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2026 Utility RELIEF Act

On May 12, 2026, Governor Wes Moore signed the Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act into law. This omnibus energy bill includes important tools and regulatory guidance that have the potential to impact your utility bill. At more than 140 pages, there's a lot to unpack, and there's plenty of work ahead to ensure the best possible implementation before the Public Service Commission (PSC) and federal regulators.

Because the RELIEF Act was designated as "emergency legislation," many provisions became effective as soon as the Governor signed them into law, while certain others just recently became effective on July 1st.

In response to questions our office has received, OPC created the following FAQs as a resource for customers looking to understand the impact of the legislation. These FAQs are not a full explanation of the bill or its benefits—for a more complete description, please refer to the 90-Day Report, published by the Department of Legislative Services (pdf pages 307-317)—nor do they constitute legal advice.

Does the Utility RELIEF Act include any direct ratepayer relief?

Yes. The RELIEF Act allocates $100 million from the Strategic Energy Investment Fund (SEIF) for direct ratepayer relief. Unlike the legislative energy relief refunds directed by last year's Next Generation Energy Act, which were refunded to customers in two installments over the course of a year, the RELIEF Act requires that the money be used to partially offset the EmPOWER surcharge on residential customer electric bills in equal monthly installments throughout 2027. The PSC recently convened Public Conference (PC) 80 to facilitate the distribution of this relief.

If I live in a master- or sub-metered unit, will I get the direct ratepayer relief?

Extending direct relief to customers who live in apartments, condominiums, and other multi–occupancy residences and receive utility service through master- or sub-metering arrangements is complicated. Although you are a residential household, you are likely classified as a "commercial customer" because the utility provides service to your landlord or condo association, rather than to you as an individual household, and you probably do not have your own account with the utility company. This means that to direct relief to you, your utility must find a way to identify your individual household as a residential customer and funnel the intended refund through your landlord, condo association, or the like.

For these reasons, you may not have received last year's legislative energy relief refunds. This year, the RELIEF Act expressly directs the PSC, in consultation with electric companies, "to work to resolve any administrative and technical issues in order to provide rate relief to *all* residential electric customers, including residents of apartments, condominiums, and other multi–occupancy residences." If the PSC and the electric companies are unable to obtain enough information to determine, with a reasonable degree of certainty, how to allocate a share of the relief funds to residential customers who fall under master-metered commercial customer accounts, or if the PSC determines it is not in the public interest to distribute funds in this way, it may order electric companies to distribute funds to residential accounts only. In any event, the PSC must make this determination on or before December 1, 2026, and recently convened Public Conference (PC) 80 to facilitate the process.

In the meantime, if you're having trouble paying your gas or electric bill, help is available. Click here to get help.

Will the RELIEF Act do anything else to reduce my utility bill?

Reducing customer utility bills is a tall order: legal barriers make it challenging to reduce utility rates once they are approved, and the State has limited influence over supply costs, which are federally regulated and make up more than half of your electric bill (less for gas). Click here to learn more about the different parts of your utility bill.

The Utility RELIEF Act includes much-needed measures to address—where possible—federally regulated energy, capacity, and transmission costs that are much in the news and contributing to high customer bills. Importantly, the Act also takes aim at the rapid and steady rise in State regulated distribution rates that is a significant driver of higher customer bills.

The most tangible reductions are likely to be to the EmPOWER surcharge on your bill. EmPOWER is Maryland's utility-customer funded program to support energy efficiency, conservation, greenhouse gas reductions, and demand response. The program is funded through a line-item surcharge on your electric (and for BGE gas and Washington Gas customers, your gas) utility bill. Click here to learn more about EmPOWER programs and to find incentives offered by your utility.

In addition to allocating $100 million to offset the EmPOWER surcharge, the RELIEF Act intends to further reduce the surcharge by directing significant cuts to the EmPOWER program, beginning with the next program cycle in January of 2027. *See* below for more details.

