

Committee: Senate Education, Energy and the Environment Committee

Testimony on: HB 1532, The Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act

Position: Support with Amendments

Hearing Date: March 25, 2026

The Maryland Chapter of the Sierra Club strongly supports many of the provisions in the recently passed House Bill 1532, the Utility RELIEF Act. These provisions will help make our electric utilities more efficient and cost-effective, and promote new strategies to advance clean energy deployment. However, we oppose the bill's cutbacks in the goals for EmPOWER, Maryland's premier energy-efficiency program. Those cutbacks have the effect of accepting modest short-term savings in utility bills at the expense of the EmPOWER program's much larger longer-term utility-bill savings and progress toward Maryland's climate goals.

Provisions we support:

- Preserving low-income EmPOWER and SEIF budgets for energy efficiency and community and net metered solar.
- Study and possible selection of third-party administrators for utility EmPOWER programs.
- Speeding up solar and storage permitting and connection to utility distribution systems.
- Providing support for new solar and enabling portable/balcony solar.
- Requiring new large load customers drawing over 25 megawatts to cover their full costs.
- Limiting investor-owned utilities from reconciling multi-year rate plans that increase customer bills and eliminating forecast years in utility rate plans.
- Limiting ratepayer funding of excessive utility executive and supervisory compensation.
- Requiring that grid-enhancing technologies (GETs) and advanced transmission technologies (ATTs) be considered to reduce the need for constructing new transmission lines.

Requested Amendments (*These are further discussed below:*)

1. EmPOWER

- The legislation would cut the EmPOWER Program substantially for at least 3 years, reducing the program goal from a 2.5% annual reduction in electricity use to approximately 1.4%.
 - We urge you to strike the cut to EmPOWER, and, if necessary, freeze the program at its 2026 target of a 2.25% reduction.
 - Likewise, we recommend striking the provision allowing utilities to count community solar towards the reduced GHG goal, which undercuts the program's efficacy by conflating emission reductions from buildings with those from energy generation..

2. Strengthen, Not Weaken, DRIVE Act and Virtual Power Plants

- The DRIVE Act establishes a competitive market for demand response (known as virtual power plants) HB 1532 effectively eliminates incentive. The program was established as a pilot when it more than warrants to be a permanent program, and HB1532 further limits the program impact by prohibiting utilities from offering up-front incentives for storage and other grid connected devices. These limitations on the DRIVE Act and utility load reduction programs prevent us from reducing energy use and saving money.
- The impact of the two above cuts could more than offset any increases in energy generation.

1. **EmPOWER**

EmPOWER Saves Ratepayers Money for Decades: EmPOWER offers incentives, including appliance rebates, free or discounted home energy audits, insulation, more efficient electric heaters and hot water heaters, and discounts on energy bills for households that reduce usage during peak times. These programs are critical for cutting our bills and protecting our health. Since its launch in 2008, EmPOWER has saved Marylanders billions on their energy bills, with lifetime savings of \$15.8 billion¹. According to the Public Service Commission, for every \$1 spent on the program there is a payback of over \$2 in benefits. Looking forward, National Laboratory of the Rockies (formerly the National Renewable Energy Laboratory) estimates that additional cost-effective energy efficiency investments can save single-family ratepayers, alone, \$1.1 billion per year and reduce their energy use by 30%².

Some opponents of the program assert that EmPOWER has already tackled the “low-hanging fruit”, but this disregards the fact that this program remains cost-effective. It is a rare government program that has a positive ROI, and yet it is being criticized for only offering 2 to 1 savings.

Cutting EmPOWER Puts Good Middle-Class Jobs At Risk. Energy efficiency supports over 69,000 jobs.³ Most of these businesses employ less than 100 workers. They include: heating, ventilation and air conditioning contractors, insulation and construction materials contractors, and lighting and appliance sellers. If we implement dramatic cuts to EmPOWER goals, it will cost Maryland good, middle-class jobs. And these small businesses may be reluctant to come back to EmPOWER when the cuts are reversed.

Including Solar in the Goal is Counting Savings Twice. Under the amended HB 1532, up to 20% of the EmPOWER cuts can come from community and net metered solar installations. In total, this effectively cuts the EmPOWER utility target from 2.5% to 1.4%, a reduction of 44%.

¹ Maryland Public Service Commission, EmPOWER Maryland Energy Efficiency Act Report OF 2025, page 2

² National Laboratory of the Rockies, “Residential Energy Efficiency Potential – Maryland,” <https://resstock.nlr.gov/factsheets/MD>

³ Building Performance Association, “Maryland Energy Efficiency Jobs in America ,” 2025, https://buildingperformance.org/wp-content/uploads/2025/12/21_Maryland.pdf

Capacity Savings Lost from Cutting EmPOWER, Which Benefit All Ratepayers, Will Largely Offset the Bill Savings⁴. For BGE, capacity savings that are lost will more than offset the EmPOWER cuts. Other utilities' capacity savings cover most of the cost.

2. DRIVE ACT (VIRTUAL POWER PLANTS, DEMAND RESPONSE)

Make Changes to the DRIVE Act to Make it and Virtual Power Plant Programs More Effective. The DRIVE Act, passed in 2024, is designed to realize the value to utility customers of the services provided by virtual power plants. HB 1532 limits its effectiveness. Virtual power plants have the capacity to help us meet our energy needs and save money, but require that Maryland incentivize the market.

It needs to: 1) be permanent, not just a pilot 2) allow aggregators and others to sell services to non-utility entities such as PJM and large-load customers, and 3) allow aggregators to sell wholesale services into PJM electric markets, not just the distribution services covered by the DRIVE Act. In addition, with the provisions of 1532, utilities no longer have a significant source of funding for the customer equipment used to run load management programs. With the small allocation from the SEIF, utility-run load management programs will likely die, driving the need for more expensive capacity.

Suggested language

⁴ Sierra Club analysis over ten years from AnnDyl,
https://docs.google.com/spreadsheets/d/1chpoQeKIR6fbxhnaw1JekDF_-7q7Hxhb4vamdFHWRBE/edit?usp=sharing



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- Strike text starting on page 61, line 22 through page 63, line 3, revert to existing statute.
- Amend [Public Utilities Article §7-1005](#) to expand the definition from “Electric Distribution System Support Services” to “**Electric Distribution and WHOLESale MARKET SUPPORT SERVICES**” explicitly recognizing the importance of wholesale market participation.
- Amend § 7-1005 to authorize a durable VPP framework instead of limiting participation to temporary or pilot. Either delete all references to "pilot" and "temporary program" or create a new directive to make the program permanent.

The Maryland Chapter of the Sierra Club supports HB 1532 with amendments. We support the solar provisions, provisions to make utilities more efficient, and provisions to make large load customers pay their full costs. We strongly encourage the Committee to amend HB 1532 to remove the EmPOWER goal cuts in order to deliver long-term savings to all Marylanders and to make progress toward achieving our climate goals.

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