DOEE support for SB37 HB121 PJM transparency.pdf Uploaded by: Alfred Carr

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Department of Energy and Environment

January 21, 2025

Committees: Senate Education, Energy, and the Environment Committee and House Economic Matters Committee

Bill: HB121/SB37 - Utility Transparency and Accountability Act

Position: Support

Reason for Position:

The District of Columbia Department of Energy and Environment (DOEE) supports HB121/SB37, which would require utility members of the Regional Transmission Organization (PJM) to disclose votes taken on policy matters.

This commonsense transparency and accountability measure would directly benefit the District of Columbia because PJM decisions affect the District's ability to meet goals related to the sustainability, reliability, and affordability of our electric grid. The Potomac Electric Power Company (PEPCO) is a member of PJM and serves both Maryland and the District of Columbia with a distribution system that transcends state lines. Just as the actions of PEPCO before the District's Public Service Commission are a matter of public record, so should its activities at PJM.

FOR MORE INFORMATION CONTACT:

Daniel Conner, Chief of Staff, District of Columbia Department of Energy and Environment

Thomas Bartholomew, Associate Director for the Clean Energy Division of the DOEE's Energy Administration <u>thomas.bartholomew@dc.gov</u>





Price Testimony in Support of SB0037.pdf Uploaded by: Brysn Price

Testimony in Support of SB0037 Presented by Bryan Price Maryland State Senate Hearing on Regional Transmission Organization (RTO) Transparency Act

Senator Hestor and Esteemed Members of the Committee,

Thank you for the opportunity to testify regarding Senate Bill 37 (SB0037), a critical piece of legislation designed to promote transparency and accountability in Maryland's energy policy. My name is Bryan Price, and I am here as a concerned Maryland resident deeply committed to ensuring that our state's transition to clean energy is both effective and equitable. Additionally, this bill holds personal significance for me from a religious perspective. As a member of the Religious Society of Friends (commonly known as Quakers), one of our core beliefs is that all business and economic dealings be conducted fairly, openly, and honestly—a principle that has served us well for nearly 400 years.

As I testified regarding SB0316, my life—like that of many Marylanders—has been upended by the looming threat of the Maryland Piedmont Reliability Project (MPRP). The root causes of projects like the MPRP stem not only from flawed local processes but also from opaque decision-making within Regional Transmission Organizations (RTOs).

Having interacted with representatives from other communities where corporations have used eminent domain, often under fabricated reasoning for corporate gain, a disturbing pattern emerges. Deals are made in secret, and under the cover of night, families and communities are upended before they have time to properly organize, explore their options, or even become aware of their rights.

One of the most frustrating aspects of this process has been witnessing contradictory information, facts, and justifications presented by PSEG at information sessions, in the media, and within their own documentation. Like many others, I am tired of having to discern whether we were "lied to then" or are "being lied to now."

Corporations like PSEG already have numerous advantages over the citizens of Maryland: political influence across party lines, in-house legal teams, familiarity with regulatory processes, and substantial financial resources.

This bill does not ask for anything unreasonable—only that citizens have access to the truth. We are simply asking for the means to ensure that corporations such as PSEG are held to their word, conduct their business dealings transparently, and do not exploit legal frameworks to seize property for fraudulent purposes behind closed doors.

SB0037 aims to dismantle the structures that enable unnecessary, costly, and communitydisruptive transmission projects. It requires utilities to disclose their votes within RTOs, shedding light on decisions that often favor large-scale, unnecessary projects. This bill ensures that utilities can no longer operate behind closed doors, making decisions that profoundly affect Maryland communities without public scrutiny.

While SB0316 seeks to limit new transmission lines and prioritize existing infrastructure, SB0037 targets the very decision-making bodies that authorize these projects. By exposing voting patterns within RTOs, SB0037 helps identify when utilities prioritize profit-driven expansions over smarter, community-centered solutions that benefit the economy.

