





May 7, 2025

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

Colette R. Gresham, Esq.
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: David Williams 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CR-048-2025 A Request for State Action

CR-048-2025 (*Proposed by:* Council Member Blegay)

Assigned to the Transportation, Infrastructure, Energy, and Environment (TIEE) Committee

A RESOLUTION CONCERNING REQUEST FOR STATE ACTION FROM THE MARYLAND PUBLIC SERVICE COMMISSION AND ELECTRICITY UTILITY COMPANIES FROM INCREASING DISTRIBUTION RATES for the purpose of calling on the Maryland Public Service Commission (PSC) to end its Multi-Year Rate Plan Pilot and invoke the “off-ramp” provision to cancel the planned 2026 Baltimore Gas and Electric Company (BGE) gas and electric distribution rate increases, as well as calling on Potomac Electric Power Company (PEPCO) to pause future proposals for electric distribution rate increases until its just and reasonable.

Fiscal Summary

Direct Impact

Expenditures: No anticipated expenditure impact.

Revenues: No anticipated revenue impact.

Indirect Impact

Potential favorable indirect impact in the form of reduced energy costs for residents.

Legislative Summary:

CR-048-2025¹, proposed and sponsored by Council Members Blegay, Ivey, Hawkins, Dernoga, Fisher, Oriadha, Burroughs, Olson, Watson, and Harrison, was proposed on April 29, 2025, and referred to the Transportation, Infrastructure, Energy, and Environment (TIEE) Committee. This resolution is a request to the Maryland Public Service Commission (PSC) to end its Multi-Year Rate Plan and opt for the “off-ramp” provision to cancel the planned Baltimore Gas and Electric (BGE) gas and electric distribution rate increases and pause future proposals for electricity rate increases from the Potomac Electric Power Company.

Background/Current Law:

In 2025, the average BGE bill for a home with a gas furnace will be \$3,750, which represents a 50% increase over the last four years.² The statewide wholesale costs for energy in the state have increased, and recent exposure to severe weather has caused higher demand to heat residences. Additionally, the results of the 2025-2026 PJM energy auction caused power plant prices to spike, thereby contributing to the cost of energy in the region.³ According to a report produced by the Office of People’s Counsel (OPC), a 67% increase in the monthly average winter bill is predicted over the next decade. PEPCO services over half a million Prince George’s County residents, the PSC denied PEPCO rate increases that would result in an estimated \$213,000,000 over the following three years. Since 2020, PEPCO’s delivery charges (the cost to distribute energy and not the energy costs itself) have increased 33%.⁴ In 2024, the Maryland General Assembly passed House Bill 864 which lowered utility returns on the EmPower balance and no longer defers payments and pays costs with interest.⁵ These two factors have led to Countywide increases in energy costs. An analysis from EnergySage assessed that Prince George’s County residents are faced with energy costs that are 38% above the national average.⁶

Resource Personnel:

- Ayana Crawford, Deputy Chief of Staff, Council District 6

¹ Prince George’s County-[CR-048-2025](#)

² Maryland Matters- [BGE rate increases](#)

³ Reuters- [PJM power auction](#)

⁴ Maryland OPC- [Pepco increases](#)

⁵ Maryland General Assembly- [HB864](#)

⁶ EnergySage- [PG County report](#)

Discussion/Policy Analysis:

Baltimore Gas and Electric's multi-year rate plan (MRP) proposed a gas distribution increase of 51% from 2023 and an electric distribution increase of 17% from 2023.⁷ This MRP represents a gas distribution cost increase of over three times the 2010 rate and over double the electricity distribution costs across the same timespan. The Maryland PSC has the authority to invoke the “off-ramp” provision to halt these energy increases, these provisions are specified in the PSC’s order agreeing to execute multi-year rate plans.⁸ Potomac Electric and Power Company has proposed additional increases for energy costs, which were denied by the PSC.⁹ This resolution requests that the PSC continue to deny current and future PEPCO increases until it is deemed “reasonable and just” and utilize the “off-ramp” provision to halt BGE energy supply rate increases. The Baltimore City Council has approved resolution 25-0012R, which requests for the state to end the MRP pilot and to cancel BGE’s price increases.¹⁰ Baltimore County passed resolution 16-25, which encourages the Governor and the General Assembly to develop an alternative plan to thwart energy hikes in the region.¹¹

Fiscal Impact:

- *Direct Impact*

Enactment of CR-048-2025 will have no direct fiscal impact on the County. This resolution does not require any fiscal appropriation and will require no expenditures.

- *Indirect Impact*

Enactment of CR-048-2025 may have a positive indirect impact by preventing rate increases for energy on Prince George’s County residents. This will reduce spikes in individual energy expenditures on the part of residents, which may provide some financial relief. The County may also experience cost savings on its commercial real estate holding portfolio if energy cost increases are prevented.

- *Appropriated during the Current Fiscal Year Budget:*

N/A

⁷ OPC- [BGE MRP](#)

⁸ PSC- [Order NO. 89483](#)

⁹ UtilityDive- [Maryland rejects PSC plan](#)

¹⁰ Baltimore City- [25-0012R](#)

¹¹ Baltimore County Council- [Resolution 16-25](#)

Effective Date:

CR-048-2025 shall be effective on the date of its adoption.

If you require additional information or have questions about this fiscal impact statement, please email me.