

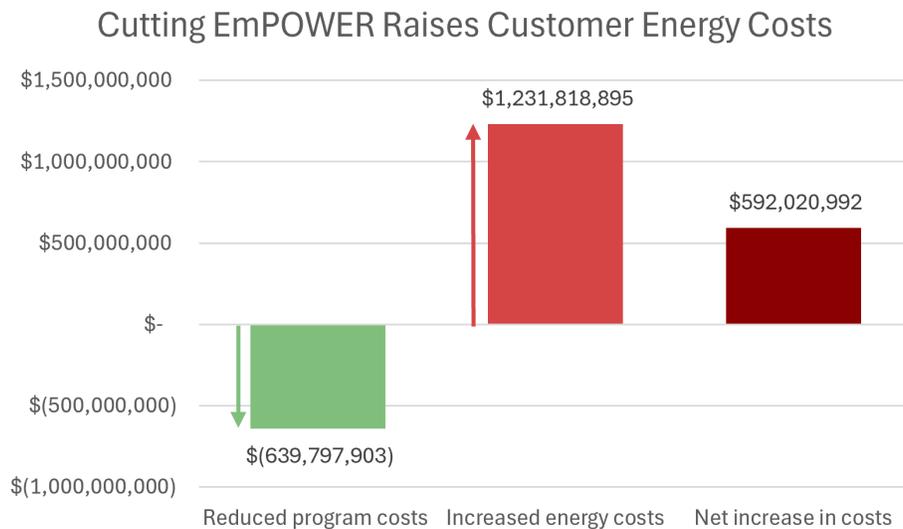
Cutting EmPOWER in HB 1532 Would Increase Electricity Costs

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SUMMARY: A provision in HB 1532, the “Utility RELIEF Act,” would increase Maryland electric costs an aggregate of **\$592 million**. By cutting energy efficiency funding, it would necessitate purchasing more expensive energy supply and grid infrastructure, costs that are passed on to all ratepayers. Those additional supply costs dwarf the limited savings from reduced energy efficiency spending.

The EmPOWER Maryland program provides incentives to help families and businesses make cost-effective energy-saving upgrades. Under current law, participating utilities must hit a legal target of 2.5% annual energy savings compared to a 2016 baseline, from 2027 onward. HB 1532, passed in the House and under consideration in the Senate, would cut that savings target to 1.5% annually for the 2027–2029 program cycle.

We estimated the change in energy costs for customers, finding the potential cuts to EmPOWER programs would lead to an estimated **\$592 million** in net increased electricity costs to compensate for lost lifetime efficiency savings from EmPOWER investments.



Annual EmPOWER investments that support efficiency measures like improving building insulation or installing a super-efficient water heater continue to generate savings for years beyond the initial install costs. This steady source of energy savings reduces the costs to ratepayers of investing in additional, more expensive power plants or other electric supply resources to meet energy demand.

Using cost-benefit calculation data and PJM capacity costs, we estimate that if the program cuts are enacted, customers would be forced to pay for an additional **\$1.2 billion** in supply-side resource costs, far more than the spending reduction customers would receive from the EmPOWER surcharge cuts.

For more information, please contact Anna Johnson at ajohnson@aceee.org.

The American Council for an Energy-Efficient Economy (ACEEE), a nonprofit research organization, develops policies to reduce energy waste and combat climate change. Its independent analysis advances investments, programs, and behaviors that use energy more effectively and help build an equitable clean energy future.