



HoCoClimateAction.org
Howard County, Maryland



HB0960: Investor-Owned Electric, Gas, and Gas and Electric Companies -Cost Recovery - Limitations and Reporting Requirements (Ratepayer Freedom Act)

Hearing Date: March 13, 2025

Bill Sponsor: Delegate Johnson

Committee: Environment and Transportation

Submitting: Liz Feighner for **HoCo Climate Action, Indivisible Howard County**

Position: Favorable

HoCo Climate Action is a 350.org local chapter and a grassroots organization representing approximately 1,400 subscribers. It is also a member of the [Climate Justice Wing](#) of the [Maryland Legislative Coalition](#). **Indivisible Howard County** represents 900+ members and is an active member of the Maryland Legislative Coalition (with 30,000+ members).

We urge you to **vote favorably on HB0960, Ratepayer Freedom Act**, which will clarify the law and codify consumer protections by prohibiting utilities from charging ratepayers for expenses that do not benefit ratepayers, including promotional and goodwill advertising and political advocacy. The bill also requires utilities to file transparency reports with the PSC and could save ratepayers hundreds of thousands of dollars each year

HoCo Climate Action has been [advocating for decarbonizing buildings since October 2020](#) and soon after spearheaded a campaign to electrify all new buildings in Howard County. We supported the Climate Solutions Now Act of 2022 (CSNA) and were frustrated when it passed with only a study for all-electric new buildings. We believe the utilities used their influence in Annapolis with an army of lobbyists to weaken the bill. The utilities have a right to lobby, but our concern is that in many cases they are using ratepayers dollars to lobby against landmark climate policies essential to the public interest and meeting the State's climate goals.

For example, not only did the utilities lobby against the CSNA, Energy & Policy Institute [documented](#) how BGE, the state's largest gas and electric utility, **lobbied against electrification policies** in Howard in 2023. Records highlight BGE's involvement in providing testimony and talking points for a county council member against the passage of CB5. Several other groups provided testimony in opposition to CB5 that also hold connections to BGE. Eventually, the Howard County Council passed the Clean New Buildings Climate Act (CB5-2023) to put the county on the pathway to all-electric new buildings despite BGE's lobbying.

As others are probably testifying, the Office of the People's Counsel's post-hearing brief on [Case No. 9704](#) indicates Washington Gas spent \$633,476 on **membership dues** to the American Gas Association (AGA) in 2022, and \$271,865 of that came from Maryland ratepayers. AGA regularly engages in lobbying efforts to stop the expansion of renewable energy and pad their profits. [Pepco](#), [BGE](#), [Delmarva Power](#), and [Potomac Edison](#) also each request hundreds of thousands of dollars for trade association dues to be paid for by ratepayers.

[Colorado](#), [Connecticut](#), and [Maine](#) passed similar legislation to prevent utility companies in those states from using ratepayer money for political activities.

During the [2023 state legislative session](#), Baltimore Gas and Electric (BGE) reported spending over \$338,000 on lobbying efforts, Pepco reported spending over \$358,000, and Washington Gas reported spending over \$165,000 and these utilities spent more than \$4.5 million in general advertising expenditures. In 2024, Maryland electric and gas utilities spent more than [\\$2.2 million to lobby on nearly 70 pieces of legislation](#).

While Maryland law currently bars utility companies from charging ratepayers for their direct lobbying efforts, the law needs to be strengthened and clarified to close loopholes and provide more protections for ratepayers. The Ratepayer Freedom Act more clearly defines lobbying and how utility companies can use ratepayer money, reducing loopholes exploited by utilities in the past. The legislation also requires utilities to submit an annual report of all expenses related to these activities to the PSC. Current annual reporting does not provide sufficient detail to ensure compliance. Increasing transparency will allow all parties to access better information on utilities' rate-based spending in these areas and ensure compliance.

HB0960 will:

- More clearly defines lobbying and how utility companies can use ratepayer money, closing loopholes that are being exploited by utility companies.
- Requires utilities to submit an annual report of all expenses related to these activities to the PSC.

Transparency is good governance and does not cost much to utilities or the state. The result of tightening up the law will ultimately save ratepayers thousands of dollars each year. At a time when utility rates are going through the roof, this bill will provide some relief. For these reasons, we strongly urge a favorable report for **HB0960**.

[Indivisible Howard County](#)

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