

Favorable
Education, Energy, and Environment
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Senate Bill 675– Public Service Commission – Full Costs and Benefits Analysis of Sources of Electricity Generation

Baltimore Gas and Electric Company (BGE) supports Senate Bill 675 – Public Service Commission – Full Costs and Benefits Analysis of Sources of Electricity Generation. Senate Bill 675 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 Senate Bill 675.

Given the amount of energy legislation coming before the General Assembly, BGE recommends a favorable report on Senate Bill 675 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.

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