



**MARYLAND
LEAGUE OF
CONSERVATION
VOTERS**

**Maryland LCV
Board of Directors**

Patrick Miller
Chair

Honorable Nancy Kopp
Treasurer

Bonnie Norman
Secretary

Kimberly Armstrong

Caroline Baker

Joe Gill

Lynn Heller

Honorable Steve Lafferty

Kevin Loeb

Kim Coble
Executive Director

February 5, 2026

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

Mr. Chairman and Members of the Committee:

Maryland LCV supports SB 2 Investor - Owned Electric, Gas, and Gas and Electric Companies - Cost Recovery - Limitations. We thank Senator Hester for her leadership on this issue.

Maryland LCV is committed to advancing clean energy solutions that increase grid reliability and decrease ratepayer impacts while achieving the state's climate targets.

SB 2 will ensure much needed protections to ratepayers from utility expenses that do not directly improve service, reliability, or affordability.

This bill places reasonable limits on the costs that investor-owned electric and gas utilities may recover through customer rates, particularly around executive compensation and discretionary corporate spending. The bill focuses on ensuring the amount of executive pay recovered from ratepayers is reasonable, with a recommended cap at 110% of the maximum annual salary of a member of the Public Service Commission. SB 2 draws a clear line between legitimate operational costs and expenses that should remain the responsibility of utility shareholders, not customers. This is an important step to reduce electricity bills.

The bill requires utility boards to limit spending on entertainment, office renovations, transportation services, staff development and incentive programs. These guardrails are essential to ensure that ratepayer dollars are being used responsibly and in ways that provide real value to customers.

This legislation helps correct the imbalance that currently allows corporate expenses to be shifted onto already struggling consumers.

Maryland has made clear commitments to protecting consumers and ensuring fairness in utility regulation. This bill reinforces those commitments by prioritizing transparency and accountability. We support the legislation as amended by the House, which helps clarify several aspects of the bill.

Maryland LCV wants to Power Maryland Forward, supporting **energy affordability** through **deployment of solar and storage, defense against more fossil fuels** and **unchecked utility profits**, while **getting the most out of the electricity grid we have**. Maryland LCV urges a favorable report on this important bill as part of this framework.

30 West Street, Suite C
Annapolis, MD 21401
Phone: 410-280-9855

www.mdldcv.org