



February 6, 2026

Environment and Transportation
Delegate Marc Korman
Room 251
House Office Building
Annapolis, Maryland 21401

Re: HB 0540 – Investor-Owned Electric, Gas, and Gas and Electric Companies – Cost Recovery
– Limitations - **Oppose**

Dear Delegate Korman:

While the Chamber appreciates the General Assembly's focus on energy affordability and accountability, SB0002 would undermine Maryland's economic competitiveness, workforce stability, and energy reliability, while departing from long-standing regulatory practices that already provide strong oversight.

HB540 Creates a Competitive Disadvantage - The bill imposes compensation and cost-recovery restrictions not applied to any other Maryland industry or to utilities in neighboring states. No state in the nation mandates how investor-owned utilities must structure employee compensation, placing Maryland at a competitive disadvantage.

Utilities rely on highly skilled engineers, cybersecurity specialists, line workers, and system operators. Restricting performance-based compensation would hinder recruitment and retention, increase turnover and reliance on contractors, and risk slower restoration and higher long-term costs. Incentive compensation represents less than 1% of the average residential bill—about \$1.70 per month—yet is essential to maintaining reliability.

HB540 Overrides Proven Oversight - Maryland's Public Service Commission already conducts rigorous, evidence-based reviews of utility costs and compensation. SB0002 would limit the PSC's discretion and replace an effective regulatory framework with a rigid legislative mandate.



A Concerning Signal to Maryland Businesses - At a time when Maryland is working to strengthen its economy, SB0002 signals potential state intervention in internal compensation decisions, creating uncertainty that discourages investment and job growth.

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, opposes this bill. We therefore request that you give this bill an unfavorable report.

Sincerely,

Mike McMullin

Mike McMullin
President
Carroll County Chamber of Commerce

CC: Delegate Chris Tomlinson
Senator Justin Ready