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March 5, 2026

**Oppose: SB 850 Electric and Gas Companies - Energy Efficiency, Conservation, and Demand Response Programs - Alterations (Utility Affordability and Ratepayer Protection Act of 2026)**

Mr. Chair and Members of the Committee:

Maryland LCV Opposes SB 850 Electric and Gas Companies - Energy Efficiency, Conservation, and Demand Response Programs - Alterations (Utility Affordability and Ratepayer Protection Act of 2026).

SB 850 would require that energy efficiency, conservation, demand response, and beneficial electrification programs include demonstrable bills savings to residential customers. While bill impacts are an important consideration, this additional requirement could constrain the types of programs the Public Service Commission (PSC) is able to approve. Maryland's existing framework evaluates such programs based on system-wide cost-effectiveness, including avoided generation, transmission and distribution costs. Some programs that deliver significant long-term savings to the grid and to ratepayers as a whole may not produce immediate, directly measurable bill reductions for individual customers. For example, EmPOWER Maryland, funded through a nonbypassable surcharge, is a cost-effective program that reduces overall electricity demand, lowers peak system costs, and helps avoid expensive new generation and transmission infrastructure. Since its launch in 2008, [EmPOWER Maryland has generated approximately \\$14.5 billion in savings](#) from installed energy efficiency measures. In 2024 alone, the [program reduced summer peak demand](#) by roughly **1,000 megawatts**, comparable to the output of up to three gas peaker plants. These savings benefit all ratepayers, not just program participants.

SB 850 also extends the deadline for eliminating unpaid and unamortized program costs from 2032 to 2040. While this change spreads charges over a longer period, reducing monthly bill impacts, it may also affect the pace and structure of future investments in programs that generate long-term savings. Lastly, the bill directs the PSC to establish caps on residential assessments. Depending on how those caps are structured, they could limit program scale and reduce peak demand savings that help avoid higher system costs.

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Taken together, these provisions could shift program design toward near-term, directly quantifiable bill impacts rather than preserving the Commission's flexibility to prioritize comprehensive, system-wide cost-effective solutions that support long-term affordability.

Maryland should continue improving transparency and affordability within these programs, but reforms should preserve the proven benefits of cost-effective efficiency and demand response – not restrict them in ways that raise long-term costs.

Maryland LCV urges an unfavorable report on this bill.