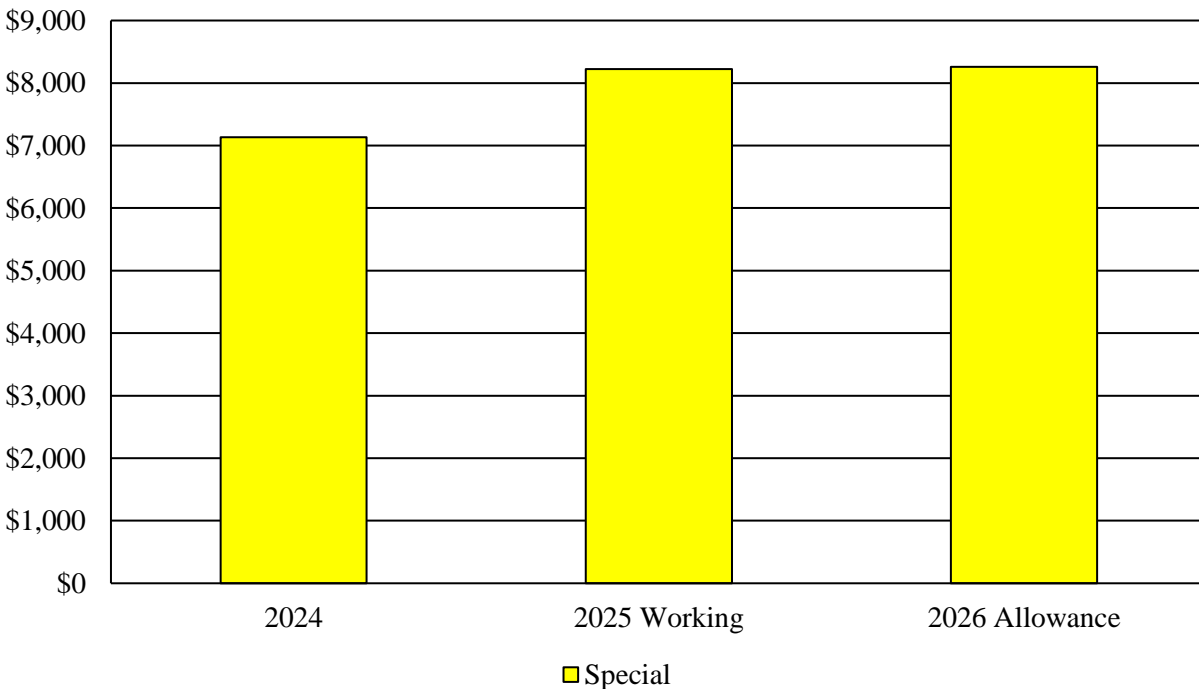
C91H00
Office of People’s Counsel

Program Description

The Office of People’s Counsel (OPC) represents the interests of residential utility consumers before the Public Service Commission (PSC), federal regulatory agencies, and the courts in matters related to electricity, natural gas, telecommunications, and private water service. OPC also engages in consumer education and outreach initiatives and assists consumers in resolving issues related to their utility service. The People’s Counsel is appointed by the Attorney General of Maryland. OPC is funded through special funds derived from an assessment on public service company revenues.

Operating Budget Summary

Fiscal 2026 Budget Increases \$35,346, or 0.4%, to \$8.3 Million
(\$ in Thousands)

