

Maryland PIRG

HB1532: Continuing the Next Generation Energy Act
Education, Energy and the Environment
March 25th, 2026
Favorable with Amendments

Maryland PIRG is a state based, small donor funded public interest advocacy organization with grassroots members across the state. We work to find common ground around common sense solutions that will help ensure a healthier, safer, more secure future.

Maryland PIRG supports HB1532 with amendments. We thank both chambers for their work on this legislation and hope we can work together to bring it to the Governor's desk with some important consumer protection adjustments. Below please find feedback on the sections of the bill that Maryland PIRG has been most engaged with. We have focused primarily on [utility oversight and accountability](#), [energy efficiency](#) and [solar permitting](#).

HB1532 contains [Maryland PIRG priority bills](#) and policies that we fully support, including:

- Prohibiting multi-year rate plans and forecasted ratemaking.
- Capping ratepayer charges for executive pay (HB1/SB2).
- Improving transparency and public education on utility costs and trends (HB54).
- Ensuring the Public Service Commission has oversight on underground transmission line projects (HB928).
- Cutting red tape for rooftop solar and residential battery storage through automated permitting (HB1104).
- Requiring utility participation at PJM, the regional transmission organization (HB897).
- Improving performance and efficiency of electric transmission lines (HB897, HB40).
- EmPOWER Maryland: Studying the potential to shift to a third-party administrator for the state's energy efficiency program to streamline program delivery and eliminate duplicative administrative costs.
- Removing gas utility goals within EmPOWER.
- Including battery storage in the expedited CPCN process.

We have concerns about two parts of this bill and suggest adjusting or removing:

- Reducing investments in energy efficiency: We recommend restoring EmPOWER energy efficiency goals, or at the very least, speeding back up the timeline to for goals to scale back up.
- Weakened consumer protection on cost overruns for nuclear power: Maryland PIRG cannot support any of the changes to nuclear power procurement and financing laid out in HB1532. These changes will weaken consumer protection safeguards on cost overruns for nuclear power. It's particularly worrisome to see language opening the door for cost overruns for expensive nuclear power in a bill that is also reducing investments in energy efficiency. Doing so is penny-wise and pound foolish.

Below, please find additional information on policy sections related to [utility oversight and accountability](#), [energy efficiency](#) and [solar permitting](#).

Multiyear Ratemaking, reconciliation, and forecasted rates.

Recommendation: We support these provisions.

The result of BGE's multi-year rate plan is clear: Marylanders are paying more and getting less. The Senate should support this provision to restore utility accountability and address relentlessly escalating delivery rates.

The bill prohibits the use of multi-year rate plans (MRPs) and other forms of 'alternative ratemaking' that allow utilities to ask for rate increases in advance of spending instead of defending spending before it can be charged to

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customers. These ratemaking policies increase utilities' financial incentive to spend wastefully and reduce critical oversight on highly profitable capital spending. Rate increases under MRPs since 2020 have been at least 40% higher than rate increases in Maryland from 2006-2020. Pepco just proposed a [23% rate increase](#) using a similar ratemaking system. BGE [has confirmed that it plans to file another rate](#) increase in 2026 and has reported to investors that the company plans to increase capital spending to \$8.3 billion over the next four years ([p28](#)).

Under traditional ratemaking a company asks for increased rates only to recover costs already incurred by investors. Forecasted ratemaking (also known as "future test year" ratemaking) shifts financial risk from investors to ratepayers and exacerbates the already existing tendency to over-project spending and overspend. Approval of forecasted rates also subjects ratepayers to the possibility of a reconciliation request.

We also support language in the bill to further restrict and clarify the use of reconciliation. This bill prevents reconciliation through a "cost-sharing mechanism" which has been proposed at the Public Service Commission (PSC) by the Exelon utilities. This mechanism would function as a fixed-rate reconciliation, opening the door again for excessive profits on overspending. While the legislative intent of the General Assembly appears to be to end reconciliation processes that increase costs to customers across the board, we worry you could be stuck in a game of wack-a-mole until the legislature or PSC prohibits forecasted rates. That is why it is so important that the provision passed by the House is maintained.

