

MARLON AMPREY
Legislative District 40
Baltimore City

DEPUTY MAJORITY WHIP

Economic Matters Committee



The Maryland House of Delegates
6 Bladen Street, Room 315
Annapolis, Maryland 21401
410-841-3520 · 301-858-3520
800-492-7122 Ext. 3520
Marlon.Amprey@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 9, 2023

Testimony of Delegate Marlon Amprey in support of HB 891 Independent Study of the Public Service Commission

Dear Members of the Economic Matters Committee,

House Bill 891 is being introduced for the purpose of requiring the Public Service Commission (PSC) to contract for an independent organizational assessment of its staffing capacity, structure, processes, and strategic focus. An organizational assessment is necessary because the decisions of PSC impact billions of dollars of business investment by utilities and rate payments by household, commercial, and other consumers. Moreover, Maryland is in a historic transition to clean energy, and nearly all those decisions are significantly impacted by the PSC. In particular, the PSC is responsible for how the energy-related policies, programs, and targets that this legislature sets are implemented. Therefore, if the PSC lags for organizational reasons, it can affect the cost, equity, reliability, and environmental impacts of our public utilities.

Importantly, some of these concerns were anticipated by the PSC itself. On December 22nd, the Commission released a report based on staff work and consideration of public comments.¹ That report recommended an increase in staffing, funding increases for pay, and related human resources efforts. This was a good start, but that study did not consider broader questions surrounding technical capabilities, processes, priorities, and organization within the PSC. The PSC's study notes that several states have modernized their equivalent agencies to address climate change, renewable energy, grid planning, and similar issues. House Bill 891 is designed to help ensure that the PSC has the right systems and processes in place to also modernize.

The following are challenges the PSC has recently faced that an independent study would serve to benefit. First, HB298/SB83, which required the PSC to consider climate change effects and the state's Greenhouse Gas Reduction Goals in its regulation and supervision of public service companies, was enacted in 2021. However, there is little indication that PSC changed its analyses and systematic approach to greenhouse gases. Second, also in 2021, HB397/SB31 was enacted to require the PSC to have third party electricity suppliers cap the electricity cost to

¹ Public Service Commission of Maryland, Public Conference 57, Modernizing the Commission's Staffing and Resources, Summary Report, Prepared for the Commission by the Public Conference 57 Work Group, Andrew Johnston and Amanda Best, Public Conference 57 Work Group Leaders, December 22, 2022.

households receiving Energy Assistance to no more than Standard Offer Service rates. Six months later, leading legislators wrote the PSC requesting that regulations to implement the law be developed. When that still had not happened a year after the bill was passed, the Office of People's Counsel formally petitioned the PSC to develop regulations to implement the law. After further delay, the regulations were drafted, but will not take effect until July, leaving a substantial number of contracts inconsistent with the law's intent. Finally, last year the leaders of this Committee and the Appropriations Committee expressed concern when the PSC ruled that utilities could apply for federal funds – effectively taxpayer dollars – under the federal Infrastructure Investment and Jobs Act without public oversight or input.²

While capacity shortage is one known constraint of the PSC, this independent study is needed to identify other constraints necessary to tackle these unprecedented transformations. The expert evaluation under this bill will help answer the following questions: (1) What technical capabilities will the PSC need to deal with these new and rapidly changing technical areas and economic forces? (2) Will doing so require changes in organization and structure? (3) Because much of the new investment in clean renewable energy will be made by new private-sector entities large and small, how will their interests be represented in PSC processes? (4) Is the current Working Group process effective in dealing with key issues? (5) What role should consultants, and consultation with other state agencies, play in dealing with the complex issues facing the PSC? (6) How can equity, and the effects of policy and regulatory decisions on underserved and vulnerable communities, be incorporated into the PSC's decision-making processes?

Looking forward, the following are examples of the important matters the PSC faces, which indicate the urgency of a Commission review: (1) Facilitating and promoting expansion of renewable energy production and distributed energy resources, particularly including solar, wind, and battery storage, consistent with the Climate Solutions Now Act of 2022; (2) Working with the PJM regional grid interconnection system, which has significant control over new renewable energy generation development in Maryland, to accelerate and accommodate approvals. The PJM queue currently has more than 250 gigawatts of generating capacity in its queue, more than 95 percent of which is renewables or battery storage.³ The PSC is an important stakeholder in PJM processes and can help lead the interconnection system in ways that benefit Maryland and the broader PJM region. (3) Managing the transition away from fossil-fuel burning in buildings which is responsible for about 13 percent of Maryland's greenhouse gas emissions. How we treat natural gas in Maryland is also a critical question that the PSC governs. If this fuel should be phased out due to the impact of methane leaks and carbon dioxide emissions, we should start now to plan for that transition. (4) Related to this, the PSC should protect ratepayers from the immediate and long-term cost of utility infrastructure development that is not oriented to the clean energy transition and is likely to create stranded assets. (5) As public officials, both we and the PSC have a special responsibility for ensuring that low- and moderate-income residents of the State are protected from undue burdens. The PSC could facilitate low- and moderate-income

² Inside Climate News, "A Controversial Ruling Puts Maryland's Utility Companies in Charge of Billions in Federal Funds;" July 30, 2022

³ <https://www.utilitydive.com/news/ferc-pjm-interconnection-reform-plan-queue/637717/>

households' access to the benefits of clean energy through programs such as EmPOWER Maryland and Community Solar. (6) The PSC also needs to ensure that the electric grid is prepared for the expansion of use in transportation, buildings, and other sectors. The study would indicate whether PSC has the in-house expertise or access to outside expertise necessary. (7) Lastly, we need to ensure that Maryland's energy transition is just and fully inclusive, which is an area that the PSC has acknowledged they do not have substantial competence or experience.

The proposed study would consider input from PSC leaders, staff, stakeholders, and the best practices used by other public utility commissions. The findings and recommendations would be reported to this committee and other relevant committees of the House and Senate by July 1, 2024. This coming year, when new Commissioners will guide the PSC, is an ideal time to provide them an expert independent assessment and recommendations.

For these reasons, I urge a favorable report on House Bill 891.

Respectfully,

A handwritten signature in black ink, appearing to read "Marlon Amprey". The signature is fluid and cursive, with the first name "Marlon" and last name "Amprey" clearly distinguishable.

Delegate Marlon Amprey
40th Legislative District of Maryland