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**To the Environment and Transportation Committee**

**Please Oppose HB 1035 – Public Utilities – Electricity Generation Planning  
– Procurement, Permitting, and Co-Location (Next Generation Energy Act)**

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Maryland should not turn its back on a proud history of leading the nation toward renewable energy. Yet, House Bill 1035 would authorize approval of large-scale gas-fired power plants with major carbon emissions. How could such approval be justified? (Note: The summary of the bill on page 1 does not mention building new gas-fired power plants yet pages 5-9 of the bill seem to be devoted to building new gas-fired plants. In 35 years of reviewing bills, I have almost always found the summaries to be quite accurate.)

**Is it because utility prices are rising?** The Governor and legislature can fix this problem by reforming the Public Service Commission. Mark Ellis, an associate at the American Economic Liberties Project, is an independent consultant and expert witness in finance and economics in utility regulatory proceedings who previously worked for McKinsey, Exxon Mobil, and Southern California Edison. His latest work shows that the rate hikes are the result of excessive power held by big businesses and not by cost factors. Mr. Ellis shows<sup>i</sup> that corporate power and public utility commission capture have created a crisis in utility rates.

*Only 70% of electric utilities are investor-owned, the other 30% are publicly owned, either by cities or cooperatives or some other public ownership model. . . . **Over the past three years, investor-owned utility rates went up 49% more than inflation, whereas publicly owned ones have gone up 44% less than inflation.***

This analysis shows that there needs to be reform in how public utility commissions gather and weigh evidence and particularly in how they assess rate of return for the investor-owned utility monopolies.

**Is it because of the massive electricity needs of data centers?**

Big tech should pay for that, and Maryland should adhere to its requirements for renewable energy. Big tech's emergency is not our emergency. We, the people, do not profit from ever-expanding databases that record the details of our lives and exploit us economically. Data centers create few jobs.

## **Is it because of the massive electricity needs for developing AI?**

Only about four weeks ago, revelations about a Chinese technology known as Deep Seek showed that AI results might require much less processing power than previously believed. The news resulted in a drastic reduction (about \$450 billion in market capitalization as of this writing) in the stock market price of Nvidia, which makes the most important AI processing chips.

AI in the hands of the existing tech monopolies threatens to exacerbate wealth and income inequality. The General Assembly should not feel compelled to respond to the whims of these giant corporations who are facing a bi-partisan onslaught of anti-trust litigation.

In April of 2024, candidate Donald Trump met with top oil executives and asked for \$1 billion in financial help for his campaign. The *Washington Post* paraphrased what people present at the meeting told its reporters: “You all are wealthy enough, he said, that you should raise \$1 billion to return me to the White House. At the dinner, he vowed to immediately reverse dozens of [President Biden](#)’s environmental rules and policies and stop new ones from being enacted, according to people with knowledge of the meeting, who spoke on the condition of anonymity. . . . Giving \$1 billion would be a ‘deal,’ Trump said, because of the taxation and regulation they would avoid thanks to him, according to the people.”<sup>ii</sup>

Maryland should be resisting Trumpism and not doing his work of expanding fossil fuels and undermining renewable energy. The residents of this nation suffer because of carbon emissions and other pollutants from burning fossil fuels. The health impacts are felt by families and are a burden on governmental budgets at all levels.

Maryland should stick to its principles and continue to require renewable energy, which is increasingly cost-efficient. Therefore, I ask that you issue an unfavorable report on HB 1035.

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<sup>i</sup> <https://www.economicliberties.us/our-work/rate-of-return/#>

<sup>ii</sup> <https://www.washingtonpost.com/politics/2024/05/09/trump-oil-industry-campaign-money/>