



BALTIMORE CITY COUNCIL COMMITTEE OF THE WHOLE

Mission Statement

On behalf of the Citizens of Baltimore City, the mission of the Committee of the Whole is to meet, discuss and study matters that have particular interest to the City as a whole and to its citizens.

The Honorable Zeke Cohen

CHAIR

PUBLIC HEARING

Thursday, March 12, 2026

5:30 PM

CLARENCE "DU" BURNS COUNCIL CHAMBERS

LO26-0043

Baltimore Gas & Electric Company (BGE)

Gas Safety & Affordability

City Council Committees

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*Staff: Paroma Nandi
(Paroma.Nandi@baltimorecity.gov)*

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*Staff: Ethan Navarre
(Ethan.Navarre@baltimorecity.gov)*

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*Staff: Anthony Leva
(Anthony.Leva@baltimorecity.gov)*

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*Staff: Marguerite Currin
(Marguertie.Currin@baltimorecity.gov)*

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*Staff: Ethan Navarre
(Ethan.Navarre@baltimorecity.gov)*

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*Staff: Anthony Leva
(Anthony.Leva@baltimorecity.gov)*

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*Staff: Juliane Jemmott
(Juliane.Jemmott@baltimorecity.gov)*

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*Staff: Juliane Jemmott
(Juliane.Jemmott@baltimorecity.gov)*

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Staff: Ethan Navarre (Ethan.Navarre@baltimorecity.gov)



COMMITTEE OF THE WHOLE
The Honorable Council President Zeke Cohen
CHAIR

Legislative Oversight Hearing

LO26-0043

Baltimore Gas & Electric Company (BGE) Gas Safety & Affordability

For the purpose of inviting representatives from the Baltimore Gas and Electric Company (BGE) and other relevant organizations to discuss BGE’s business practices related to gas, high gas bills, and gas pipeline inspections.

INVITED PARTIES

- Baltimore Gas and Electric Company
- Maryland Office of People’s Counsel
- International Brotherhood of Electrical Workers (IBEW) Local Union 410

BACKGROUND

Baltimore Gas & Electric (BGE), a subsidiary of Illinois-based Exelon Corporation, is a combined electric and gas utility. BGE serves approximately 1.3 million electric customers and 700,000 natural gas customers in Maryland.ⁱ

Rising Costs of Utilities

All BGE utility bills include two primary categories of charges:

- Supply (Commodity) – Therms of gas or Kilowatt-hours of electricity; and
- Delivery Distribution – The Cost of delivering gas or electricity to a home. This also includes a fixed customer charge—the EmPOWER surcharge—which supports programs to promote energy efficiency, and local taxes.

BGE distribution rates have been rapidly increasing, exceeding the rate of inflation. Data collected from the Maryland Office of People’s Counsel (OPC) shows that gas delivery charges have risen from 26 cents per therm in 2010 to 97 cents per therm effective February 1, 2026. BGE’s website reports that residents may see increases in monthly energy bills in 2026 due to continued investments in upgrading energy infrastructure and factors outside of their control.ⁱⁱ

Multi-Year Rate Plan (MRP)

In Maryland, utility rates are reviewed and approved by the Public Service Commission (PSC). Therefore, any time BGE proposes to increase the price they charge for distributing electricity or

natural gas, they must file an application with PSC. In 2020, the PSC approved the Multi-Year Rate Plan (MRP) pilot program, which allowed utilities to raise rates in advance for several years. BGE was approved by the PSC in 2021 for their first MRP and most recently approved for the second MRP in 2023, which authorized a rate increase over three years of approximately \$408 million.

The Utility Return on Equity (ROE) is the regulated rate of profit, or the rate of interest paid by ratepayers to utility investors over the useful life of capital expenditures. The PSC determined that the ROE of 9.5% for BGE's electric distribution service and 9.45% for BGE's gas distribution services were supported by evidence. Through the application of this rate, the more BGE spends on infrastructure, the bigger the profit they can accrue.

