TO: Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the Environment Committee
FROM: MEA
SUBJECT: SB 834 - Energy Efficiency and Conservation Programs, Services, and Plans - Moratorium
DATE: March 5, 2026

MEA Position: Letter of Opposition

The Maryland Energy Administration (MEA) respectfully submits this testimony in opposition to Senate Bill 834.

Senate Bill 834 would impose a moratorium on Maryland's core energy efficiency framework, including EmPOWER Maryland and related programs that are foundational to the State's clean energy and greenhouse gas reduction strategy.

SB 834 would eliminate one of Maryland's most cost-effective tools for lowering energy demand, managing system costs, and reducing emissions. Energy efficiency is consistently recognized as the lowest-cost energy resource available. By reducing overall electricity and gas consumption, these programs avoid the need for new generation, transmission, and distribution infrastructure; costs that would otherwise be borne by ratepayers. Repealing or suspending these programs would have several significant consequences:

- **Higher long-term energy costs for ratepayers:** Energy efficiency reduces peak demand and system-wide costs, helping stabilize rates over time. Without these programs, Maryland would likely see increased reliance on higher-cost generation and infrastructure investments.
- **Loss of rebates and direct bill-reduction opportunities:** Residents, small businesses, and local governments would lose access to incentives that reduce upfront costs for efficiency upgrades and lower monthly utility bills. This would particularly impact low- and moderate-income households.
- **Increased emissions and compliance risk:** Maryland's energy efficiency programs are a central component of achieving the greenhouse gas reduction goals required under Title 2, Subtitle 12 of the Environment Article. Removing this tool would make compliance more difficult and potentially more expensive.

Importantly, SB 834 would allow utilities to continue recovering unpaid and unamortized costs incurred through July 1, 2026, through existing surcharges. As a result, customers would continue paying for past program investments while no longer receiving the ongoing benefits of rebates, incentives, and new energy-saving services. This creates a scenario in which ratepayers bear the costs without receiving future value.

Energy efficiency and demand reduction are essential components of grid reliability and resource planning. As Maryland navigates increased electrification in the transportation and building sectors, reducing energy waste and managing demand growth becomes even more critical to maintaining system stability and affordability.

While we recognize concerns about rate impacts, eliminating cost-effective energy efficiency programs would likely increase long-term energy costs and reduce the State's ability to manage energy demand strategically.

For these reasons, MEA respectfully requests the Committee issue an **unfavorable report.**

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy Manager, at megan.outten@maryland.gov.