



Maryland Energy Administration

TO: Chair Korman, Vice Chair Guyton, and Members of the Environment and Transportation Committee
FROM: MEA
SUBJECT: HB 521 - Electric Companies and Gas Companies - Customer Bill Surcharge - Repeal
DATE: February 17, 2025

MEA Position: UNFAVORABLE

This bill repeals the EmPOWER Maryland surcharge and would defund the corresponding EmPOWER Maryland programs operated by the incumbent utilities and the Department of Housing and Community Development (DHCD).

It is important to clarify that recent increases in the EmPOWER surcharge reflect not only current program operations, but also a legislatively mandated requirement to repay previously authorized costs, including associated financing charges, interest, and debt service obligations. This means that the surcharge is currently dedicated to servicing prior debt in addition to supporting active program delivery. For utilities such as BGE, approximately 20% of the surcharge supports repayment of those prior costs; for other utilities, that share can be as high as 30%. The remaining portion funds ongoing program implementation, administration, and customer-facing services that continue to generate measurable savings for Maryland ratepayers.

For over 15 years, the EmPOWER Maryland program has been a cost-effective energy-efficiency and demand-response initiative that delivers substantial economic, environmental, grid, and social benefits to Marylanders. Analysis of the EmPOWER Maryland energy efficiency programs shows that the program generated approximately \$2.21 for every \$1 invested.¹ In addition, **the expected energy bill savings for Maryland ratepayers over the lifetime of installed energy efficiency measures is estimated to be over \$15 billion.**² The program to date has also saved over 17 million MWh and 3,589 MW.³ Reducing energy consumption, especially peak demand, also reduces the need to invest in costly infrastructure, further delivering ratepayer savings.

By lowering energy consumption through audits, rebates for efficient equipment, weatherization, and other measures, EmPOWER also contributes to reduced greenhouse gas emissions and increases

¹ Maryland Public Service Commission, The EmPOWER Maryland Energy Efficiency Act Report of 2025 With Data for Compliance Year 2024, pg. 3, <https://www.psc.state.md.us/wp-content/uploads/2025-EmPOWER-Maryland-Energy-Efficiency-Act-Standard-Report-Final.pdf>.

² *Id* at pg. 2.

³ *Id* at pg. 2.

energy security, aligning with the state’s climate goals and reducing long-term energy system costs compared with traditional supply-side investments. Furthermore, the DHCD Maryland Limited Income Energy Efficiency Program has provided direct relief to limited-income households by reducing energy burden in homes that otherwise might lack access to upgrades.

For the reasons stated above, MEA urges the committee to issue an **unfavorable report**.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, directly at landon.fahrig@maryland.gov or 410.913.1537.