Notably, where traditional ratemakings (which occur after a rate year has passed) require a utility company to demonstrate the need for expenditures it has already made, MRPs enable utility companies to raise the rates annually over a period of time and make it easier for them to increase capital spending by shifting risks onto consumers. In addition, in late 2025, the PSC approved \$77.2 million in additional BGE rate increases over and above the approved MRP rate to enable BGE to recover some of the amounts it overspent in 2023 under its MRP.ⁱⁱⁱ OPC has been critical of MRPs, stating that they require little accountability for utilities, while significantly increasing costs for consumers. The most recent PSC ruling approved BGE's request to indefinitely waive the adjustment to the electric and gas base rates that were due to expire on December 31, 2026. This decision allows BGE to submit a new rate case at its discretion. However, the ruling does deny BGE the ability to recover any difference between Year 3 rates and the new rates eventually approved by the PSC.

Gas Pipeline Inspections

According to federal data analyzed by Maryland PIRG, BGE's hazardous leaks per year have increased from 3,000 in 2014 to over 4,000 in 2023, despite the company's expenditure of \$1.4 billion on pipeline replacement projects.^{iv}

Additionally, a 2023 investigation found that a BGE employee had falsified at least one project report, and PSC's engineering division advised that BGE did not take steps to prove whether the infrastructure "inspected" by the employee was safe.^v Although BGE is cooperating with the PSC in an ongoing review of this matter, the company has disputed the findings of the PSC staff report, and the PSC has opened a new docket to investigate further.

BGE Layoffs/Terminations

On February 10, BGE terminated 46 union workers with terminations effective March 12. BGE released a public statement saying, "Like many utilities, BGE is facing regulatory uncertainty and reduced planned work, which has required us to align our workforce with current business needs." IBEW in a Facebook post stated, "Laying off experienced, qualified union members and leaving contractors in place is a direct violation of [union] protections."

In addition, BGE announced on February 6 that it is laying off 22 managers and office workers for the same reasons.

Next Generation Energy Act of 2025

Last year, Maryland Governor Wes Moore signed the Next Generation Energy Act, which is intended to modernize the state's energy infrastructure, promote more in-state generation, and address the rising

utility costs burdening Maryland families. The omnibus bill expands financial support to reduce direct greenhouse gas emissions from certain multifamily residential buildings; establishes a procurement framework to advance nuclear energy to generate more clean energy in the state; and delivers meaningful relief to Maryland ratepayers, including a \$200 million electricity bill credit provided directly to Maryland families.^{vi}

The bill also puts several guardrails on multi-year plans and capital expenditures by utilities, including:

- Eliminating “reconciliation,” or the process whereby utilities have requested cost recovery for overspending above the levels approved in multi-year rate plans;
- Requiring utilities to demonstrate “customer benefit” that would result from multi-year rate plans; and
- Requiring utilities to demonstrate the “reasonableness” of using contractors to complete work.

Community Resources

Over the last two months, the City Council has received overwhelming concern from residents about the rising BGE rates and steep utility costs. To assist, OPC provides an annual [Community Resource Guide](#) detailing essential support options. Information in the guide explains ways to apply for utility assistance through the Office of Home Energy Programs, non-profit programs such as the Fuel Fund of Maryland, requesting a medical certification form, and additional programs to lower monthly energy bills. Although there are several programs that may offer some financial relief, resources are limited and often exceeded by demand.

FISCAL NOTE

Legislative Oversight on this subject will not have a direct impact the City’s expenditures and revenues.

Analysis by: Paroma Nandi Direct Inquiries to: Paroma.Nandi@baltimorecity.gov
Analysis Date: 2/10/2026; updated 3/10/2026

ⁱ BGE. (February 9, 2026). Company Information. <https://www.bge.com/about-us/company-information>

ⁱⁱ BGE. (February 9, 2026). Bill Support. <https://www.bge.com/my-account/my-dashboard/understanding-my-bill/Bill-Support>

ⁱⁱⁱ Bologna, G., & Overs, B. (December 23, 2025). *State regulators deny half of BGE’s request for \$152 million in rate hikes*. The Banner. <https://www.thebanner.com/economy/bge-rate-hike-psc-denial-NPQ7GMILFFAM7DIRTJWARYT4YQ/?bis=article-action-link>

^{iv} Maryland PIRG. (April 23, 2025). PSC Report Finds BGE Mismanagement Increased Risk of Gas Pipeline Explosions. <https://pirg.org/maryland/foundation/media-center/psc-report-finds-bge-mismanagement-increased-risk-of-gas-pipeline-explosions/>

