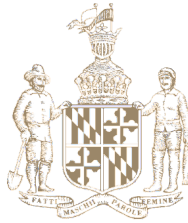


KATIE FRY HESTER
Legislative District 9
Howard and Montgomery Counties

Education, Energy, and
Environment Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB 682 - Limitations on Cost Recovery by Public Service Companies and Reports on Votes Cast at Meetings of Regional Transmission Organizations (Utility Transparency and Accountability Act)

February 21, 2024

Chairman Feldman, Vice-Chair Kagan, and members of the Education, Energy, and Environment Committee:

Thank you for your consideration of Senate Bill 682, **Limitations on Cost Recovery by Public Service Companies and Reports on Votes Cast at Meetings of Regional Transmission Organizations** (the Utility Transparency and Accountability Act).

Maryland is one of 13 states and the District of Columbia that are members of the Regional Transmission Organization (RTO) known as PJM. PJM is the largest RTO in the US, serving over 63 million people and comprised of many utility companies and electricity generation facilities. PJM serves important functions such as ensuring grid reliability. Overall, having an independent regional entity overseeing the grid provides efficiencies that benefit Maryland consumers.

However, decisions made at PJM can significantly impact our utility rates and determine how quickly progress is made in meeting our climate goals. PJM's authority over our grid and electricity transmission system is complicated by its opaque decision-making process that lacks an accountability structure for those who make the decisions. Currently, the votes cast at the lower committee level are private, so the public has no way of knowing what their state-regulated, public utility companies are advocating for or against at PJM. This lack of transparency is important because PJM's past decisions have kept fossil fuel generators running longer, slowed down the transition to renewables, and unnecessarily increased costs for our ratepayers.

The purpose of this bill is to increase transparency and accountability for utility companies in Maryland and ensure that ratepayer funds are not used for lobbying expenses. This bill strengthens existing state law that bans utility companies from charging customers for lobbying

using our monthly utility bills by banning utilities from also using ratepayer dollars for trade association dues, advertising, board member expenses, and gifts. It also requires utility companies to submit an annual report outlining all expenses related to these activities.

This legislation also requires all utilities to be part of a regional transmission organization (RTO). Utilities currently receive additional funds from rate-payers on each transmission project as an incentive to join an RTO. If they are required to join, ratepayers will no longer be saddled with paying these additional costs for joining. Lastly, the bill requires a public record of all PJM votes cast by public utility companies.

This bill is an essential step forward to increase transparency and accountability for utility companies in Maryland. For this reason, I respectfully request a favorable report on SB 682.

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester". The signature is written in a cursive, slightly slanted style.

Senator Katie Fry Hester
Howard and Montgomery Counties