SB0037 provides regulators and the public with critical insights into how transmission decisions are made at the regional level, creating a more informed, empowered public capable of challenging unnecessary projects like the MPRP. It helps ensure that utilities aren't undermining cost-effective, environmentally friendly, and property-rights-affirming alternatives through their RTO votes. These bills work hand-in-hand to promote smarter, cost-effective energy solutions that respect Maryland communities. SB0037 directly exposes how utility companies influence RTO decisions, enabling accountability for actions that may not align with the public interest.

SB0037, alongside SB0316, represents a comprehensive approach to reforming Maryland's energy landscape. Transparency, accountability, and community empowerment are the cornerstones of responsible energy policy. These bills not only protect Marylanders from unnecessary projects like the MPRP but also ensure that our clean energy future is built on a foundation of fairness and fiscal responsibility.

Thank you for considering this critical legislation. I urge the Committee to support SB0037, reinforcing Maryland's commitment to transparent, community-centered energy policy.

Sincerely,

Bryan S. Price, Jr.

LWVMD - SB 37 - Utility Transparency and Accountab Uploaded by: Casey Hunter



TESTIMONY TO THE SENATE EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE

SB 37 - Electric Companies - Regional Transmission Organizations - Report (Utility Transparency and Accountability Act)

POSITION: Support

By: Linda T. Kohn, President

Date: February 13, 2025

Since the emergence of the environment movement in the 1970's, the League of Women Voters has advocated for policies that protect our planet and promote public health. The League believes in increasing transparency and accountability. These are both critical for ensuring the protection of utility customers and holding Maryland accountable to meeting its climate goals.

The League of Women Voters of Maryland **supports SB 37**, which would prohibit utility companies from spending ratepayer money on certain activities - like lobbying, entertainment, and gifts - and implement critical transparency and accountability measures. **SB 37** would mandate annual reporting to the Public Service Commission on these expenses, and require the publication of votes cast by utility companies on Regional Transmission Organization issues.

Utility companies shouldn't be using ratepayer money to advance their own self interests. Ratepayer dollars should be used for what they're paying for - the provision of safe, efficient energy to their homes and buildings. Customers shouldn't have to foot the bill when utilities lobby for policies that work against the interests of Marylanders and impede progress towards the state's climate goals.

The League of Women Voters of Maryland strongly urges a favorable report on SB 37.

SB0037_Utility_Transparency_and_Accountability_Act Uploaded by: Cecilia Plante



TESTIMONY FOR SB0037 Electric Companies – Regional Transmission Organizations – Report (Utility Transparency and Accountability Act)

Bill Sponsor: Senator Hester Committee: Education, Energy, and the Environment Organization Submitting: Maryland Legislative Coalition Person Submitting: Cecilia Plante, co-chair Position: FAVORABLE

I am submitting this testimony in favor of SB0037 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

There have been many pieces of legislation passed and rules enacted to try to get governmental agencies in Maryland to be transparent. There are rules about meeting notifications and rules about releasing information on websites and other mediums. But transparency remains a problem.

Electric companies are members of PJM, our Regional Transmission Organization (RTO). They vote on projects that directly affect the transmission of electricity in Maryland and surrounding states, yet we know little of what happens in their meetings.

The bill will require each electric company to submit a report to the Public Service Commission by February 1st of each year showing each recorded vote cast by the electric company, or an affiliate, during a meeting of the Regional Transmission Organization for the previous year.

Passing this bill will provide much-needed transparency into the process, and hopefully through that transparency, ensure that we understand what PJM members are supporting.

We support this bill and recommend a **FAVORABLE** report in committee.

SB0037.pdf Uploaded by: Daniel Iampieri Position: FAV

February 11, 2025

Senator Hester:

The MPRP, proposed under the justification of "grid reliability," was largely driven by decisions made within PJM Interconnection, the RTO that manages the electric grid across Maryland and surrounding states. The problem is that:

- Utilities and their affiliates participate in PJM's voting process without clear public oversight.
- Decisions favoring large, utility-backed transmission projects are often made without alternative solutions (such as distributed energy resources) being seriously considered.
- Affected communities, state regulators, and legislators rarely have visibility into how and why these transmission projects get approved.

