



DEPARTMENT OF HUMAN SERVICES

Wes Moore, Governor · Aruna Miller, Lt. Governor · Rafael López, Secretary

February 17, 2026

The Honorable Marc Korman, Chair
House Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, Maryland 21401

**RE: WRITTEN TESTIMONY ON HB 521 Electric Companies and Gas Companies -
Customer Bill Surcharge - Repeal - POSITION: UNFAVORABLE**

Dear Chair Korman and Members of the Environment and Transportation Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for its consideration and respectfully requests an unfavorable report for House Bill 521 (HB 521).

With offices in every Maryland jurisdiction, DHS provides preventive and supportive services, economic assistance, and meaningful connections to employment and career opportunities to help Marylanders reach their full potential. Through the Family Investment Administration (FIA), DHS administers critical energy-efficiency assistance, including interagency referrals to the Department of Housing and Community Development (DHCD) weatherization and energy efficiency programs which would be affected by HB 521.

House Bill 521 impacts energy affordability and the stability of the state's energy safety net. This bill targets the foundational revenue mechanisms of ratepayer-funded surcharges that sustain many of Maryland's most-essential utility assistance programs. Legislatively repealing the energy efficiency surcharge would defund DHCD's EmPOWER program. The bill would set a precarious legal precedent for dismantling other funding governed by the Public Service Commission for social and environmental programs. A similar approach could remove the surcharge that funds the DHS administered Electric Universal Service Program (EUSP) jeopardizing approximately \$37 million in annual funding that currently protects the state's most vulnerable residents from electric utility service termination. EUSP is a successful

state program that [served over 130,000 Maryland households in FY25](#), and has been operational for over two decades.

Additionally, we are deeply concerned that the bill would remove the authority to use the Maryland Strategic Energy Investment Fund (SEIF) to provide rate relief by offsetting residential surcharges. SEIF funds currently mitigate the out-of-pocket costs for all Maryland households, with emphasis on low-income households. Eliminating SEIF authority would reduce the tools available to help Marylanders manage high energy burdens, and potentially lead to an increase in monthly utility costs for customers who already struggle to balance energy bills with other basic necessities.

For the committee's awareness, DHS refers our customers to Department of Housing and Community Development (DHCD) weatherization programs to permanently reduce household energy demand. Eliminating the primary funding source for DHCD weatherization programs is likely to increase the challenges faced by our customers in the future. Ultimately, HB 521 would create significant administrative and financial uncertainty, reverting back toward crisis-based bill assistance rather than long-term energy stability for Maryland families.

For these reasons, DHS respectfully urges the Committee to issue an unfavorable report on House Bill 521. We appreciate the opportunity to provide testimony for the Committee's consideration. If additional information is needed, please contact Justin Hayes, Acting Director of Government Affairs, at justin.hayes1@maryland.gov.

In service,

A handwritten signature in black ink, appearing to read 'Rafael López', written in a cursive style.

Rafael López
Secretary