Other provisions in the bill should result in further downward pressure on utility rates, including:

- Prohibiting the PSC from approving a rate increase based on utility forecasts until at least April 1, 2027, or until the PSC concludes a proceeding to determine whether this alternative form of ratemaking is "in the best interests of and protects ratepayers." Setting rates based on projected—or forecasted—spending is beneficial for investors but costly for customers, as it allows for faster cost recovery—and faster rate increases—than standard ratemaking, and it shifts risks of utility overspending away from investors and onto customers. Although OPC had advocated for a permanent ban on the practice, the temporary moratorium has already benefited customers, leading Pepco to recently withdraw its proposal to base its recent request for a rate increase on forecasted costs. That means Pepco's requested rate increase will depend on proven, actual costs—a move that reduced the company's proposed rate increase by $8.6 million, or $4.5 million for residential customers.
- Limiting the amount an investor-owned utility can recover, through rates, for supervisor compensation to 110% of the maximum annual salary payable to the chair of PSC, or approximately $250,000. The bill does not prevent utilities and their corporate owners from paying generous compensation to their employees—$250,000 a year is about eight times Maryland's statewide minimum wage and four times the median household income in Baltimore City—and utilities can still choose to pay in excess of that amount, with any compensation above the limit charged to shareholders, rather than utility customers. The limitations will apply when a utility comes in for a rate case. For customers of Washington Gas, BGE, and Pepco, the limitations apply to the requested rate increases currently pending before the PSC.
- Requiring electric companies and other transmission owners and operators in the State to be members of a regional transmission organization (RTO), like PJM, thus, eliminating their claim to the financial incentive they currently receive for voluntary membership. When similar legislation was first introduced in 2024, OPC estimated that a state-law requirement for RTO membership could save customers around $20 million per year. The savings would be even greater today, given that the incentive is calculated based on the size of the utilities' transmission rate bases, which have increased since 2024. On June 4, 2026, OPC sent a letter to owners of qualifying transmission lines—Baltimore Gas and Electric Company, Pepco, Delmarva Power & Light, Potomac Edison, and Transource Maryland—to take affirmative action now to avoid unnecessary and potentially protracted contested proceedings before FERC. None of the utilities responded that they would cooperate. On July 2, OPC joined the Maryland Energy Administration and the Maryland Public Service Commission in filing a complaint at the Federal Energy Regulatory Commission (FERC), asking federal regulators to require owners of qualifying transmission lines in Maryland to immediately remove the financial incentive from their rates. FERC subsequently docketed the proceeding as EL26-87.

- Protecting customers from the impacts of power-hungry data centers (*see* more below).

Over the coming months, OPC will be working to ensure the best possible implementation before the PSC and federal regulators.

What specific changes does the RELIEF act make to the EmPOWER program?

As noted above, the Act makes significant cuts to the EmPOWER program intended to reduce program costs, and, ultimately, the amount of the surcharge you pay on your utility bill. Some cuts are temporary, while others are permanent. They include:

- Temporarily reducing statutorily mandated program goals;
- Temporarily allowing utilities to count the benefits of solar facilities in their respective service territories towards up to 20 percent of their program goals; and
- Permanently eliminating gas utility EmPOWER programs, which in many cases have undermined residential customers' economic interests by locking them into long-lived gas appliances. Gas companies with existing programs—BGE and Washington Gas—must terminate those programs by the end of 2026. Beginning in January of 2027, your gas bill will not include costs for *current* EmPOWER programs, but it will continue to include a reduced surcharge until your gas utility recovers all of their previously incurred program costs.

Cuts to the utilities' EmPOWER programs and reductions to the surcharge will take effect with the next EmPOWER program cycle, beginning January 1, 2027. We will know more about the extent of any program changes and the potential savings once the utilities propose their plans for the 2027-2029 cycle later this year.

The RELIEF Act also directs the PSC to examine the merits of transitioning the EmPOWER program away from utility administration and toward a single third-party administrator, which could help curb administrative costs, reduce the complexity of the program, and address the utilities' underlying disincentive to maximize reductions in energy use—which would ultimately mean less infrastructure spending and less opportunity to profit.

How does the RELIEF Act address data centers?

