

BGE_ECM_FAVORABLE_HB1149_PSC-FullCostandBenefitsAn

Uploaded by: Brittany Jones

Position: FAV

Favorable
Economic Matters
2/21/2025

House Bill 1149 – Public Service Commission – Full Costs and Benefits Analysis of Sources of Electricity Generation

Baltimore Gas and Electric Company (BGE) supports *House Bill 1149 – Public Service Commission – Full Costs and Benefits Analysis of Sources of Electricity Generation*. House Bill 1149 requires the Public Service Commission (PSC) to conduct an analysis of the full costs and benefits of sources of electricity generation in the State and to recommend policy change to support the development of energy sources based on the lowest costs and greatest benefits to ratepayers. The PSC would be required to file its findings and recommendations to certain committees of the General Assembly by December 1, 2026.

BGE is supportive of the bill's goal to better understand cost and benefit projections of various sources of electricity generation, given that resource adequacy is a pressing issue nation-wide and is of particular concern in Maryland. The retirement of electricity generation facilities in Maryland is contributing to significant electricity constraints, which has increased pricing in the capacity market and has prompted multiple large-scale transmission projects to be constructed to import more energy into the State. Given the limited local generation in Maryland and pending retirements of the dispatchable generation in the state, Maryland is dependent on generation imports to achieve its electric supply. Maryland currently imports 40% of its electricity from out-of-state electricity generators to meet the energy demands of residents and businesses and that number will increase if new generation is not built in the State.

BGE believes the PSC is the appropriate state agency to lead the analysis effort and to provide recommendations to the General Assembly on the most cost-effective and most beneficial option(s) of electricity generation. The PSC has already created a Maryland Unified Benefit-Cost Analysis (UBCA) work group that was tasked with addressing the cost-effectiveness of all Distributed Energy Resources (DERs). It would be beneficial to incorporate analysis/feedback from this work group into the requirements set forth by House Bill 1149.

Given the amount of energy legislation coming before the General Assembly, BGE recommends a favorable report on House Bill 1149 to ensure legislators have the information and resources required to make informed decisions on the future of energy generation in the state of Maryland.

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.

Charles Washington | Brittany Jones | Guy Andes | Dytonia Reed | 410.269.5281

HB 1149 written testimony.pdf

Uploaded by: Charlene Sharpe

Position: FAV



House Bill 1149

Public Service Commission- Full Costs and Benefits Analysis of Sources of Electricity Generation

Position: **SUPPORT**

To: Economic Matters Committee

Date: Feb. 19, 2025

From: Worcester County

Good afternoon Chair Wilson and committee members. I am writing to support HB 1149, which would help ensure that the costs of Maryland's transition to clean energy aren't borne solely by ratepayers.

A full cost and benefit analysis of various sources of electricity—nuclear, natural gas and offshore wind—is a logical way to determine the true price of each type of generation. While we all support clean energy, it should be pursued in a manner that does not put an unfair burden on ratepayers. The fact that renewable energy options like wind and solar are not always available and therefore must be partnered with energy storage and/or rely on fossil fuel is an issue that must be considered as we move forward with this transition. The intermittency of generation makes the cost comparison between options like natural gas and wind difficult. The Levelized Full System Cost of Electricity examination proposed by Delegate Adams would consider the irregularity of renewables and as such would give us an understanding of the true cost of these energy options, providing a single comparison figure that would simply explain the financial implications of Maryland's renewable energy providers to the state's utility customers. Subsequent policy changes will position the state to move forward in addressing energy needs without punishing ratepayers.

I urge you to support HB 1149. Thank you for your service, your time and your consideration.

ADAMS-HB1149-ECM-PSC-Full Costs and Benefits Analy

Uploaded by: Delegate Chris Adams

Position: FAV

CHRISTOPHER T. ADAMS
Legislative District 37B
Caroline, Dorchester, Talbot,
and Wicomico Counties

Economic Matters Committee

Subcommittees

Banking, Consumer Protection,
and Commercial Law
Business Regulation
Property and Casualty Insurance
Public Utilities

Chair

Eastern Shore Delegation



The Maryland House of Delegates
6 Bladen Street, Room 405
Annapolis, Maryland 21401
410-841-3343 · 301-858-3343
800-492-7122 Ext. 3343
Christopher.Adams@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 1149

**Public Service Commission-Full Costs and Benefits Analysis of Sources of
Electricity Generation**

- ***Why is the Bill being introduced?***

The bill is being introduced to be a practical study of the costs and benefits of different sources of electricity generation. The bill is a timely policy discussion that will lead to better informed decisions in the Maryland General Assembly.

