



SB0002 - SUPPORT

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**SB0002 –Investor-Owned Electric, Gas, and Gas and Electric Companies,
Cost Recovery Limitations**

Education, Energy, and the Environment
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Dear Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the Environment Committee

The Climate Communications Coalition is a Maryland-based grassroots climate and environmental justice non-profit, a member of the Mid-Atlantic Justice Coalition, and of the Maryland Climate Justice Wing. The Climate Communications Coalition strongly supports SB0002.

Building on the Ratepayer Freedom Act of 2025, SB0002 establishes certain restrictions on what can be recovered from ratepayers by investor-owned utilities, a common-sense measure for any state-granted monopoly. For example, it limits the amount of executive pay recovered from ratepayers to the necessary to fulfill the job and serve customers, with a reasonable cap at 110% of the maximum annual salary of a member of the Public Service Commission. Adding some clarifying language to provide PSC with the authority for the cost recovery and adding prudence review requirements would support the effectiveness of this bill.

Since BGE was purchased by Exelon, profits rose from \$150 million in 2012 to \$527 million in 2024; Pepco's profits rose from \$205 million when it merged with Exelon in 2018, to \$390 million in 2024. Today, these highly lucrative companies continue to expand their profit margins, now with the demands from the ill-advised data center proliferation that has been imposed on Marylanders at the expense of our vital clean, affordable energy transition. As Marylanders are defaulting on their utility payments due to the associated exorbitant price hikes, they should not also be required to bear the cost of extravagant executive compensation.

The Climate Communications Coalition respectfully requests a favorable report on SB0002.

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