^v Bologna, G. (April 15, 2025). *State agency questions safety of gas pipes after BGE inspector is caught loafing on his boat*. The Banner. <https://www.thebanner.com/community/local-news/bge-gas-pipes-FSKNVKQH3NGRPN72E22465XLXE/>

^{vi} The Office of Governor Wes Moore. (2025, May 20). <https://governor.maryland.gov/news/press/pages/governor-moore-signs-fy-2026-budget-and-legislation-to-modernize-state-government-during-final-2025-bill-signing-ceremony.aspx>



COMMITTEE OF THE WHOLE
The Honorable Council President Zeke Cohen
CHAIR

HEARING NOTES

LO26-0043

Baltimore Gas & Electric Company (BGE) Gas Safety & Affordability

Hearing Date: 3/12/2026

Hearing Start Time: 5:33 PM

Hearing End Time: 7:35 PM

Location: Du Burns Council Chamber / Webex

Total Estimated Attendance: 70 in-person and 25 virtual

Final Vote: N/A

Committee Members in Attendance:

- **Chair** Zeke Cohen
- Mark Parker
- Mark Conway
- Isaac "Yitzy" Schleifer
- **Vice Chair** Sharon Green Middleton
- Jermaine Jones
- Antonio Glover
- Odette Ramos

MAJOR SPEAKERS

(This is NOT an attendance record.)

- David Lapp, Office of People's Council
 - Brian Terwilliger, IBEW Local Union 410
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NOTES

Council President and Chair of the Committee of the Whole began the hearing welcoming colleagues and members of the public. Shared run of show (opening remarks, presentations from invited witnesses, public testimony, questions from the council, and conclude with additional public testimony and closing remarks). Additionally, noted that Laura Peltier from GEDCO and staff will be located outside of the chambers to assist anyone with BGE bills.

- Coldest winter in recent memory – leaving many residents with difficult choices between paying BGE bills or paying their rent/mortgage.
- Baltimore deserves better than being gouged by unregulated monopoly (BGE)
- City Council does not set BGE's rates. Utilities are regulated by the Public Service Commission (PSC) which is a state agency that implements state law.

- It is the Council’s job to fight for Baltimoreans and to uplift concerns and demand that they be addressed to lower the rates – in City Chambers – in Annapolis – and in partnership with communities.
- Council has passed resolutions urging the PSC to end multi-year rate plans (MRP) hikes and stood together with state legislators to support the Next Generation Energy Act (passed last year) and stood with state legislators again this year.
 - Testified last week in favor of legislation authored by Speaker of the House of Delegates, Joseline Peña-Melnyk to ban utilities from using forecasted test years to propose MRP
 - Council collected 7,000 postcards from constituents and delivered them to BGE and PSC to ensure voices of Baltimore were heard as the PSC considered the future of MRP hikes and the PSC mentioned these postcards when they denied BGE’s request for millions of dollars.
 - BGE also paused their proposed construction of a transmission line in South Baltimore
- BGE makes its money on the gas delivery – the PSC approved nearly 229 million in gas distribution rate increases which led to increased rates we saw in bills starting in January.
- The more BGE spends on capital projects, the more they can profit off the consumers

Council President introduced David Lapp from the Maryland’s Office of People’s Council. Mr. Lapp shared a presentation [available in the recording].

- Charts that depict the increases in Gas and Electric distribution rates that have more than tripled (from 2006-2026).
 - Comparison from Washington Gas rates that shows when Exelon acquired BGE in 2012 and the start of the increase.
 - BGE’s STRIDE program (replacement work) – shows the revenue that needs to be recovered by BGE
 - \$181 million in 2024 and more than doubled to \$424 million in 2044 – part of what is driving up customer rates

Council President introduced Mr. Terwilliger from IBEW local 410 (membership include BGE’s skilled utility workers). Council President noted that BGE’s leadership did not wish to participate in the hearing alongside their union because “presence would shift the conversation away from its intended purpose.” Mr. Terwilliger shared a presentation [available in the recording].

- Represent 1,400 BGE workers (some here tonight)
- Here today to discuss how BGE is systematically shifting essential work from its unionized workforce to outside contractors – a transition documented in the MRP case found in the PSC’s filings and recorded in the record-breaking profits.
- BGE has detailed its heavy reliance on contractors that traditionally belonged to BGE employees.
 - Shift has coincided with profits. BGE has laid off dozens of workers but will keep using contractors.

