Maryland PIRG

HB521: Electric Companies and Gas Companies - Customer Bill Surcharge - Repeal
Environment and Transportation
Tuesday, February 17, 2026
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UNFAVORABLE

Maryland PIRG is a state based, small donor funded public interest advocacy organization with grassroots members across the state. We work to find common ground around common sense solutions that will help ensure a healthier, safer, more secure future.

The EmPOWER Maryland Energy Efficiency Act of 2008 created the EmPOWER program to incentivize energy efficiency and conservation efforts. EmPOWER includes utility run programs of rebates, weatherizations and other efficiency updates, as well as similar programs targeted at limited income consumers, which are run by the state's Department of Housing and Community Development (DHCD). In 2023 the legislature passed a new law to improve the DHCD run program and in 2024 the legislature passed updates to the utility run programs.

Ending the EmPOWER program will drive already high energy bills higher. The EmPOWER surcharge is covering outstanding debt as well as ongoing program costs. If the fee is paused, the debt remains and the program goes away. It's a lose-lose for energy customers and a win win for utility companies.

Stopping EmPOWER means families and businesses lose energy-saving rebates and incentives that reduce utility bills and demand on the electrical grid. Reduced demand saves everyone money. As outlined in Maryland PIRG Foundation's 2023 report, energy efficiency is one of the smartest investments the state can make.

Utility delivery and supply bills are both based on the amount of energy ratepayers use, and utilities make the highest profits on building new infrastructure to deliver energy to our homes. As such, they have a disincentive to promote efficiency. That's why EmPOWER is so important: it requires utilities to hit annual goals for efficiency.

In 2024 alone, EmPOWER resulted in 307,150 MWh in electricity savings including incentives for weatherization and efficiency appliances and behavioural changes. EmPOWER is fundamentally an energy conservation program. It reduces energy use and the need for new transmission and generation. The majority of the program funding goes to in-home energy efficiency improvements - helping Marylanders lower their own bills, making homes more comfortable, and reducing demand. The incentives for efficient appliances and HVAC also helps move markets to more efficient technology.

After 15 years of the program, there is still ample room for electrical savings. While we are still waiting for final numbers on the 2025 program, **the majority of savings goals are still achieved by reductions in KWh**. The 2024 updates to the program provide weatherization and HVAC rebates for families with gas heat who had been underserved by the program since its inception because of its metrics. This is particularly important for the counties who rely heavily on gas heat (see chart).

Energy efficiency is incredibly cost effective, especially when compared to the alternatives of increased generation and transmission to meet our energy needs. EmPOWER quickly returns over $2 in savings for every $1 spent. Ending EmPOWER would immediately result in increased energy use and energy demand, increasing - not decreasing - bills statewide. EmPOWER is already delivering incredible benefits at its price tag.

A primary benefit of EmPOWER is weatherization support and HVAC support. Space heating and cooling accounts for more than half of home energy use, yet most Marylanders are using old, inefficient technology to heat and cool their homes. Almost half of Marylanders still use fossil fuels for heating and 25% are using electric furnaces and highly inefficient baseboard heat. The 2024 updates to the program help more Marylanders who want heat-pumps adopt them. A heat pump is an all-in-one electric HVAC system that can both heat and cool a building. This equipment is highly efficient. The latest models use an average of 18% less electricity for cooling than central AC units in the Mid-Atlantic and are two to three times more efficient than gas furnaces even amid the depths of winter weather. They are now suitable for all Maryland climates and they can last 15 years or more.

The best way to make EmPOWER even less expensive is to protect consumers from outsized profits and mismanagement by utilities. That includes requiring utilities to conduct independent audits of their programs to avoid wasteful spending and to consider having an independent 3rd party administrator oversee one statewide program. This could remove redundancies, remove any conflict of interest, and simplify offerings across utilities and geographies. A third party administrator also has the benefit of not only reducing programmatic costs, but also access and ease of use of the EmPOWER program to maximize energy efficiency programs for residents, as well as contractors conducting weatherization and efficient appliance installations.

We respectfully request an unfavorable report.

		Primary Home Heating Fuel -%		
County	Electric Utility	Gas	Electric	Oil/Propane
Baltimore	BGE	51%	37%	11%
Baltimore City	BGE	63%	31%	5%
Anne Arundel	BGE	37%	48%	12%
Howard	BGE	42%	49%	7%
Harford	BGE	41%	42%	14%
Carroll	BGE	18%	50%	27%
Montgomery	Pepco	52%	43%	4%
Prince Georges	Pepco	52%	42%	5%
Alleghany	P. Edison	54%	26%	13%
Washington	P. Edison	24%	51%	21%
Frederick	P. Edison	34%	49%	14%
Calvert	SMECO	6%	74%	16%
Charles	SMECO	24%	56%	16%
St. Mary’s	SMECO	12%	60%	15%
Cecil	Delmarva	20%	33%	40%
Wicomico	Delmarva	17%	59%	22%