



Maryland

Energy Administration

TO: Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee
FROM: MEA
SUBJECT: HB 960 - Investor-Owned Electric, Gas, and Gas and Electric Companies - Cost Recovery - Limitations and Reporting Requirements (Ratepayer Freedom Act)
DATE: March 13, 2025

MEA Position: FAVORABLE

HB 960 would prohibit an investor-owned electric company, gas company, or combination gas and electric company from recovering through rates costs associated with a specific set of lobbying and political activities, and would require public service companies to include in their annual reports to the Public Service Commission costs related to lobbying-related activities.

HB 960 seeks to provide transparency to Marylanders and accountability for utility companies. Currently, utility companies can recover costs due to the opaqueness of their fiscal reporting responsibility. Consequently, this leaves ratepayers vulnerable and utility companies in an advantageous position.

The objective of HB 960 is to prohibit the collection of costs for activities that do not widely benefit the consumer. Maryland Code, Public Utilities § 4-103 (b) directly states that “public service companies may not charge off lobbying expenses against its ratepayers”. The standards of reporting and accountability promoted within HB 960 would serve to broaden and strengthen this protection, closing possible loopholes within the current statute.

HB 960 ensures ratepayer protections by requiring standard fiscal reporting, thereby encouraging ethical and responsible financial practices.

MEA urges the committee to issue a **favorable report**.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, directly (landon.fahrig@maryland.gov, 410.931.1537).