



House Bill 540

Date: February 10, 2026

Committee: House Environment & Transportation

Position: Unfavorable

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

House Bill 540 (HB 540) would require investor owned electric and/or gas companies, before initiating a proceeding that may result in a rate change, to provide advance notice to customers through a bill insert or email; requiring those companies to include specified statements in customer bills and automatic payment notifications; requiring the distribution of an annual rate report to all customers; requiring the Public Service Commission, in consultation with the Office of People's Counsel, to develop the rate report.

While we support transparency and clear communication with ratepayers, HB 540 as drafted would impose significant new costs on Maryland utilities and ratepayers and create requirements that are unworkable under existing Public Service Commission (PSC) procedures.

HB 540 appears to apply to *all* rate changes, including rider adjustments and supply charge changes, not just base rate cases. Some initial estimates to comply with bill-insert requirements under this interpretation could cost ratepayers approximately \$18 million annually, with additional costs associated with developing and mailing the required annual rate report. These costs would ultimately be recovered through customer rates, directly conflicting with the legislature's focus on affordability.

The bill also requires utilities to provide customers with procedural dates and PSC website information *prior* to initiating a rate proceeding. This is not feasible, as procedural schedules and docket numbers are not established until after a case is filed. Additionally, while email notification is contemplated, utilities do not have reliable email contact information for all customers due to frequent account changes and incomplete data.

In order to improve transparency without imposing unnecessary costs, we respectfully suggest clarifying that the bill applies only to base rate cases, reconsidering the annual report mailing requirement, and aligning notice provisions with existing PSC processes.

For these reasons, the Chamber respectfully requests an **unfavorable report** on **HB 540**.