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BILL NO.: House Bill 1186
Public Service Companies - Annual Report on Votes Cast
at Meetings of Regional Transmission Organizations

COMMITTEE: Economic Matters

HEARING DATE: March 9, 2023

SPONSOR: Delegate Charkoudian

POSITION: Favorable

The Office of People's Counsel supports House Bill 1186 for the transparency it would require of public service companies making decisions that have significant ramifications for utility customers.

The bill requires public service companies to submit to the Public Service Commission an annual report "of any recorded vote cast by the public service company at a meeting of a regional transmission organization ... regardless of whether the vote is disclosed by the regional transmission organization; and [including] a brief description explaining how each vote cast by the public service company is in the interest of the public."

Currently, certain high-level votes are disclosed by PJM Interconnection, LLC, the regional transmission organization for Maryland. There are numerous lower-level committees and task forces where transmission planning protocols and market rule changes are developed and where the votes are not disclosed. Requiring public service companies to report on "*any* recorded vote" would provide additional needed transparency for decisions that results in hundreds of millions of dollars that are paid for by utility customers.

OPC also supports the requirement for public service companies to explain "how each vote cast by the public service company is in the interest of the public." Public service companies are provided with State-granted monopolies in order to perform

important public functions and are required to operate “in the interest of the public.”¹ At the same time, however, many public service companies are private companies with fiduciary obligations to earn profits for their investors. Unless effectively regulated, public service company votes at PJM can result in serious misalignments with the public interest. Requiring companies to explain “how each vote cast by the public service company is in the interest of the public” will help regulators assess whether the companies’ votes do, in fact, serve the public interest, and not just the companies’ private interests.

Recommendation: OPC requests a favorable Committee report on HB 1186.

¹ Public Utilities Article § 2-113(a) requires the Commission to “supervise and regulate the public service companies subject to the jurisdiction of the Commission to ... ensure their operation in the interest of the public.”