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THE MARYLAND HOUSE OF DELEGATES
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Testimony in Support of HB521
Before the House Environment and Transportation Committee

Chair, Vice Chair, and members of the Committee, thank you for the opportunity to testify.

Maryland made a multi-billion-dollar energy promise without the funding, workforce capacity, or infrastructure to deliver it. The math does not work. The money is not there. And ratepayers are being asked to fill the gap.

That gap is EmPOWER Maryland.

More Maryland families are opening those bills with fear and shock each month as costs continue to rise. Under mandates expanded by HB864, that surcharge is projected to lock ratepayers into **approximately $7.5 billion in future costs** they never voted on, cannot opt out of, and cannot afford.

Supporters often claim EmPOWER "saves money in the long run." But the State's own planning documents tell a very different story. EmPOWER requires massive, guaranteed, upfront spending while any claimed savings are uncertain, delayed, and unverifiable.

The **$7.5 billion figure is not speculative**.
It is not theoretical.
It is already baked into existing mandates.

HB521 stops those costs **before they fully land on family budgets**.

If you look at the Department of Housing and Community Development's Green & Healthy Task Force Report, the problem becomes clear. The report does not offer policy ideas it outlines **funding commitments** that must be financed through EmPOWER and related ratepayer-backed mechanisms such as SEIF.

Here is what the State's own data shows:

- Maryland has **587,768 qualifying low-income households**
- Only **78,574** have been served to date
- **441,594 households remain**
- To meet the statutory 2031 mandate, Maryland would need to retrofit **88,319 homes every year**

- That is roughly **four times current and planned program capacity**
- At the current pace, full completion would not occur until **2045**
- The estimated cost to meet the mandate is **$7.7 billion**
- That estimate **does not include inflation or future cost overruns**
- Existing funding barely dents the problem
- The result is a **funding gap of roughly $7.5 billion**

This is not a policy dispute. It is a capacity failure.

Maryland's energy policy is built on promises the State cannot deliver and costs families cannot absorb.

HB521 is a necessary course correction that does four things:

1. **It terminates the EmPOWER surcharge** by prohibiting utilities from collecting any EmPOWER-related charge, rider, or fee effective immediately.

2. **It voids all current and future EmPOWER mandates, including those imposed by HB864, and supersedes any statute, regulation, or PSC order that:**

- Requires minimum energy savings targets
- Requires low-income retrofit mandates
- Forces utilities to finance or administer efficiency programs
- Expands EmPOWER participation beyond practical limits

3. **It freezes and identifies existing EmPOWER balances**. **Utilities have been front-funding EmPOWER since 2008, leaving ratepayers with roughly $800 million in outstanding obligations**.

   *We have effectively put this program on a credit card, paying roughly **9% interest every year**, making minimum payments, and never retiring the balance.*

   HB521 requires the Public Service Commission to certify:

- Total EmPOWER balances currently held by utilities
- Any deferred costs authorized for future recovery
  And it **prohibits any further cost recovery from ratepayers**.

4. **Requires those balances to be paid down using existing and future SEIF funds (unless Maryland exits RGGI) not electric bills**.

- All existing EmPOWER balances must be reduced to zero

- SEIF funds, including future revenues, must be applied first to retire that debt
- No SEIF funds may be used for new programs until the balance is fully paid

This converts SEIF from a spending account into a **ratepayer restitution mechanism**.

HB521 delivers certainty where EmPOWER delivers risk.

Maryland families should not be forced to finance experimental energy programs while struggling to afford groceries, housing, childcare, and heating their homes. This bill stops an unfunded mandate before it becomes an irreversible burden.

For those reasons, I respectfully urge a favorable report on HB521.

Thank you.