By tracking utility voting patterns, SB0037 helps uncover whether utilities are resisting these modern solutions in favor of more transmission lines.

Conclusion: SB0037 as a Tool to Prevent Future MPRP-Like Projects The Maryland Piedmont Reliability Project (MPRP)represents a failure of transparency and accountability in the energy sector—a failure that SB0037 seeks to correct. By requiring electric companies to disclose their votes within RTOs, this bill empowers regulators, lawmakers, and the public to challenge transmission projects that do not serve the best interests of Maryland residents.

SB0037 is more than just a transparency measure; it is a tool for stopping unnecessary transmission projects before they gain momentum. By exposing the decision-making process behind projects like the MPRP, Maryland can move toward a better energy future.

Sincerely, Dan lampieri

OPC Testimony SB0037.pdf Uploaded by: David Lapp Position: FAV

| DAVID S. LAPP |
|------------------|
| PEOPLE'S COUNSEL |

WILLIAM F. FIELDS DEPUTY PEOPLE'S COUNSEL

DEPUTY

OPC -

BRANDI NIELAND

DIRECTOR, CONSUMER ASSISTANCE UNIT

OFFICE OF PEOPLE'S COUNSEL

State of Maryland

| Juliana Bell y People's Counsel | 6 St. Paul Street, Suite 2102 Baltimore, Maryland 21202 www.opc.maryland.gov | CARISSA RALBOVSKY CHIEF OPERATING OFFICER |
|---|--|---|
| BILL NO.: | Senate Bill 0037 – Electric Companies - Reg Transmission Organizations - Report (Utility and Accountability Act) | • |
| COMMITTEE: | Education, Energy, and the Environment | |
| HEARING DATE: | February 13, 2025 | |
| SPONSOR: | Senator Hester | |
| POSITION: | Favorable | |
| | | |

The Office of People's Counsel ("OPC") respectfully requests a favorable report on Senate Bill 37, the Utility Transparency and Accountability Act, which proposes minimal reporting requirements and was voted favorably by this Committee and ultimately supported by both the full House and Senate in 2024.¹ As the title of the bill suggests, SB 37 would bring needed transparency and accountability to the operations of public service companies regulated by the Maryland Public Service Commission ("PSC") by requiring each electric company to submit an annual report to the PSC of any recorded vote cast at a meeting of a regional transmission organization ("RTO").

Maryland's utilities, called "public service companies" in the Public Utilities Article,² are provided with State-granted monopolies to perform important public functions and must operate "in the interest of the public."³ At the same time, Maryland's largest utilities are private companies with fiduciary obligations to earn profits for their

¹ As passed by the House, HB 505 included a further requirement for each electric company to be a member of a regional transmission organization ("RTO"). Senate amendments removed this requirement, and the two versions of the bill were not ultimately reconciled in time to pass. SB 37 does not include a requirement for RTO membership.

² The term "public service company" is defined in Public Utilities Article ("PUA") § 1-101(z).

³ PUA § 2-113(a) requires the Commission to "supervise and regulate the public service companies subject to the jurisdiction of the Commission to ... ensure their operation in the interest of the public."

investors. In competitive markets, the risk of losing customers incentivizes such private companies to balance the interests of their investors with those of their customers. Because utilities are insulated from competition by their monopoly status, this discipline is absent. For these monopolies, "extensive government control" over prices, services, and operations "takes the place of competition and furnishes the regulation which competition cannot give."⁴

SB 37 furnishes regulation necessary to help evaluate whether utilities are acting in the interests of their captive customers—and not just their shareholders. This bill requires each electric company to submit an annual report to the PSC of any recorded vote cast by the electric company or an affiliate of the electric company at a meeting of any committee, user group, task force, or other part of an RTO, including a vote tabulated individually or as part of a sector, for any purpose, regardless of whether the vote represented a final position or the decision-making authority of those voting. The required report must include all recorded votes cast by the electric company—or its affiliate if the electric company itself does not vote—regardless of whether the vote is otherwise disclosed.

