

HB505 - SUPPORT

Clara Summers
Citizens Utility Board of Illinois
csummers@citizensutilityboard.org

HB 505-Utility Transparency and Accountability Act

Economic Matters Committee
February 22, 2024

Dear Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee:

My name is Clara Summers and I am the Consumers for a Better Grid Campaign Manager for the Citizens Utility Board of Illinois (CUB). I am testifying today in support of HB 505. CUB is a nonprofit, nonpartisan consumer group. Similar to the Maryland Office of People's Counsel, we advocate for utility customers. Consumers for a Better Grid is a watchdog holding grid operators, like PJM, accountable to consumers, states, and a clean, affordable energy future.

The vast majority of people are not familiar with the PJM Interconnection, but the decisions that are made through its stakeholder processes impact the affordability and reliability of our electricity and can make or break the transition to clean energy. PJM is the nation's largest Regional Transmission Organization (RTO) and manages the flow of electricity to 65 million people in 13 states and the District of Columbia, from the Midwest to the East Coast. PJM rules affect grid reliability, the cost of electricity, and the integration of new energy sources. These rules are decided through a voting process by PJM's members, including electricity generators, transmission owners, and distribution utility companies.

HB 505 is a sunshine bill creating better transparency and accountability for how utilities under Maryland jurisdiction vote in our shared electric markets.

The PJM stakeholder process is opaque. Proposals are designed and first voted on in the lower-level committees before they can be considered in the upper-level committees. The voting record of individual firms is not public—we only know the percentage of yeses, no's, and abstentions. The lower levels act as a gatekeeper for what solutions will be presented to the upper level, which has the final word. To provide a comparison, imagine if all the committee votes here in the Maryland General Assembly were secret, and only the votes of the State Senate were reported in full. Such a process would lack critical transparency and be undemocratic.

What's more, there is the potential for abuse of market power in PJM. Holding companies may be able to vote several times on an issue through their affiliates, which can vote in lower-level committees. That increases the potential of certain companies to influence which proposals advance. For example, Exelon, the parent company for 3 Maryland utilities, has one vote at the upper level, but controls 7 affiliate votes at the lower level.

HB 505 would shine a much-needed light on the votes by electric utilities at PJM. It would require each utility to submit a report to the Public Service Commission regarding votes cast in

any PJM meeting in the prior calendar year, as well as a brief description of how that vote was in the public interest. Utilities are monopolies that provide a vital service. The public has a right to see if electric utilities are voting against our interests in PJM proceedings on issues that matter to reliability, rates, and the clean energy transition.

Similar legislation has also been introduced in Illinois, Virginia, and West Virginia.

I want to thank Del. Charkoudian for her leadership on this issue here in Maryland and nationally. We urge a favorable report on HB505.