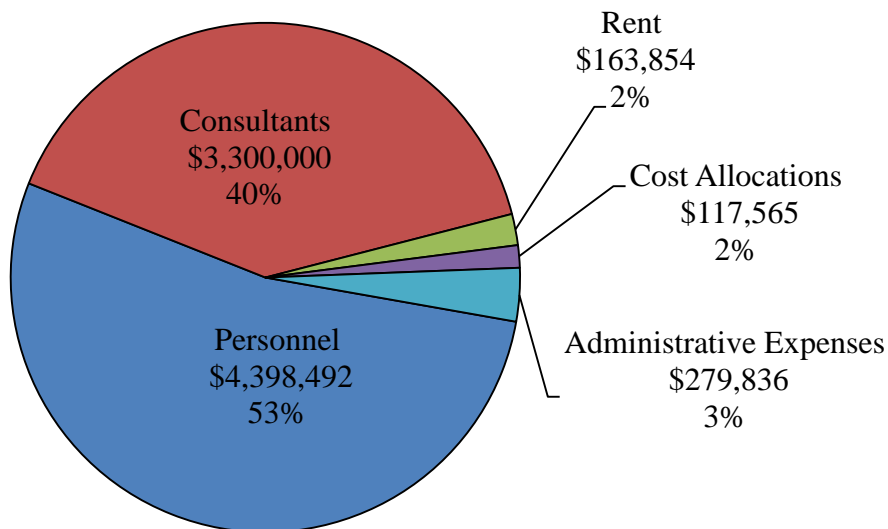


Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Fiscal 2026 Overview of Agency Spending

The fiscal 2026 allowance for OPC totals \$8.3 million. As shown in **Exhibit 1**, personnel expenses total \$4.4 million, or 53% of the budget, to support the office’s 27 regular positions. Outside of personnel, the majority of OPC’s budget is directed to outside legal services support, which totals \$3.3 million, or 40% of the fiscal 2026 allowance. This funding is used for outside subject matter experts and consultants who assist OPC with analyzing and presenting evidence in proceedings before various regulatory bodies and the courts. The need for these services may vary from year to year depending on actual workload and case participation in matters pending before regulatory bodies at both the State and federal level.

Exhibit 1
Overview of Agency Spending
Fiscal 2026 Allowance



Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2026 Budget Books

Proposed Budget Change

As shown in **Exhibit 2**, OPC’s fiscal 2026 allowance increases by approximately \$35,346, or 0.4%, compared to the fiscal 2025 working appropriation. Regular personnel expenses increase by \$63,613 overall, primarily accounting for the cost-of-living adjustments and increments and

associated fringe benefits provided in fiscal 2025 but not yet budgeted within the agency’s budget. Other major changes in regular personnel expenses include a decrease of \$14,100 in employee and retiree health insurance.

Exhibit 2
Proposed Budget
Office of People’s Counsel
(\$ in Thousands)

How Much It Grows:	Special Fund	Total
Fiscal 2024 Actual	\$7,134	\$7,134
Fiscal 2025 Working Appropriation	8,224	8,224
Fiscal 2026 Allowance	<u>8,260</u>	<u>8,260</u>
Fiscal 2025-2026 Amount Change	\$35	\$35
Fiscal 2025-2026 Percent Change	0.4%	0.4%

Where It Goes:	Change
Personnel Expenses	
Salary increases and associated fringe benefits including fiscal 2025 cost-of-living adjustment and increments	\$64
Deferred compensation match	7
Reclassification	5
Overtime earnings	1
Employee and retiree health insurance	-14
Other Changes	
Outside services including consulting	12
Cost allocations	12
Garage rent	6
Communications and travel to better align with recent experience	5
Office and library supplies	-5
Equipment repairs and maintenance, including computer maintenance contract ...	-9
In-state services	-9
One-time costs for new positions	-38
Other	-2
Total	\$35

Note: Numbers may not sum to total due to rounding. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Personnel Data

	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25-26</u> <u>Change</u>
Regular Positions	22.00	27.00	27.00	0.00
Contractual FTEs	<u>0.10</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	22.10	27.00	27.00	0.00

Vacancy Data: Regular

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/24	2.00	7.41%

Vacancies Above Turnover 2

- Out of the 2 departmentwide vacancies as of December 31, 2024, 1 position reflects a new position created in fiscal 2025. OPC is actively recruiting for the position and OPC aims to fill this position by April 2025.