Currently, certain high-level votes are disclosed by PJM Interconnection, LLC ("PJM"), the RTO for Maryland. But there are numerous lower-level committees and task forces where transmission planning protocols and market rule changes are developed and where votes are not publicly disclosed. Although these meetings are open to the public, the sheer number—PJM had over 400 meetings on its calendar in 2024—make it nearly impossible for any entity to attend each one, let alone try and infer from the meeting how a Maryland utility is voting. These lower-level votes determine the policies that advance at PJM and are eventually adopted. Stated otherwise, a policy that fails to gain enough votes at the lower levels—where votes are not disclosed—usually does not advance to a high-level vote that may be publicly disclosed.

Requiring public service companies to report on "*any* recorded vote" would provide additional needed transparency for votes on proposals that ultimately result in hundreds of millions of dollars in costs for utility customers. For example, in April 2024, the PJM transmission owners voted to modify the contract between transmission-owning utilities and PJM. The modifications, which the Federal Energy Regulatory Commission ultimately rejected, would have granted PJM an end-run around the stakeholder process and increased transmission owner influence in PJM's planning decisions. While the outcome of the vote approving those modifications is public, the votes of each transmission owner are unknown. A report on the utilities' advocacy in these forums would provide important transparency on whether the utilities' positions support the

⁴ Delmarva Power & Light Co. v. Pub. Serv. Comm'n of Md., 370 Md. 1, 6 (2002).

least-cost solutions to potential reliability issues—which would benefit ratepayers—or more expensive transmission solutions—which benefit utility shareholders.

SB 37 imposes a minimally burdensome requirement and will help regulators and other parties such as OPC—understand the companies' positions on the issues and assess whether the companies' votes do, in fact, serve the public interest, and not just the companies' private interests.

Recommendation: OPC requests a favorable Committee report on SB 37.

Testimony SB0037.pdf Uploaded by: Debbie Cohn Position: FAV

| Committee: | Education, Energy and the Environment |
|---------------|---|
| Testimony on: | SB0037 Electric Companies – Regional Transmission Organizations - Report (Utility |
| | Transparency and Accountability Act) |
| Submitting: | Deborah A. Cohn |
| Position: | Favorable |
| Hearing Date: | February 13, 2025 |

Dear Chair Feldman, Vice Chair Kagan and Committee Members:

Thank you for allowing my testimony today in strong support of SB0037. I have resided in Maryland since 1986, and most of my descendants reside in Maryland.

Many of us were shocked¹ by the ten-fold increase in electricity prices the July, 2024 PJM capacity market auction from \$28.92/MW-day in the preceding auction to \$260.92/MW-day for most of the PJM footprint and a whopping \$466.35/MW-day in Baltimore Gas and Electric's service area. This auction covers deliveries in 2025-2026 and the impact will soon be felt by all Maryland electricity customers.

PJM and the utilities having been telling us these prices simply reflect supply and demand. They will say this is due to retirement of coal-fired power plants and that new generation has not been built, driving up costs."² They will also tell us that these high prices are designed to signal to the market to increase supply. That's the way a decoupled market (*i.e.*, a market in which utility companies do not own generating capacity but only provide delivery services) it is supposed to work. **But that is not the full story.**

They do not tell you that PJM, like anyone else following energy supplies in Maryland, knew years in advance that Brandon Shores and Wagner coal generating facilities would soon be retiring, if for no other reason than that coal fired generating plants throughout PJM are facing financial pressures.

They will tell you that many projects in PJM's interconnection inter-connection queue were speculative or not viable. Some may have been speculative. But PJM does not tell you after the years' long wait, many proposed projects (mainly solar and battery storage) either no longer penciled out or had lost their earlier financing. Nor do they tell you that many others are still likely viable and might be available to bid into a reverse auction if the General Assembly enacts the Abundant, Affordable Clean Energy Act (HB0398, SB03216) to bring on new resources quickly on utility distribution lines.