Council President read an excerpt from Congressman Mfume’s written testimony and testimony offered by BGE [full testimony included in the Bill File].

Public Testimony from two Baltimore Residents:

- Baltimore energy customers are paying more but getting less. Prices have tripled, but the Maryland PIRG's research shows that the program is not prioritizing safety and BGE is actively under investigation by the PSC for safety violations
- High bills are impossible to manage. Limiting my use, but the bill still increases from \$104 a month to \$500 a month. Earlier in the year, had to take a personal loan to pay off the BGE bill which went over \$2,000. Currently in debt, and unsure of how to proceed. Utilities should not be a luxury, but a basic/essential right.

Council President opened the floor to questions and comments from the Committee that are highlighted below:

- PSC requires that rates are justified, however OPC does not believe that standard is met. OPC opposes a MRP – if it is approved, we will push for higher standards. Should bring benefits to consumers but not seeing the benefits. Even with the passage of the Next Generation Energy – OPC stated that MRP is still not.
 - Utilities are regulated by actual costs instead of projections. What we see with forecasting test years, utilities can bid as high as they want. What we see is massive rate increases.
 - There is no downside to utilities, but all risk goes to the rate payers.
- BGE is asking to deregulate so they can generate power?
 - Extremely harmful to customers. Would shift all risks to the public. This would essentially enhance their monopoly by undermining competition
 - Generating power would have to be regulated, which we know may not be regulated as needed
- The profit motive is what is the major driver of the capital projects?
 - Rate of return is 9.5% - OPC thinks that is way too high.
- BGE Customer Relief Fund - \$75 million – is this enough? Knowing that the distribution rates have gone up by \$80 million – \$578 million BGE in profit and \$14.6 million salary for CEO of Exelon.
 - No where near enough – OPC is flooded with calls. Moratorium on shutoffs due to call center issues.
- What does the state law say – what are the guidelines?
 - Just and reasonable rate – decisions of the Supreme Court. The utility is entitled to a rate of return based on consumer risks. When looking at competitive markets the returns are much lower, even when risk is higher.
- Is the 9.5% rate of return compared to other utilities in other places?
 - It is similar in other states, some states have been able to lower some returns (Illinois). The problem is that utilities put on experts to mislead the argument and justifications.
 - Rate case with PEPCO – OPC testimony is 7.7% (we think it could be lower).
- Extend the rates indefinitely – do you think BGE will file a MRP or forecasting rate?

- It is critical to their business model. We don't know what they will do, we anticipate they will file an MRP.
- Stride law that caps the amount on a customer's bill. MRP bypasses STRIDE?
 - MRP is STRIDE on steroids – because they apply to all their spending. The MRP skips over all the rate increases along with reconciliations in the past. An effort to circumvent that – We need tighter statutory language to reduce excessive capital spending
- Individual decision making/ from an individual standpoint – how beneficial would it be to pursue full electrification? Or is it similar on the electric side as well?
 - Electric technology is far more efficient, but we still need tighter laws
 - Reduction in consumption drops – this will also drive higher rates for gas
 - Concern about renters and residents that have less ability to change from gas
- Terminated work due to lack of work, but also investment \$8 Billion
 - 64 employees received the notice, after employees took other job offers there are 30 employees that were laid off.
 - i. Several employees are still looking for placements and the ones that did receive other offers most are significantly less pay.
 - All the ones let go – new hires that were starting their progression in the training program. This allows BGE to rely on contractors, which costs more than triple what in-house workers cost.
- The Next Gen Act – must refer to the cost between in-house and contractors.
 - We can see in PEPCO's cross comparison that employees for overhead work were 34% cheaper than the jobs referred to by the contractors and it is believed that it would be 16% cheaper for in-house workers than contractors. Waiting on BGE to do this comparison.
- Rates are devastating our residents, but also BGE is responsible for home fires because residents are being forced to use space heaters.
- A big trench was left by contractors on Greenmount Avenue causing a major car accident. Confronted BGE regarding the incorrect use of “No Parking Signs” on Trees (not allowed). The contractors don't care and this reflects the company. When we have these issues, we confront BGE – but there doesn't seem to be any accountability. What is the complaint process?
 - Ultimately BGE is responsible for contractors and BGE is accountable to PSC
 - It is important that the PSC hears what is happening and the number of complaints
- BGE has a hiring freeze?
 - Has been in a hiring freeze since June of 2025. In the 2023 reconciliation case BGE said they overspent, but this same document said that the expenditures were 19% higher.
 - BGE confirms that hiring contractors is more expensive. However, these profits are not going to the laborers, it's going to the shareholders. Making the excuse for higher labor costs, which is why they have a freeze – but this is false.

