

Maryland PIRG

HB509: Campaign Finance - Contributions by Gas and Electric Utility Companies - Prohibition

Environment and Transportation

February 11th, 2026

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Favorable

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.

Gas and electric utilities distribute energy to Maryland homes under a state-granted monopoly. These companies are able to pass costs on to energy consumers without fear of losing business to competitors. For investor-owned utilities, this means stable, consistent return on investment. In return for this advantage, regulated utilities have an obligation to serve the public good by providing safe, affordable, and reliable utility service.

Because they have no market competition for the distribution of energy to our homes, utilities are regulated by the state, with the legislature and the Maryland Public Service Commission overseeing the companies' operations and approving the costs they charge their ratepayers as well as the authorized rates of return on their investments.

This places our utilities in a unique position in which the state has direct control over how much profit they are authorized to deliver to their shareholders. This dynamic makes utilities' political dealings more vulnerable to corruption or the perception of corruption in the public's eye.

Since Exelon bought out BGE and Pepco, energy customers rates have risen dramatically, along with utility profits.

Rates:

- Since BGE was acquired by Exelon in 2012, gas delivery charges have more than tripled, about 3 times the rate of inflation. BGE gas customers now pay BGE roughly \$2 for delivery for every \$1 they spend on gas to heat their homes.
- Electric delivery rates for BGE and Pepco have risen faster than inflation as well, doubling or more than doubling since 2010.

Profits:

- BGE profits were consistently under \$150 million until the utility was bought by Exelon in 2012, since profits have rapidly increased to \$527 million in 2024, and are on pace to be even higher in 2025.
- Pepco profits were \$205 million in 2018, the year after the company's merger with Exelon, and have already nearly doubled to \$390 million in 2024.

Investor owned utilities have a right to earn a reasonable profit, but when profits and rates skyrocket and consumers are getting less value there is a regulatory problem that needs to be addressed. **Banning campaign contributions from utilities will help limit utilities' influence in the legislative and regulatory environment, and rebuild faith in the regulatory process for Maryland energy customers.**

[23 states ban all corporate campaign contributions](#), and utility campaign contributions were [banned federally for all levels of government until 2005](#).

Maryland PIRG believes that in a democracy every citizen should have more or less equal opportunity to influence the actions of the government. A government of, by, and for the people requires political equality; that is, no demographic barriers such as wealth, race, geography, gender, etc. should make any one citizen more powerful than another. A system with more political equality will ensure that lawmakers prioritize what is best for the most people over what is best for a few well-heeled special interests.

Corporations are given special power to amass money for economic purposes. Corporate treasury funds do not represent public support for the corporation's political ideas; it is therefore inappropriate to use these funds to influence public policy. [Utilities are already spending millions of dollars on lobbying in the state](#), and it is inappropriate to allow a state granted monopoly to donate to campaigns. Allowing such fundamentally skews our democratic process to favor the profit imperative above the public interest and weakens the voice of average people.

While the Supreme Court has gutted limits on corporate spending through independent expenditures, the Court has turned down requests to consider lifting bans on direct contributions to candidates from corporations. These bans are a strong tool that we should be using. In addition to our fundamental opposition to corporate campaign contributions, there are additional negative side effects to the meteoric rise of corporate election spending:

- Candidates and elected officials are often trapped spending an increasing amount of time fundraising from large and corporate donors, giving them less time to hear from and serve their constituents.
- The rise of corporate spending in elections has exacerbated the already shrinking faith that citizens have in their elected officials.

As customers are facing rapidly rising rates, this bill will help restore faith in the legislative process and begin to address utilities' outsized influence in elections.

We respectfully request a favorable report.