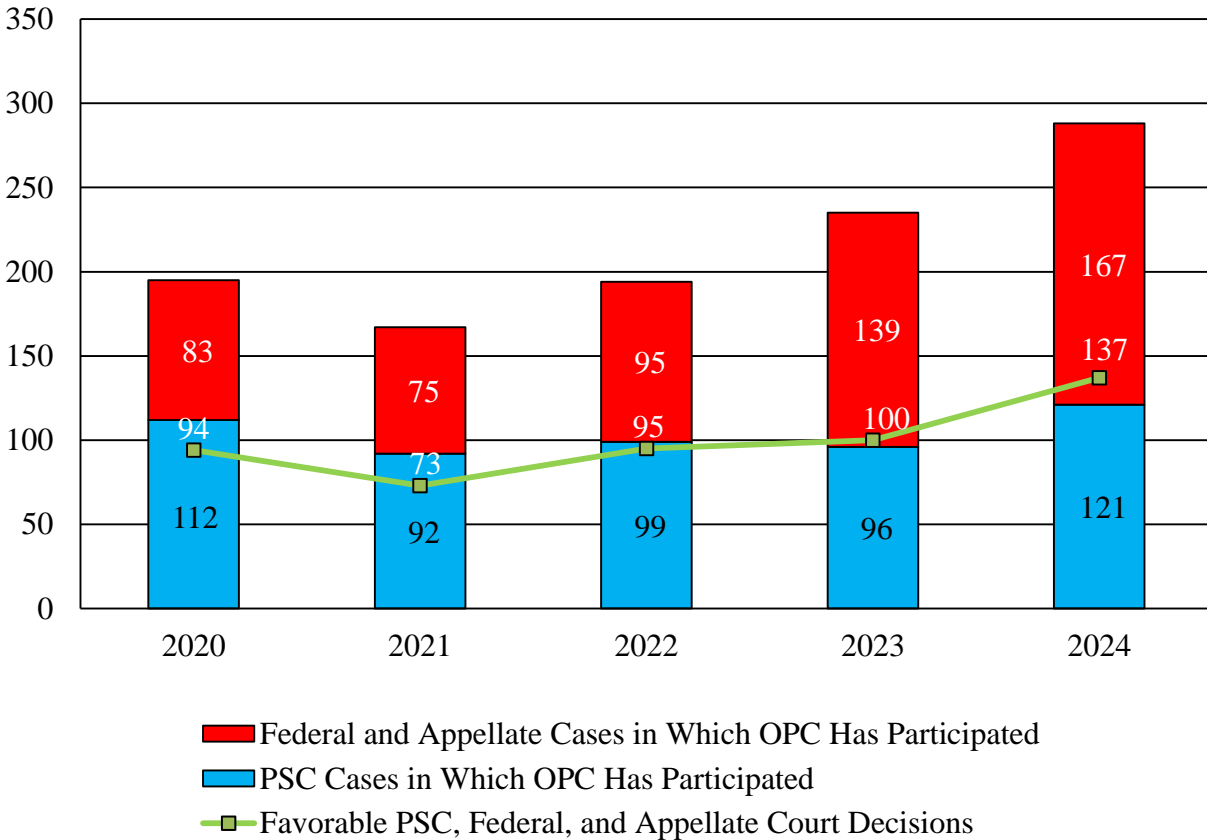
Key Observations

1. Growth in OPC Workload

OPC’s primary statutory responsibility is to advocate on behalf of the interests of Maryland residential utility customers. Section 2-204 of the Public Utilities Article requires OPC to evaluate each matter pending before PSC to determine if the interests of residential and noncommercial users are affected, taking into consideration the public safety, economic welfare, and environmental interests of the State and its residents, including the State’s progress toward meeting its greenhouse gas emissions reductions goals. OPC is required to appear before PSC and the courts on behalf of residential and noncommercial users in each proceeding in which PSC has original jurisdiction if OPC considers that their interests are affected. Additionally, OPC may appear before federal regulatory agencies and other State entities to advocate on behalf of the interests of residential and commercial users.

As shown in **Exhibit 3**, OPC case participation at the State, federal, and appellate court levels reached its highest point in recent years in fiscal 2024, at 288 cases, including participation in 121 cases before PSC. Overall, OPC case participation increased by 53 cases, or 22.6%, in fiscal 2024. Federal proceedings in which OPC participates include matters pending before the Federal Energy Regulatory Commission (FERC) and other federal regulatory bodies and recently have included matters relating to wholesale electricity markets, transmission rates and services, natural gas transmission, and other interstate matters. Of the total PSC, federal, and appellate cases in which OPC participated in fiscal 2024, there were 137 favorable decisions issued. The number of favorable decisions issued generally varies depending on overall case participation and the type of case and is impacted by the range of stakeholders involved in a given case. Additional stakeholders involved in a case may advocate for a range of positions different from OPC and impact the likelihood of a favorable outcome.