- ***What does the Bill do?***

The bill requires the Public Service Commission to conduct a full costs and benefits analysis of sources of electricity generation in the State as it pertains to natural gas, nuclear, offshore wind, and energy storage, as specified. By December 1, 2026, PSC must report its findings and recommendations to the Senate Committee on Education, Energy, and the Environment and the House Economic Matters Committee.

- ***Why is it important to pass now?***

Colleagues, we are all part of an important conversation on energy this legislative session. All of us on the Economic Matters Committee bring our unique set of political ideas on the subject of energy. While our approaches may be different our aim as a legislative committee is to help our ratepayers during this energy transition. Irrespective of our opinions and approaches to energy generation policy, this bill will help lead to better informed solutions in our State.

HB1149-ECM_MACo_SUP.pdf

Uploaded by: Dominic Butchko

Position: FAV



MARYLAND
Association of
COUNTIES

House Bill 1149

Public Service Commission - Full Costs and Benefits Analysis of Sources of Electricity Generation

MACo Position: **SUPPORT**

To: Economic Matters Committees

Date: February 21, 2025

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1149. This bill requires the Public Service Commission to conduct a cost and benefit analysis for certain sources of energy generation.

The 2025 Maryland General Assembly faces an unprecedented set of generational challenges, with energy emerging as a top priority, second only to the daunting budget hurdles and stark changes in federal policies. As the state transitions toward renewable energy sources and full electrification, a predominant concern needs to be ensuring grid reliability and affordability for residents. HB 1149 is a commonsense bill because it aims to help fill certain informational gaps related to certain energy sources. Having a more robust picture of the impacts of certain sources helps policymakers at all levels make better informed decisions.

HB 1149 is a good governance, commonsense bill. For this reason, MACo urges the Committee to give HB 1149 a **FAVORABLE** report.

HB 1149 - PSC - Full Costs and Benefits Analysis o

Uploaded by: Grayson Middleton

Position: FAV



Educate. Advocate. Innovate.

Date: February 19, 2025
To: Members of the House Committee on Economic Matters
From: Grayson Middleton, Government Affairs Manager
Re: HB 1149 – PSC - Full Costs and Benefits Analysis of Sources of Electricity Generation – **Support**

Delmarva Chicken Association (DCA) the 1,600-member trade association representing the meat-chicken growers, companies, and allied business members on the Eastern Shore of Maryland, the Eastern Shore of Virginia, and Delaware supports HB 1149 and urges a favorable committee report.

HB 1149 would require the Public Service Commission to analyze the full costs and benefits of sources of electricity in the State of Maryland. It also requires the commission to include recommended policy changes to support the development of energy sources with the lowest costs and greatest benefits to ratepayers of the State.

Rising electricity costs in Maryland have affected every citizen. However, these higher rates have been particularly damaging for chicken farmers, who already count electricity as their highest input cost. Farmers on Delmarva have seen a 6% average annual increase in their rates, and these have consistently been 7% higher than the national average for commercial customers. Compounded by weather events, HPAI, unfavorable markets, and government regulation, these costs have put an enormous amount of pressure on our farmers. We believe the State should make every effort to investigate avenues to reduce electric costs for our producers, and as such, we urge a **favorable** report.

Should you have any additional questions, please feel free to contact me at middleton@dcahicken.com or 410-490-3329.

Sincerely,

Grayson Middleton

Government Affairs Manager

scanbill1149-675.pdf

Uploaded by: Jeannie Haddaway-Riccio

Position: FAV



Talbot Watermen Association, Inc.

P.O. Box 324 • Bozman, MD 21612 • (410) 745-9759 • info@talbotwatermen.org

February 12, 2025

The Honorable C.T. Wilson
Chair, Economic Matters Committee
The Honorable Brian Crosby
Vice Chair, Economic Matters Committee
231 Taylor House Office Building
Annapolis, MD 21401

Dear Chair Wilson and Vice Chair Crosby,

We are writing to express our **support** for **House Bill 1149/Senate Bill 675 - Public Service Commission - Full Costs and Benefits Analysis of Sources of Electricity Generation.**

These bills would require the Public Service Commission (PSC) to conduct an analysis of the full costs and benefits of various energy sources and provide policy recommendations to the legislature by December 1, 2026. Those recommendations would be based on the energy sources that have the lowest costs and greatest benefits to Maryland's ratepayers.