Data centers—and their impact on utility bills—received a lot of attention during the legislative session. The RELIEF Act includes several provisions designed to protect existing customers from the costs driven by unprecedented forecasts of data center load growth, including:

- Substantially lowering the size threshold for customer-protective rules the PSC is developing through its large load tariff proceeding, Public Conference (PC) 72, and workgroup. Those rules aim to protect customers from the cost increases caused by new data centers in Maryland and to require that data centers disclose, as part of a new requirement to register with the PSC, information to help ensure that any new electric infrastructure built to serve data centers is based on real, rather than speculative, data center development;

- Directing the PSC to develop a voluntary interruptible interconnection service process that would allow participating data centers to bypass long interconnection queues by agreeing to power down or switch to backup generation during peak demand, thus reducing their impact on the grid;
- Directing the PSC to develop a voluntary clean capacity program to incentivize data centers to bring their own clean generation (BYOCG); and
- Prohibiting data centers of a certain size (those with an aggregate demand of at least 5 megawatts and a load factor of more than 80%) from locating in a designated development district in Baltimore City "that is subject to tax increment repayment on outstanding bonds" (effectively precluding locating a large data center in Port Covington/Baltimore Peninsula).

Click here to learn more about how data centers are driving up costs for Maryland customers and how OPC is advocating to protect customers from bearing costs driven by real and projected data center growth.

What changes does the RELIEF Act make to net metering for rooftop and community solar?

Currently, as set out in Public Utilities Article § 7-306, Maryland's net energy metering program allows utility customers to offset all or part of their electricity bill using a renewable energy generating system, including rooftop solar panels. A participating net energy metering customer pays for energy used, netted against any energy that the customer produces and sends back to the electric grid. When the customer applies net energy credits in this way, the energy the customer produces is credited at the full retail rate—the same rate customers pay to purchase energy (sometimes referred to as a 1:1 credit). If a net metering customer generates more energy than they use in a billing period, the customer only pays the fixed customer charge for that billing period, and the electric company carries forward any accrued net excess generation until either the customer uses it (full-retail credit value) or the customer cashes out their credits. These cash-out payments for accrued net excess generation are not at the full retail rate, but rather at a lower "excess generation" rate (or commodity price).

Community solar energy generating systems (CSEGs) are also eligible to participate in net energy metering in Maryland, which enables community solar subscribers to receive credits on their bills.

Click here to learn more about community solar.

Click here to learn more about residential rooftop solar.

The existing net energy metering program includes a 3,000 MW statewide cap on the generating capacity that can qualify for the program, whether in the form or rooftop or community solar projects. In November of 2025, the PSC—which oversees the program—reported that the pipeline of proposed but not yet operational projects is expected to exceed the 3,000 MW. Given the substantial growth in the queue, the PSC recommended that the General Assembly authorize the PSC to convene a formal proceeding to evaluate options, analyze costs and benefits, and propose a balanced, sustainable policy framework for the future of net metering in Maryland. Click here to read the PSC's 2025 Net Metering Report.

The Utility RELIEF Act delegates to the PSC the task of developing and implementing a successor program that incentivizes the development of distributed energy generation, minimizes ratepayer costs in both the short and long term, and balances fair compensation for energy exports and the benefits of reduced load on the grid against the needs of the grid, ratepayer costs and benefits, and potential impacts on non-participating customers, including low- and moderate-income customers. By December 15, 2026, the PSC must submit a report on the proceeding to the General Assembly. Then, by February 1, 2027, the PSC must approve a successor program to begin July 1, 2027.

In May, the PSC convened Public Conference (PC) 78 and established a working group charged with filing a draft report and framework for the successor program by October 27, 2026.

Can I still enroll under the existing net metering program?

The existing net energy metering program will remain available until *the earlier of* July 1, 2027, *or* the date on which the 3,000 MW cap has been met (with some exceptions for community solar projects under certain conditions). The successor program will remain available until the combined total rated generating capacity owned and operated under both programs—existing and successor—reaches 6,000 MW.

Will the successor net metering program provide less compensation for net energy exports than the existing program?

The General Assembly expressed an *intent* to transition to a successor program that, among other things, "provides incentives…that are less than the incentives provided by the [current] net energy metering program," but the law *requires* that the successor program balances fair compensation for energy exports and the benefits of reduced load on the grid against the needs of the grid, ratepayer costs and benefits, and potential impacts on non-participating customers, including low- and moderate-income customers. Ultimately, the PSC is charged with developing a compensation model that meets these requirements.

If I already participate in net metering under the current program, will anything change?

Existing net energy metering customers—those who, as of July 1, 2027, are under a net energy metering contract or tariff under the existing program—will remain eligible for the current program until their system is decommissioned, *unless* the system (1) is modified to increase net power flow injection or alternating current output capacity, (2) enters into a new interconnection agreement, or (3) is "repowered," as defined in the statute. *See* Public Utilities Article § 7-306(d)(5) for more details.

