



# HCCA

**Howard County Citizens Association**

*Since 1961... The Voice of the People of Howard County*

**FAVORABLE – House Bill 505**

**HB505 - Limitations on Cost Recovery by Public Service Companies and Reports on Votes Cast at Meetings of Regional Transmission Organizations (Utility Transparency and Accountability Act)**

**Economic Matters Committee**

**Thursday, February 22, 2024**

Greetings Chairman C.T. Wilson, Vice Chairman Brian Crosby and members of the Economic Matters Committee

My name is Paul Verchinski. I am testifying for The nonprofit Howard County Citizens Association (HCCA). Founded in 1961, HCCA testifies on draft legislation affecting the residents of Howard County and the State of Maryland. This written testimony has been authorized by the HCCA Board.

### **Favorable**

**The Howard County Citizens Association requests a Favorable report on HB505 for the following reasons:**

Defining “lobbying or political activities” expenses is critical to excluding those expenses from the rate base. Requiring a Report of those expenses is vital to transparency.

Requiring transparency is always in the Public Interest.

Utilities are a public monopoly. Public monopolies must be accountable; accountable for their lobbying expenses and on their voting. Voting can lead to decisions that do not benefit the citizens of Maryland and Howard County. For example, rules adopted or dismissed by PJM Interconnection LLC (the regional transmission organization with operations across 13 states and DC) that are initiated at subcommittee levels influence eventually transmission costs to Maryland and Howard County electric customers. On average, Maryland residents spend about \$218 per month on electricity. That adds up to **\$2,616 per year**. Up to 50% of each KWH is comprised of transmission costs attributed to PJM transmission. Currently, how Maryland utilities vote is opaque. There are massive financial implications for Maryland electric customers.

Maryland utility representatives are already assigned to PJM Committees and Subcommittees and they already would be reporting to their management on how they voted and the reason for their votes. An Annual Report to the Public Service Commission would just provide information and accountability to the public through the Public Service Commission. The representation by the utilities is that they are

acting in the public interest of Maryland customers when in fact their first allegiance is to stock holders of the respective publicly traded companies.

Requiring a report on Lobbying Costs and voting provides a definitive account of what PJM is doing to benefit the public interest as is required by a public monopoly. (delete: what is meant by “lobbying” and replaces a general reference. This is a reasonable update.

We ask that the committee report out the bill Favorably.

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