**Exhibit 3
OPC Case Participation and Favorable Decisions
Fiscal 2020-2024**



OPC: Office of People’s Counsel
PSC: Public Service Commission

Source: Office of People’s Counsel; Department of Budget and Management

Overall, the workload of OPC has generally increased in recent years reflective of its growing case participation rate and also due to increases in the complexities of proceedings in which it is involved. OPC reports that at least seven new FERC proceedings requiring significant technical and legal analysis have been opened since October 2024. These proceedings address a variety of proposed market rule changes that impact the risk of shortages, the potential market power of utility companies, the integration of renewable resources onto the grid, and electricity rates paid by consumers. The number of utility filings in general before PSC that OPC must evaluate have also generally increased in recent years due in part to the growth in electrification-related and other climate change mitigation related proceedings.

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In addition to increased case participation, OPC’s workload has increased since the enactment of Chapter 607 of 2021, which expanded the scope of OPC’s statutory responsibilities to include the consideration of the environmental interests of the State and its residents and the State’s progress toward meeting its greenhouse gas emission reduction goals. Chapter 607 resulted in an increase in both the number of proceedings and the scope of existing proceedings in which OPC is involved. For example, utility rate cases and other proceedings now include a review by OPC of the impacts of potential programs or investments on the State’s ability to meet its climate change and greenhouse gas reduction goals. As such, the number of witnesses that testify in proceedings and the scope of evidence presented have expanded in scope.

Supplementing OPC’s primary ongoing statutory responsibilities, the People’s Counsel or a designee has been appointed to and served on a variety of State workgroups and task forces created through legislation in recent years, including:

- the Maryland Commission on Climate Change;
- the Zero Emission Electric Vehicle Infrastructure Council;
- the Building Energy Transition Implementation Task Force;
- the Task Force to Study Solar Incentives; and
- the Green and Healthy Homes Task Force.

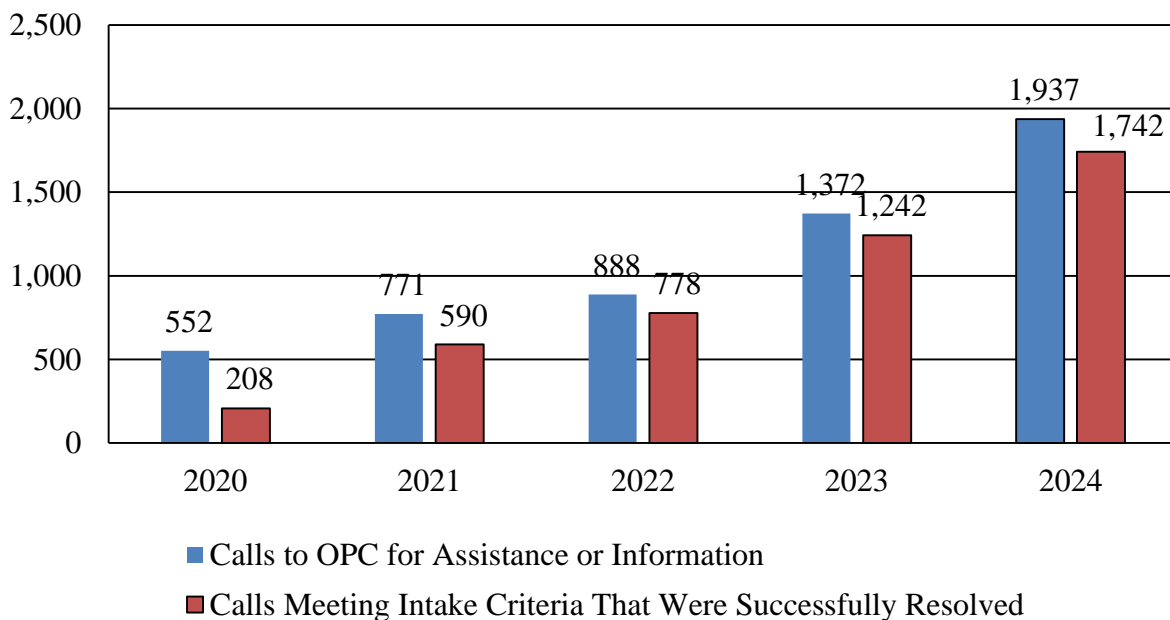
In addition, OPC staff participates in a number of State and federal task forces and workgroups. In recent years, these have included working groups related to electric vehicle charging infrastructure, battery storage, electric distribution system planning, retail supply, community aggregation, solar siting, electric reliability standards, and other topics with important implications for residential customers.