Continually rising energy costs are negatively impacting the seafood industry which is primarily made up of small businesses. We are also experiencing economic hardship as individual rate payers due to residential rate increases and congestion charges. Increasing clean, reliable, and affordable electricity generation in Maryland's portfolio will help to ease these cost burdens and make Maryland's economy more resilient. The analysis required by this legislation will provide a true picture of which sources can achieve that outcome for Maryland's energy future.

It will also provide an assessment of energy sources that disproportionately impact our industry such as offshore wind. Offshore wind projects such as the one proposed in Ocean City impede safe navigation, disrupt habitat, damage fishing gear, and reduce our industry's ability to feed Marylanders. We believe that those consequences far outweigh the benefits. A full costs and benefits analysis will help to determine that.

[Talbot Watermen Association, Inc. is a component fund of the Mid-Shore Community Foundation, a 501\(c\)\(3\) public charity.](#)



Thank you in advance for your consideration and we respectfully request a favorable report for House Bill 1149/Senate Bill 675.

Sincerely,

Herman Jeffrey Harrison
President

Contact: Jeannie Haddaway-Riccio
R&R Solutions, LLC
(443) 786-2137
jeannie@randrsolutions.us

Talbot Watermen Association, Inc. is a component fund of the
Mid-Shore Community Foundation, a 501(c)(3) public charity.

SB 675 Letter of Support 2.18.25.pdf

Uploaded by: Kevin Gibbs

Position: FAV



An Open Letter:

As a Board Member of the Stop Offshore Wind Coalition, I write today to urge support and passage of both Maryland Senate Bill 675, and Maryland House Bill 1149. The bills, sponsored by Sen. Mary Beth Carozza in the Senate, and Delegate Chris Adams in the House, direct the Maryland Public Service Commission to immediately conduct a thorough analysis of the costs and benefits of electrical generation capabilities in the state of Maryland. It would also require the commission to recommend policy changes to support the development of energy sources that provide the best cost-to-benefit ratio to all Maryland ratepayers.

As we, the Stop Offshore Wind Coalition, are currently waging an ongoing battle with US Wind as they seek to industrialize our ocean with a massive offshore wind farm, I fully support the swift passage of both of these bills so that Maryland voters and ratepayers will be given a complete, transparent picture of the true cost of electricity in our state, and the impacts that this wind farm will have on our electric rates. Here on the eastern shore, we have been repeatedly misled and misinformed regarding both the effectiveness and efficiency of offshore wind power. Facts have been withheld, and we have been misled about its effects on our ocean ecosystems, our businesses, the economic costs to all Maryland electricity customers, and our very way of life here on the shore.

As an organization, our biggest question since the beginning of this project has been 'At What Cost?' We know the cost: higher electric bills – for everyone in Maryland, job loss, tourism loss, business loss, loss of our culture, and irreversible environmental damage, including threats to marine life. Offshore wind proponents will urge you to look to the future and think about what green energy can do for our state, but what about the 'now'? What about the facts that point out that wind energy is neither clean, nor efficient.? The fact is that offshore wind power is far more expensive than other types of electricity, not only in the direct cost to ratepayers every month, but also in the massive amount of government subsidies, paid for by Maryland taxpayers, that are required to make wind power even remotely competitive on the open market.

Again, I write to urge swift passage of Senate Bill 675, and House Bill 1149, and to applaud both Senator Carozza and Delegate Adams for standing up for Maryland ratepayers, voters, and specifically for us here on the Eastern Shore. Our voices have been ignored throughout this entire process and it is both encouraging and uplifting to see that at least some in the halls of our state government are finally listening.

Sincerely,

A stylized, handwritten signature in black ink, appearing to read "KG".

