

Member Agencies:

211 Maryland Baltimore Jewish Council Behavioral Health System Baltimore CASH Campaign of Maryland **Energy Advocates** Episcopal Diocese of Maryland Family League of Baltimore Fuel Fund of Maryland Jewish Community Relations Council of Greater Washington Job Opportunities Task Force Laurel Advocacy & Referral Services, Inc. League of Women Voters of Maryland Loyola University Maryland Maryland Center on Economic Policy Maryland Community Action Partnership Maryland Family Network Maryland Food Bank **Maryland Hunger Solutions** Paul's Place St. Vincent de Paul of Baltimore Welfare Advocates **Marylanders Against Poverty**

> Abby Snyder, Co-Chair P: (240) 593-6121 E: <u>ASnyder@baltjc.org</u>

Anne Wallerstedt, Co-Chair P: (410) 991-7285 E: <u>AWallerstedt@mdfoodbank.org</u>

TESTIMONY IN SUPPORT OF HB960

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

> House Economic Matters Committee March 13, 2025

Marylanders Against Poverty (MAP) supports HB960, which prohibits an investorowned electric company, gas company, or combination gas and electric company from recovering through rates certain costs, including certain costs associated with lobbying and political activities; and requires certain public service companies to include in the annual report to the Public Service Commission certain costs related to certain activities.

Utilities belong to inherently political trade associations, like the American Gas Association (AGA) and the Edison Electric Institute (EEI). Utilities try to force their customers to pay for the majority of annual fees made to these trade associations. Washington Gas, Pepco, BGE, Delmarva Power, and Potomac Edison have requested hundreds of thousands of dollars for trade association dues to be paid for by customers. In reality, Maryland residents in poverty simply cannot afford to foot the bill, especially at a time when utility rates continue to skyrocket and consumers are left with tough decisions of whether to keep their heat running or buy groceries for the week. Expecting ratepayers to subsidize these fees are simply unacceptable.

Sadly, utility companies are catching on to the attempt to hold them accountable for these charges and have chosen to remove some lobbying expenses from rates, but other political and advocacy activities are paid for by customers. This legislation is needed to require utilities to disclose its employees who engage in advocacy and detail if their salaries are paid for by customers.

It's no secret that energy rates are at an all-time high and are scheduled to increase in the coming months. Alongside increases in other necessary costs, Marylanders are struggling to get by. For many Marylanders, every dollar saved on gas and electric counts. In other states that have passed this legislation, this law has saved ratepayers hundreds of thousands of dollars each year. As the costs of energy rise, and climate change is contributing to record cold and record heat, it is imperative that lawmakers take action to protect the health and safety of Marylanders and ensure rates are affordable. Due to their monopolistic nature, utility providers hold disproportionate control and power over its customers. Because few alternatives exist, it is critical that any rate-making proposals are free of unnecessary costs and subjected to rigorous scrutiny and due diligence.

It is imperative that we close any loopholes that would allow these companies from charging ratepayers for any political activity. These costs are not related to energy consumption. MAP appreciates your consideration and requests the committee provide a favorable report on HB960.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.