



Committee: Economic Matters
Testimony on: HB960 – Ratepayer Freedom Act
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Laurie McGilvray, Co-Chair
Position: Favorable
Hearing Date: March 13, 2025

Dear Chair and Committee Members:

Thank you for allowing our testimony today in support of HB960. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, urges you to vote favorably on HB960.

Utilities in Maryland are investor-owned monopolies regulated by the Maryland Public Service Commission (PSC). HB960 prevents monopoly utilities from spending ratepayer money on lobbying, advocacy, political groups, and unnecessary advertisements, and requires utilities to file transparency reports with the PSC. While current law prohibits utilities from passing the cost of lobbying on to ratepayers, the language is vague. HB960 more clearly defines lobbying and how utility companies can use ratepayer money. The bill also requires utilities to submit an annual report of all expenses covered by the bill 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 on lobbying, advocacy, political groups, and unnecessary advertisements and ensure compliance.

Today, utilities can charge ratepayers for membership fees to political trade associations (like the American Gas Association and Edison Electric Institute). These trade associations in turn lobby and exert political influence to affect policies that benefit their shareholders not Maryland's electric customers, while also advancing policies that subvert the state's climate goals. Utilities should still be able pay for these dues, but it should come from corporate profits not Maryland ratepayers' pockets.

Utilities also can charge ratepayers for "advertising," but the types of expenses deemed advertising have been dubious at best, and without any benefit to customers. For example, Washington Gas included advertising expenses at Washington Nationals games and Chesapeake Utilities (Sandpiper Energy and Elkton Gas) included advertising costs that promoted the company's image in its sponsorship of the American Heart Association's 2023

Go Red for Women campaign. Utilities are certainly free to advertise and promote their image, but it should not be billed to customers.

According to a recent [report](#), in 2024 Maryland electric and gas utilities spent more than \$2.2 million to lobby, and in 2023, more than \$1 million in trade association dues and more than \$4.5 million in general advertising. Meanwhile, recent BGE and Pepco profits have grown rapidly (nearly \$30 million per year). BGE profits rose from \$210 million in 2013 to \$527 million in 2024 and PEPCO profits rose from \$205 million in 2018 to \$390 million in 2024. HB960 will put common-sense limitations on these expenditures, which provide no benefit to gas and electric customers and contribute to their escalating energy bills.

HB960 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. We strongly support HB960 and urge a **FAVORABLE** report in Committee.

350MoCo

Adat Shalom Climate Action

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry

Chesapeake Earth Holders

Climate Parents of Prince George's

Climate Reality Project

ClimateXChange – Rebuild Maryland Coalition

Coming Clean Network, Union of Concerned Scientists

DoTheMostGood Montgomery County

Echotopia

Elders Climate Action

Fix Maryland Rail

Glen Echo Heights Mobilization

Greenbelt Climate Action Network

HoCoClimateAction

IndivisibleHoCoMD

Maryland Legislative Coalition

Mobilize Frederick

Montgomery County Faith Alliance for Climate Solutions

Montgomery Countryside Alliance

Mountain Maryland Movement

Nuclear Information & Resource Service

Progressive Maryland

Safe & Healthy Playing Fields

Takoma Park Mobilization Environment Committee

The Climate Mobilization MoCo Chapter

Unitarian Universalist Legislative Ministry of Maryland

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