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**SB 675 Public Service Commission - Full Costs and Benefits Analysis of Sources of
Electricity Generation
Senate Education Environment and Energy Committee
March 6, 2025
FAVORABLE**

Good afternoon, Chair Feldman and Members of the Education Environment and Energy 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 SB 675 Public Service Commission – Full Costs and Benefits Analysis of Source of Electricity Generation. We also thank Senator Carozza 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 SB 675

SB 675 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 SB 675:

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.