



Testimony on: HB001 – Investor-Owned Electric, Gas, and Gas and Electric Companies - Cost Recovery - Limitations

Committee: Environment and Transportation

Organization: Maryland Legislative Coalition Climate Justice Wing

Submitting: Laurie McGilvray, Co-Chair

Position: Favorable

Hearing Date: January 27, 2025

Dear Chair Korman and Committee Members:

We are providing our testimony in support of HB001, *Investor-Owned Electric, Gas, and Gas and Electric Companies – Cost Recovery - Limitations*. The Maryland Legislative Climate Justice Wing is a statewide coalition of 30 grassroots and professional organizations focused on climate justice and we urge you to vote favorably on HB001.

HB001 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 HB001.

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Chesapeake Physicians for Social Responsibility
Climate Parents of Prince George's
Climate Reality Greater Maryland
ClimateXChange – Rebuild Maryland Coalition
Coming Clean Network, Union of Concerned Scientists
DoTheMostGood Montgomery County
Echotopia
Elders Climate Action
Fix Maryland Rail
Glen Echo Heights Mobilization
Greenbelt Climate Action Network
HoCoClimateAction
IndivisibleHoCoMD
Maryland Legislative Coalition
Maryland Third Act
Mizrahi Family Charitable Fund
Mobilize Frederick
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Mountain Maryland Movement
Nuclear Information & Resource Service
Progressive Maryland
Safe & Healthy Playing Fields
Takoma Park Mobilization Environment Committee
The Climate Mobilization MoCo Chapter
Unitarian Universalist Legislative Ministry of Maryland