



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

**SB 37 Electric Companies - Regional Transmission Organizations - Report (Utility  
Transparency and Accountability Act)  
Senate Education, Energy and the Environment Committee  
February 13, 2025**

Good afternoon, Chair Feldman and Members of the Senate Education, Energy and the Environment Committee. My name is Tammy Bresnahan, and I serve as the Senior Director of Advocacy for AARP Maryland. AARP represents more than 850,000 members statewide and is the largest nonprofit, nonpartisan organization advocating for Marylanders aged 50 and older, as well as their families. AARP's priorities include helping all Marylanders achieve financial security and access to affordable utilities and healthcare. On behalf of AARP Maryland, I am here to express our strong support for **SB 37 Electric Companies – Regional Transmission Organizations – Report**. We thank Senator Hester for sponsoring this critical legislation.

**The Issue: Rising Costs and Transparency in Energy Policy**

For older Marylanders living on fixed incomes, the rising costs of essential goods and services—groceries, utilities, and prescription drugs—pose significant challenges. According to an AARP study, in 2017, 22% of Maryland residents stopped taking medication as prescribed due to rising costs. Energy costs are no different: retirees, especially those on limited incomes, bear the brunt of inflation in energy prices, compounding their financial struggles.

Regional Transmission Organizations (RTOs) like PJM play a pivotal role in determining these energy costs, as their policies account for more than half of a consumer's electric bill. Yet, these policies often lack transparency, leaving consumers and policymakers in the dark about how decisions are made and whether they align with Maryland's energy goals.

**What SB 37 Does**

SB 37 seeks to promote **transparency and accountability** by requiring electric companies to report their voting activities within RTOs annually to the Public Service Commission (PSC), beginning October 1, 2025. Specifically, the bill will:

- Mandate that electric companies disclose all recorded votes in RTO meetings from the prior year, including those of affiliates.
- Ensure policymakers and regulators have access to the information needed to evaluate how electric companies are representing Maryland ratepayers.

**Why Transparency Matters**

**1. RTO Decisions Impact Consumer Bills:**

- RTO policies, including the PJM capacity market and transmission cost allocation, have a direct impact on energy bills. For instance, recent PJM capacity market charges increased by 900%, significantly burdening Maryland ratepayers.

- Marylanders are often forced to fund transmission upgrades in other states due to PJM's cost allocation policies.
- 2. **Addressing Inequities in Representation:**
  - Large energy companies like Exelon wield significant influence over RTOs, while state agencies like the PSC and the Office of People's Counsel lack the resources and capacity to match their presence. Transparency reforms in SB 37 can help level the playing field.
- 3. **Consumer Protection:**
  - SB 37 will provide Maryland policymakers with the tools to monitor and regulate utility actions more effectively, ensuring consumer interests are represented in critical decisions.

### **Broader Context**

Maryland is not alone in recognizing the need for transparency and accountability in RTO operations. Legislators in Illinois, Pennsylvania, Virginia, and West Virginia have introduced similar measures to enhance oversight of utility participation in PJM. With PJM spanning 13 states and Washington, D.C., these decisions have far-reaching implications for energy affordability, reliability, and clean energy transitions.

By passing SB 37, Maryland can take a significant step toward reforming the complex and opaque systems that drive energy policy. This legislation will:

- Provide critical insights into RTO policies that shape consumer energy bills.
- Ensure Maryland utilities act transparently and align with state energy and environmental goals.
- Empower policymakers to advocate for ratepayers and protect them from unjustified cost increases.

For these reasons, AARP Maryland urges the Committee to issue a Favorable Report on SB 37. If you have any questions or need additional information, please contact me at [tbresnahan@aarp.org](mailto:tbresnahan@aarp.org) or 410-302-8451. Thank you for your time and consideration we ask you for a favorable report.