EmPOWER Maryland

A. Study of Third-Party Administration

Recommendation: Support this provision

EmPOWER Maryland continues to be one of the state's most important and effective tools to address energy waste, reduce demand on the grid, and increase the efficiency of Maryland homes and businesses. We support the provision of HB1532 that directs the PSC to investigate shifting to a consolidated state-wide third-party administrator to implement EmPOWER.

An independent, third-party program delivery mechanism could provide a better means for delivering the overall energy efficiency goals of the program. Utilities make profits off of building new infrastructure for increased energy use, and as such have a natural disincentive in supporting efficiency. While the goals mandated through EmPOWER have been tremendously impactful, this conflict of interest remains. Shifting to a third-party implementor model would help address this conflict.

Currently there are six utilities implementing EmPOWER programs for their customers. Each has its own implementation staff and contractors that manage similar programs - the result of which is a high level of duplication and redundancy, potentially leading to excess costs for customers. Having a single entity manage the programs for all six of the utilities would streamline program delivery and eliminate duplicative administrative costs, thereby reducing the rate impact of the programs without reducing the benefits they provide ratepayers.

Transitioning the utility-implemented programs to a third-party implementation model should be considered thoughtfully. An assessment of the pros and cons of both options, as outlined in this bill, is a smart way to move forward.

B. Goals

Recommendation: Amend the section on goals

Cutting EmPOWER Maryland is a loss for consumers and a win for energy generators and utility companies who profit from high energy usage. The Senate should restore EmPOWER Maryland goals cut by the House so

Marylanders can continue to take advantage of discounted energy audits and incentives for insulation, weatherization and efficient appliances. Energy efficiency lowers utility bills, cuts pollution and reduces the need for expensive new power plants and transmission lines.

We recommend restoring EmPOWER goals, but if the Senate decides to keep the 1.75% passed through the House, we recommend bringing that goal back up to 2.5% much more quickly.

Reducing investments in energy efficiency is generally unwise, and especially so during an energy affordability crisis, as the program cost-effectively brings down customer costs short and long term through demand response programs and investments in durable energy efficiency improvements. If the legislature is concerned about ratepayer impact, a wiser choice would be to permanently subsidize the program with state funds or dedicated funds from SEIF. EmPOWER Maryland is *tremendously* cost-effective, delivering more than \$2 in savings for every \$1 invested. It is also tremendously more cost effective to the alternatives: increased peak demand, higher capacity costs and increased transmission and generation needs.

Streamlining Rooftop Solar

Recommendation: Support this provision

This section requires counties to adopt automated permitting for rooftop solar and residential batteries, as the 2024 Brighter Tomorrow Act intended. As more and more Marylanders are interested in solar in the face of high electric supply costs, it is urgent that you address the unnecessary permitting delays and challenges that are making it harder for energy customers to make solar happen.

According to Environment Maryland's new [Solar Permitting Scorecard: Grading all 50 states on removing obstacles to rooftop solar and home batteries](#) Maryland received a "D." But by maintaining this provision in HB1532, you have an opportunity to improve this grade to a "B."

Permitting and inspection policies help determine the cost and speed of installing residential solar and battery storage. A January 2026 [report](#) found that on average in Maryland it took 10 business days to get approval for a solar system, which is double the national average. Unreasonable bureaucratic barriers can add \$6,000 - \$7,000 to the cost of a typical residential solar system.

Rooftop solar is one of the best energy sources for Maryland. Because it generates clean energy that can be used on-site, rooftop solar can reduce strain on the grid, increase the grid's resilience to threats like extreme weather, and decrease dependence on polluting fossil fuels.

The bill standardizes many of the code requirements between one community and the next, and adds reasonable limits on permitting fees and inspection timelines.

We look forward to working with the Committee to address these pressing challenges and opportunities.