What about balcony solar?

Apart from net metering, the RELIEF Act also includes provisions that make the implementation of small, plug-in solar energy generating systems—referred to as "balcony solar" or "portable solar"—easier and more affordable by removing existing regulatory hurdles—for example, by eliminating the requirement to enter into an interconnection agreement with the local utility and authorizing self-installation. Because portable solar systems can be in smaller spaces, like balconies, they can be easily moved. They are also generally far less expensive than rooftop arrays and have the potential to expand the benefits of solar to a broader group of customers—including renters and low- and moderate-income customers—at little to no cost to non-participating customers.

As of July 1, a utility customer can install one portable solar device per meter, as long as the device is:

(1) designed to be connected through a standard electrical outlet;
(2) primarily intended to offset part of your electricity use;
(3) has a maximum power output of 1200 watts; and
(4) certified by Underwriters Laboratory (UL) or an equivalent nationally recognized testing laboratory (subject to some exceptions for systems with a maximum output of less than 391 watts).

Portable solar systems do not require an interconnection agreement with the utility, and the utility cannot require the customer to pay a fee or install additional controls or equipment—except that if the system requires an automatic locking disconnect switch, the customer must pay for the installation of the switch.

Although you do not need utility approval to install or use a portable solar device, you must notify your utility before installation and provide "a certification of the safety features and maximum generating capacity of the generating system."

Does the RELIEF Act address the shortage of third-party retail energy suppliers in Maryland?

In Maryland, your local utility delivers energy to your home using pipes or wires, but you can choose either your local utility or a third-party retail supplier to supply the electricity or gas itself. If you don't choose a retail supplier, you will automatically get your energy from your local utility under the Standard Offer Service (SOS). SOS prices are set through competitive auctions monitored by the PSC. These auctions aim to keep prices economical. Retail suppliers set their own prices, which until recently were not regulated by the PSC. To learn more about third-party suppliers, click here.

In 2024, the General Assembly passed Senate Bill 1, which altered provisions relating to the marketing and sales practices of these private companies to ensure that energy suppliers treat customers fairly and to protect customers against known predatory practices.

OPC supported the passage of SB 1 because it imposed strong consumer protections to minimize abuses and ensure that customers benefit from retail choice, including by enhancing licensing requirements, increasing penalties, eliminating most variable rate contracts, prohibiting commission-based compensation for energy salespersons, prohibiting the sale and purchase of accounts receivable, and eliminating early termination fees.

SB1 did not prohibit suppliers from operating in Maryland, but suppliers may have decided to exit the market because of the new operational requirements and restrictions.

This year, the General Assembly considered several bills that sought to modify provisions of SB 1 and encourage third-party suppliers to reenter the marketplace. Ultimately, the RELIEF Act included the following modest changes:

- extending the maximum allowable length of a contract from 12 months to 36 months;
- modifying the cap on the price third-party suppliers can charge by:
  - changing the reference point to SOS from a "trailing 12-month average" to the current SOS price "as of the date of agreement with the customer"; and
  - allowing longer contracts to exceed the SOS price: while contracts for 23 months or less are still limited to 100% of the SOS price, contracts for 24-35 months can be for up to 105% of the SOS price, and contracts for 36 months can be for up to 110% of SOS); and
- allowing variable rates for certain products, including those that use time-of-use (TOU) rates, adjust for seasonal variations not more than twice in one year, or never exceed the SOS rate.

Neither the legislature nor the PSC can require retail suppliers to operate in Maryland—they are private businesses that make their own decisions—and it is up to suppliers themselves to determine whether they reenter the market in response to the modest changes in the RELIEF Act.

What else would OPC have liked to see included in the RELIEF Act?

OPC is proud to have supported the provisions in the RELIEF Act that should help to reduce the upward pressure on skyrocketing utility rates that are driving an energy affordability crisis in Maryland. At the same time, the bill doesn't accomplish everything we advocated for—for example, it doesn't:

- fully prohibit the use of rate mechanisms based on forecasted spending;
- remove the financial incentives for accelerated gas pipe spending;
- require the PSC to reign in excessive utility profits; or

- require transparent and accessible reporting on rate trends.

OPC looks forward to continuing to work with legislators and other State, regional, and federal partners to advance these and other policies to ensure ratepayer protections and benefits.