Kevin Gibbs
Stop Offshore Wind Board Member
Owner, The Dough Roller, Ocean City, MD



Stop Offshore Wind Partners



Donate



SB675 HB1149 Pavlak FWA.v1.pdf

Uploaded by: Alex Pavlak

Position: FWA

(SB675) **HB1149 Pavlak FWA**

Public Service Commission – Full Costs and Benefits Analysis of Sources of Electricity Generation

CHANGE THE BILL TO A FACT-BASED ENGINEERING STUDY BY REPLACING ALL INSTANCES OF THE PHRASE “FULL COSTS AND BENEFITS” WITH “RELATIVE GENERATION COST AND EMISSIONS”

- Decisionmakers need to see an objective comparison of the cost and GHG emissions of different generator combinations.
- The word “benefits” inserts political opinion like the social cost of carbon. The only benefit that should be of interest at this point is GHG emissions

REPLACE SECTION 1.(a) WITH THE FOLLOWING:

1.(a) The Public Service Commission shall conduct a concept analysis of relative costs and emissions from reliable generation systems. A concept analysis keeps-it-simple with the following assumptions:

- (1) Legacy free, the base ignores existing infrastructure, policy and markets
- (2) All new construction with unit costs and financial assumptions, latest NREL/ATB database, R&D case (no subsidies, financial assumptions), tech life capital recovery period.
- (3) Perfect transmission and distribution (no loss, no cost, the copper plate assumption).
- (4) Closed system, no imports/exports across state boundaries. {Of course, Maryland has interstate transmission, but this unnecessarily complicates a relative comparison of generator types}
- (5) 10 years historical hourly renewables resource data from reanalyzed wind and insolation data sets. Empirical power curves convert wind and isolation to hourly electricity generation profiles.
- (6) Concurrent historical load profiles (level historical load growth).
- (7) Hourly dispatch assuring that the load is balanced every hour

CHANGE THE FOLLOWING TEXT IN SECTION 1.(b)(3) “~~use a validated the Levelized Full System Cost of Electricity~~ model to analyze the costs of meeting the State’s electricity needs from:”

- Let the PSC choose or develop the best model to accurately represent intermittency as described in section 1.(a) above.

ADD THE FOLLOWING SCENARIOS TO SECTION 1.(b)(3)

- (iv) Nuclear plus combustion turbine fueled by natural gas or hydrogen or biofuels
- (v) Any other scenario recommended by the PSC



HB1149_FAVWAMEND_PSC.pdf

Uploaded by: Frederick Hoover

Position: FWA

FREDERICK H. HOOVER, JR.
CHAIR

MICHAEL T. RICHARD
KUMAR P. BARVE
BONNIE A. SUCHMAN



PUBLIC SERVICE COMMISSION

Chair C.T. Wilson
Economic Matters Committee
230 House Office Building
Annapolis, MD 21401

**RE: HB 1149 – Favorable with Amendments - Public Service Commission - Full Costs and Benefits
Analysis of Sources of Electricity Generation–**

Dear Chair Wilson and Committee Members:

The Public Service Commission (the Commission) provides the following comments on House Bill 1149 (HB 1149) for your consideration. The Commission requests a favorable report, with consideration of the amendments detailed below.

The proposed legislation requires the Commission to conduct a full costs and benefits analysis of electric generation sources in the State and utilizes a certain type of assessment called a Levelized Full System Cost of Electricity model to analyze certain scenarios. The Commission is required to report its findings by December 1, 2026, which is to include recommended policy changes to support the development of the energy sources with the lowest costs and greatest benefits to ratepayers in the State. The Commission will require consultants to conduct the study, as the Commission does not currently have the required software tools, databases, and training in this type of analysis. The Commission's Technical Staff would work with the consultants to accomplish the required assessment and analysis.

The study required in HB1149 would be beneficial to help inform State policy makers as strategies are developed to attract additional sources of generation to Maryland to help lower costs and meet state climate goals. The Commission believes amendments need to be made to the proposed legislation to be more technologically agnostic in its study parameters by including all generation types that may help serve Maryland's energy need in the future. The generation types to be studied should include nuclear, storage, solar, wind, and natural gas. The Commission also requests that a definition of "Levelized Full System Cost of Electricity" be provided and whether other models that help inform future cost of generation should be included.

The Commission appreciate the opportunity to provide testimony on HB 1149 and requests a favorable report with consideration of the amendments detailed above. Please contact the Commission's Director of Legislative Affairs, Christina M. Ochoa, christina.ochoa1@maryland.gov, if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Frederick H. Hoover".