- BGE actually has just over 400 employees that work to ensure power is flowing – compared to the 1776 that work in the offices that do not work in the field.
- CAP Centers – that is where we direct constituents to get help. Does the PSC have the authority to demand BGE give more residential relief money?
 - PSC is the general supervisory authority over the utility, but there background law to support the utilities expenditures, and the utilities are allowed to get reimbursed. Unsure what this would look like, however it is possible that it might mean they could recover those funds from other ratepayers. PSC cannot raise taxes. Typically funding social programs through rates it is regressive policy.
- BGE’s proposed underground transmission line in South Baltimore. The projected cost exceeds half a billion dollars. BGE under pressure from the Senate has paused the project. Do we anticipate that BGE will resume the project and begin construction? How much would it increase the rate payers?
 - OPC does believe BGE will try to resume this work since they have eluded that it is needed for various reasons (unknown to the public).
 - What investments are needed on the peninsula and question the distribution level and transmission investments. They fall into a regulatory gap, where they are not subjected to serious cost review. OPC filed an investigation with the PSC. There are more and more questions about the project, but the OPC has not gotten any answers.
 - 100% of local projects are assigned to the customers – this doesn’t include all the profit, taxes, and other costs.
- What does the Union think of project’s purpose?
 - It looks like BGE is attempting to turn a 34 KB substation into a 115 bulk power substation.
- PSC has opened an investigation to examine issues regarding safety. Does OPC know how the PSC carries oversight?
 - PSC has a technical division that oversees the safety work and regulates that work. OPC is very concerned about BGE’s level of oversight.

Council President concludes the questions from the committee and opens the hearing to additional Public Testimony that is highlighted below:

- Green & Healthy Homes – over 14% of their income on energy. Governor Moore – action to switch to Electric – tomorrow briefing on new legislation. Require new buildings to be electric.
- Union President of AFLCO – representing thousands of workers. Representing families that are burdened by high rates. Rising utility costs – families doing everything right but still facing bills that climb. When utilities rise faster than wages, working families fall behind.
- Two major problems in the city 1) Exelon/BGE 2) Methane.
- Remington Neighbors –what we have noticed regarding BGE work. Before the work began, we asked for documentation that prioritized our street. No documentation provided. PSC approved

the work. Work began April 2025 – inefficiency & complaints. Dug up the street 4 times, 3 watermain breaks (100 gallons of water – one neighbor was charged with \$1500 bill), gas line ruptured, sidewalks broken. When contractors make mistakes, who pays?

- Lead prevention – health & safety concerns. People use their gas stove to aerate in their homes to warm their house which is extremely dangerous. BGE continues to tell people to weatherize their home with more installation. However, they could just decrease the rates – easily cover low-income households.
- Work with patients to access energy relief funds – only seen 1 patient receive funds in the last 3 years. There is significant amount of paperwork to complete with typically no assistance
- City employees cannot afford the rising costs of utilities.
- Need to invest in Public Power
- Bills are too high.

Concluding public testimony, Council President offered closing statements:

- Critically important that the PSC hears the voices of Baltimoreans. We cannot reward profligate spending on infrastructure projects that may or may not be needed, cannot continue down the path of MRP, and increase the profits for shareholders at the expense of ratepayers. Baltimore City Council will continue to fight for our constituents. Urge our colleagues in the legislature to pass the speaker’s bill and amendments.

FURTHER STUDY REQUESTED

Not Applicable

SEE FINAL VOTE RECORD IN BILL FILE

Hearing Packet in bill file? -----	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	N/A
Attendance Sheet in bill file? -----	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	N/A
Vote Record in bill file? -----	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	N/A
Agency reports read? -----	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	N/A
Hearing televised or audio-digitally recorded? -----	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	N/A
Certification of advertising/posting notices in the bill file? -----	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	N/A
Evidence of notification to property owners in bill file? -----	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	N/A

Notes by: Paroma Nandi
Notes Date: 3/12/2026

Direct Inquiries to: Paroma.Nandi@baltimorecity.gov