



HoCoClimateAction.org
Howard County, Maryland

Testimony: SB002 – Investor-Owned Electric, Gas, and Gas and Electric Companies - Cost Recovery - Limitations

Hearing Date: February 5, 2026

Bill Sponsor: Senator Hester

Committee: Education, Energy, Environment

Submitting: Monica O'Connor for Howard County Climate Action

Position: Favorable

Dear Chair, Vice Chair and Committee Members,

[HoCo Climate Action](#) is a [350.org](#) local chapter and a grassroots organization representing approximately 1,400 subscribers. We are also a member of the [Climate Justice Wing](#) of the [Maryland Legislative Coalition](#). Our organization works with residents and ally organizations to promote a safe climate and clean energy future. Specifically, we have worked extensively on building electrification to help Maryland achieve its ambitious climate goals, including net-zero emissions.

We urge you to vote **favorably** on SB002 Investor-Owned Electric, Gas, and Gas and Electric Companies - Cost Recovery - Limitations

SB002 is a consumer-friendly bill that is urgently needed at a time when gas and electric utility rates are skyrocketing. The bill does not limit utility executive compensation, but rather limits the amount of compensation, including bonuses, that can be recovered through rates (i.e., gas and electric customers' bills). It sets the amount of compensation that a supervisor can recover through rates to 110% of the maximum annual salary of a Maryland Public Service Commissioner in the same year. There are exceptions for employees with a written contract that was executed before December 21, 2025 and those who are covered by a valid collective bargaining agreement.

Maryland's investor-owned utilities are regulated monopolies. As such, they have a responsibility to ensure that ratepayers are charged "just and reasonable rates" for their gas and electricity. Ratepayers should not bear the cost of exorbitant executive compensation. While our utilities express their concern about rate-basing the cost of energy efficiency and other programs that advance Maryland's climate goals, they do not seem similarly concerned about the ratepayer impacts of their own compensation. This bill does not limit executive compensation, but simply caps the portion that is charged to customers, offering a better balance in who pays for what – ratepayers or shareholders. This is why the Minnesota Public Utilities Commission has taken similar steps.

For these reasons, we urge the Committee to vote **favorably** on SB002.

Howard County Climate Action
Submitted by Monica O'Connor, Steering and Advocacy Committee
www.HoCoClimateAction.org
HoCoClimateAction@gmail.com