Frederick H. Hoover, Chair
Maryland Public Service Commission

HB 1149PSC Full CostsBenefits Analysis.FAV.AARP.pdf

Uploaded by: Tammy Bresnahan

Position: FWA



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpm
facebook.com/aarpm

**HB 1149 Public Service Commission - Full Costs and Benefits Analysis of Sources of
Electricity Generation
House Economic Matters Committee
February 21, 2025
FAVORABLE With Comments**

Good afternoon, Chair Wilson and Members of the Economic Matters Committee. My name is Tammy Bresnahan; I am the Senior Director of Advocacy for AARP Maryland, representing nearly 850,000 members, many of whom are older ratepayers living on fixed incomes. We support with comments and recommendations HB 1149 Public Service Commission – Full Costs and Benefits Analysis of Source of Electricity Generation. We also thank Delegate Adams for introducing this bill.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities, and advocates for issues that matter most to families, such as health care, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

AARP Maryland is committed to ensuring that electricity remains affordable and reliable for older consumers. Rising energy costs can place a significant financial strain on retirees and those living on fixed incomes, making it essential that any state energy policy prioritizes cost-effective and sustainable solutions.

Recommendations for HB 1149

HB 1149 mandates a study on the full costs and benefits of natural gas, nuclear, and offshore wind energy, we believe that additional consumer-focused elements should be incorporated to better serve the interests of Maryland ratepayers, particularly older residents.

1. The Study Should Include Short-Run Retail Rate Impacts

- Affordability is paramount for older ratepayers, many of whom are on fixed incomes and cannot absorb sudden increases in electricity costs.
- The bill should be amended to require a short-run projection of retail rate impacts under each scenario, helping policymakers assess how these energy choices will affect consumers in the near term.
- Without this analysis, ratepayers may be left without a clear picture of how costs will shift over time.

2. The Study Should Acknowledge Maryland's Market Structure

- Maryland utilities do not own generation—electricity is procured through PJM Interconnection, a regional transmission organization.

- The Public Service Commission (PSC) has limited authority over energy generation decisions, raising questions about the study's jurisdiction and effectiveness.
- The bill should clarify who is responsible for building and maintaining the energy infrastructure under each scenario, as the PSC has no direct oversight over PJM generation sources.

3. The Use of the Levelized Full System Cost of Electricity (LFSCE) Model and Additional Models as Determined by the PSC

- We recognize the importance of inclusion of the Levelized Full System Cost of Electricity (LFSCE) model but suggest allowing for flexibility in modeling approaches.
- The study should permit the use of additional models as deemed appropriate by the Public Service Commission to ensure a thorough and consumer-focused cost analysis.
- This approach allows experts to utilize the most effective methodologies to assess affordability and cost-effectiveness for Maryland ratepayers.

AARP Maryland's Position

AARP Maryland supports cost-effective electricity generation, transmission, and storage solutions that keep rates low for older Marylanders and all ratepayers. We urge the committee to consider the following recommendations for HB 1149:

1. Require an analysis of short-run retail rate impacts to ensure ratepayer affordability is a central focus.
2. Clarify Maryland's role in energy generation decisions, given that utilities do not build power plants and the PSC lacks jurisdiction over PJM's energy sources.
3. Allow flexibility in the study's modeling approach, ensuring that the most appropriate tools are used for an accurate and meaningful cost-benefit analysis.

We appreciate the opportunity to provide input and encourage the committee to consider these recommendations to protect Maryland's ratepayers, particularly older residents who are most vulnerable to rising electricity costs. For further questions or more information, please contact me at tbresnahan@aarp.org or by calling 410-302-8451. Thank you for your time and consideration.

HB1149 - UNF - Public Service Commission - Full Co

Uploaded by: Landon Fahrige

Position: UNF



Maryland

Energy Administration

TO: Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee
FROM: MEA
SUBJECT: HB 1149 - LOO - Public Service Commission - Full Costs and Benefits Analysis of Sources of Electricity Generation
DATE: February 21, 2025

MEA Position: UNFAVORABLE

House Bill 1149 mandates the Public Service Commission (PSC) to conduct a full cost-benefit analysis of electricity generation sources in Maryland.

While comprehensive evaluations are valuable, this bill prioritizes short-term financial costs while failing to adequately consider critical factors such as environmental sustainability and public health impacts. The bill's proposed Levelized Full System Cost of Electricity (LFSCOE) model does not incorporate external costs such as carbon emissions, air quality degradation, and associated public health risks. Maryland's reliance on fossil fuels has led to increased respiratory diseases, cardiovascular conditions, and premature mortality due to pollution exposure.

