

Favorable with Amendments
Education, Energy, and Environment
3/6/2025

Senate Bill 950 – Natural Gas Generating Facilities – Authorization

Baltimore Gas and Electric Company (BGE) supports with amendments Senate Bill 950 – Natural Gas Generating Facilities – Authorization. Senate Bill 950 authorizes the construction, permitting, and operation of natural gas generating facilities in the State until the State meets 50% of its energy needs from renewable energy resources. Additionally, the bill requires the Maryland Energy Administration to work with the owners and operators of natural gas generating facilities in the State to decrease the production of energy from natural gas after the State meets 50% of its energy needs from renewable energy resources.

Resource adequacy is a critical concern in Maryland. It's essential to have enough electricity generation capacity to meet peak demand and ensure reliable power delivery through sufficient transmission infrastructure. With limited in-state generation and the impending retirements of dispatchable generation, Maryland relies heavily on imported electricity to meet its energy needs. This dependency underscores the importance of maintaining a robust and reliable electric grid. In order to meet the electric demand of Maryland residents and businesses, stakeholders from the State, PJM, and utilities need to collaborate on solutions.

BGE respectfully requests an amendment for an investor-owned electric company to obtain a credit rating assessment by a premier credit rating agency to ascertain whether the terms of any order directing the utility to construct, permit, and or operate a natural gas generating facility are likely to be credit negative. This is essential to protect ratepayers from paying higher rates in the event BGE's credit rating would be adversely impacted because of a generating facility construction investment. Additionally, appropriate language to ensure the recovery of prudently incurred generation investments and costs is requested, given BGE is a regulated utility.

BGE remains committed to supporting Maryland's energy transition and supports policies that keep affordably, resiliency, and reliability a priority. BGE requests the Committee accept our recommended amendments and issue a favorable report.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.