



***Opposition to SB2 – Investor-Owned Electric, Gas, and Gas & Electric Companies – Cost Recovery Limitations***  
**Senate Education, Energy, and Environment Committee**

**Dear Chair Feldman and Members of the Committee:**

On behalf of the Central Maryland Chamber of Commerce and the thousands of employers we represent across the Baltimore region, we respectfully **oppose Senate Bill 2 (SB2) – Investor-Owned Electric, Gas, and Gas & Electric Companies – Cost Recovery Limitations**.

While the Chamber appreciates the General Assembly’s focus on energy affordability and accountability, SB2 would undermine Maryland’s economic competitiveness, workforce stability, and energy reliability, while departing from long-standing regulatory practices that already provide strong oversight.

SB2 Creates a Competitive Disadvantage for Maryland Employers. This bill imposes compensation and cost-recovery restrictions on utilities that are not applied to any other industry in Maryland, nor to utilities in neighboring states. No other state in the nation mandates how investor-owned utilities must structure employee compensation. This creates a unique regulatory burden that makes Maryland less competitive for business investment at a time when the state is working to recover from significant job losses and attract high-growth industries.

Utilities rely on highly skilled engineers, cybersecurity specialists, line workers, data analysts, and system operators to maintain safe and reliable service for residents and businesses. These professionals are in high demand and compete directly with technology, construction, and engineering firms.

Limiting the ability to offer competitive, performance-based compensation:

- Weakens the ability to attract and retain specialized talent
- Increases turnover and reliance on outside contractors, which is often more expensive over time
- Risks slower restoration, reduced system oversight, and higher long-term costs for customers

For context, incentive compensation represents less than one percent of the average residential utility bill - approximately \$1.70 per month, yet plays a critical role in maintaining system performance and reliability.

SB2 Undermines Established Regulatory Oversight. Maryland’s Public Service Commission (PSC) already rigorously reviews utility costs and compensation to ensure rates are just and reasonable. The PSC has a proven track record of:

- Allowing recovery only for compensation tied to operational performance
- Disallowing costs deemed unjustified
- Protecting ratepayers through transparent, evidence-based review

SB2 would override this long-standing framework, limiting the PSC’s discretion and replacing it with a one-size-fits-all legislative mandate that risks unintended consequences.

Broader Economic Signal to the Business Community

At a time when Maryland is focused on economic recovery and workforce growth, SB2 sends a troubling signal that the state may intervene in internal compensation decisions for one sector today — and potentially others tomorrow. This uncertainty can discourage long-term investment and job creation across the broader business community.

**For these reasons, the Central Maryland Chamber of Commerce respectfully urges the Committee to issue an unfavorable report on SB2.**

Thank you for your consideration and continued commitment to Maryland’s economic vitality.



Central Maryland Chamber  
Conduit of Commerce

Sincerely,

Dewan Clayborn  
President & CEO  
Central Maryland Chamber of Commerce