Maryland has made significant progress in reducing greenhouse gas emissions through policies such as the Clean Energy Jobs Act and the Climate Solutions Now Act. This bill risks undermining these efforts by using a narrow cost-analysis model that does not account for the broader benefits of renewable energy. Fossil fuel-based energy sources contribute significantly to climate change and air pollution.

Furthermore, the bill fails to acknowledge the long-term economic benefits of renewable energy investments, including job creation in the offshore wind and solar industries, reduced healthcare costs, and insulation from fossil fuel market volatility. Ignoring these factors skews the analysis in favor of short-term fossil fuel interests, delaying the transition to a sustainable energy future.

Maryland's commitment to achieving 100% clean electricity remains a priority. HB 1149 introduces unnecessary obstacles to this goal by promoting an incomplete cost evaluation that disregards the full impact of energy generation.

For these reasons, MEA urges the committee to issue an **unfavorable report**.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy manager, at megan.outten@maryland.gov or 443.842.1780.

OPC Testimony HB1149.pdf

Uploaded by: David Lapp

Position: INFO

DAVID S. LAPP
PEOPLE'S COUNSEL

WILLIAM F. FIELDS
DEPUTY PEOPLE'S COUNSEL

JULIANA BELL
DEPUTY PEOPLE'S COUNSEL

— **OPC** —
OFFICE OF PEOPLE'S COUNSEL
State of Maryland

6 ST. PAUL STREET, SUITE 2102
BALTIMORE, MARYLAND 21202
WWW.OPC.MARYLAND.GOV

BRANDI NIELAND
DIRECTOR, CONSUMER
ASSISTANCE UNIT

CARISSA RALBOVSKY
CHIEF OPERATING OFFICER

BILL NO.: House Bill 1149 – Public Service Commission - Full Costs
and Benefits Analysis of Sources of Electricity Generation

COMMITTEE: Economic Matters

HEARING DATE: February 21, 2025

SPONSOR: Delegate Adams

POSITION: Informational

The Office of People's Counsel ("OPC") respectfully provides the following informational comments on House Bill 1149. HB 1149 would require the Public Service Commission ("PSC") to conduct an analysis of the costs and benefits to ratepayers of different sources of electricity generation and make recommendations for policy changes to support the development of energy sources with the lowest costs and greatest benefits.

Maryland's electricity needs have long been satisfied through participation in PJM's regional wholesale electricity markets. And Maryland's engagement in PJM's markets has, historically, allowed utility customers to benefit from importing lower-cost electricity from out of state. However, recent PJM auctions have resulted in high prices for Maryland and raised concerns about the mix of generation resources serving Maryland customers. Given these higher prices, an assessment of the costs and benefits of different sources of electricity could be beneficial.

HB 1149 charges the PSC with looking at the costs of the current resources serving Maryland and comparatively analyzing the costs of various sources of generation to meet Maryland's future needs. OPC is concerned that the bill as drafted does not adequately incorporate the costs and benefits of Maryland's participation in PJM's markets and all available generation technologies. A comparative study of energy costs that does not reflect Maryland's participation in regional wholesale markets may not be useful to identify policies to lower customer costs.

OPC has suggested amendments to the sponsor that would address our immediate concerns, ensure a more robust and complete analysis, and, ultimately, lead to a more fruitful and productive discussion of state energy policy.

First, OPC has suggested amendments that would require the PSC to establish a baseline assessment of the costs to meet Maryland's energy demand over the next 15 years under the current resource mix plus anticipated offshore wind capacity, taking into account costs to address foreseeable reliability concerns and foreseeable transmission capabilities.

Second, OPC has also suggested amendments to afford the PSC more flexibility to identify resource mixes to include in the bill's required cost analysis and the ability to consider other cost models. The Levelized Full System Cost of Energy model called for in the bill, while helpful to understanding the costs of specific energy sources, may not fully account for cost savings available through participation in PJM's wholesale markets. Granting the PSC discretion to employ other models to analyze costs ensures a more complete cost assessment. The amendments further ensure that the results of the cost assessment take into account changes in forecasted demand and available energy storage resources and can be better compared to the projected costs of meeting Maryland's anticipated electricity needs under the current resource mix.

OPC appreciates the opportunity to provide these comments on HB 1149.