In response to OPC’s increased workload, Supplemental Budget No. 2 for fiscal 2025 authorized 5 new positions, which included 3 assistant People’s Counsel, a legislative/communications director, and an administrative specialist. Although 4 of the 5 new positions have been filled, OPC reports that a significant volume of training and mentoring is required, particularly for assistant People’s Counsel. OPC anticipates reduction in staff workload over the next six months as new hires gain more experience. To further manage the workload, OPC has been collaborating with the Department of Budget and Management to create a lead assistant People’s Counsel classification to oversee teams of attorneys. Currently, there are 2 deputy People’s Counsels who directly supervise 17 attorneys. OPC plans to implement a new organizational structure with these teams in place by February 2025.

2. Calls to OPC for Assistance and Calls Successfully Resolved Increase

In addition to representing the interests of residential ratepayers in regulatory and court proceedings, OPC also conducts outreach and customer education related to utility matters, including responding to calls and other inquiries for assistance. While the number of calls to OPC for assistance fluctuates from year to year, OPC tends to experience increases in calls during periods with extreme weather or during periods of economic downturn, similar to increases in calls to PSC and applications for energy assistance. As shown in **Exhibit 4**, calls to OPC for assistance increased by 41.2% in fiscal 2024 compared to fiscal 2023 and was the highest number of calls since at least fiscal 2009. According to OPC, the increase in the number of calls in fiscal 2024 is primarily due to inquiries about the reduction in energy benefits provided by the Department of Human Services Office of Home Energy Programs during that period, as well as increase in utility rates. The number of calls received by OPC meeting intake criteria that were successfully resolved has also increased, from 208 in fiscal 2020 to 1,742 in fiscal 2024. Beginning in fiscal 2021, OPC tracks calls where an intake was conducted and a referral to another agency was made as a successful resolution, resulting in a higher number of calls falling into this category.

Exhibit 4
Calls to OPC for Assistance
Fiscal 2020-2024



OPC: Office of People’s Counsel

Source: Office of People’s Counsel; Department of Budget and Management

Operating Budget Recommended Actions

1. Concur with Governor’s allowance.

**Appendix 1
Object/Fund Difference Report
Office of People's Counsel**

<u>Object/Fund</u>	<u>FY 24 Actual</u>	<u>FY 25 Wrk Approp</u>	<u>FY 26 Allowance</u>	<u>FY 25 - FY 26 Amount Change</u>	<u>% Change</u>
Positions					
01 Regular	22.00	27.00	27.00	0.00	0%
02 Contractual	0.10	0.00	0.00	0.00	0.0%
Total Positions	22.10	27.00	27.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 3,306,075	\$ 4,334,879	\$ 4,398,492	\$ 63,613	1.5%
02 Technical and Special Fees	3,321,194	3,300,000	3,300,000	0	0%
03 Communication	2,504	8,754	2,533	-6,221	-71.1%
04 Travel	41,429	20,000	31,115	11,115	55.6%
07 Motor Vehicles	12,496	13,100	18,720	5,620	42.9%
08 Contractual Services	193,333	233,953	239,115	5,162	2.2%
09 Supplies and Materials	54,312	88,200	62,200	-26,000	-29.5%
10 Equipment – Replacement	18,399	21,500	22,500	1,000	4.7%
13 Fixed Charges	184,504	204,015	185,072	-18,943	-9.3%
Total Objects	\$ 7,134,246	\$ 8,224,401	\$ 8,259,747	\$ 35,346	0.4%
Funds					
03 Special Fund	\$ 7,134,246	\$ 8,224,401	\$ 8,259,747	\$ 35,346	0.4%
Total Funds	\$ 7,134,246	\$ 8,224,401	\$ 8,259,747	\$ 35,346	0.4%

Note: The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.