And just as important, PJM does not tell you that projects in PJM's interconnection queue face the longest delays and among the highest grid-upgrade costs of any regional grid, earning a D- grade as a grid operator from an <u>Advanced Energy United scoring</u> of interconnection processes.

They also do not tell you that one reason for the mismatch between supply and demand is that PJM realized, after Winter Storm Elliot, that it had been improperly rating the reliability of gas-fired generators. PJM needed to down rate the capacity of gas-fired generators from 92-95% available to

¹ https://www.canarymedia.com/articles/transmission/prices-just-spiked-in-the-biggest-us-power-market-blame-the-grid-backlog

² <u>https://www.wbaltv.com/article/electric-bill-possible-increase-2025-baltimore-maryland/61837465</u>

only 62-72% available in 2023 because 63% of the outages during that storm were from gas plants.³ Ratepayers had been paying a premium for "always reliable" capacity and that "always reliable" capacity failed in a cold weather pinch. Since that downgrade, PJM and its members have not brought on sufficient lower cost supplies to compensate for this downgrade.

But more importantly with respect to SB0037, PJM does not tell you that the voting members of PJM, overwhelmingly utility companies and power generators, set the rules for the operation of the capacity auction. And those rules failed Maryland ratepayers in at least three ways.

First, regarding the Brandon Shores and Wagner coal plants, according to PJM⁴ <u>under its rules</u> "there's no action until the plant owner announces they're going to close." Once that happened, PJM had two options and PJM decided to engage in a "reliability must-run" (RMR) negotiation with Talon, the plants owner, paying Talon extra to keep the plants operating in case they are needed in an emergency until additional transmission capacity can be installed to bring power from other facilities into the regions served. Those additional costs are significant.⁵ Moreover, the agreements terminate in June, 2025, and we do not know if Talon will agree to continue to operate the plants or at what cost.

Meanwhile, Talon did not offer its capacity in the auction. And <u>under PJM rules</u> RMR facilities are not required to participate in capacity auctions. <u>Under these rules ratepayers pay for these resources twice</u> – once a higher negotiated price to keep the coal plans open and again, since they did not offer their supply in the capacity market, an artificially high price in the August, 2024 capacity auction.⁶

Second, <u>PJM rules</u> do not provide a structure to allow batteries to be considered as a transmission asset and additional transmission capacity likely is needed to replace the coal-fired power plants. PJM's efforts to develop such a structure were rejected by PJM's Members Committee which consists of 501 voting members including utilities, power plant owners, transmission owners, major customers and energy traders⁷. It would be useful to know how Maryland's utility companies voted.

Third, PJM's capacity market is structured to disadvantage renewable resources by discounting the capacity value of renewables based on when they are not available. As a result of <u>these PJM rules</u> renewable resources often do not participate fully in capacity market auctions.⁸

This is what SB0037 is designed to address. By requiring Maryland electric utilities and their affiliates to submit to the Public Service Commission (PSC) an annual report on <u>each</u> of their recorded PJM votes, not just their votes at the PJM executive committee, this bill brings to light for the public the issues PJM is considering, the rules PJM is making, and the positions Maryland utilities are taking. This bill will help the PSC, the Administration and this legislature to take appropriate steps to protect Maryland ratepayers and help lower future utility bills.

For these reasons I support SB0037 and urge a FAVORABLE report in Committee. Thank you.

³ <u>https://environmentamerica.org/center/articles/electric-bills-are-set-to-increase-in-june-for-65-million-americans-heres-why/</u>

⁴ https://www.canarymedia.com/articles/fossil-fuels/zombie-coal-plants-could-threaten-the-us-energy-transition

⁵ Ibid.

 $^{^{6}\} https://environmentamerica.org/center/articles/electric-bills-are-set-to-increase-in-june-for-65-million-americans-heres-why/$

⁷ Ibid. at Additional Challenges #1.

⁸ Ibid. at Additional Challenges #2.

SB 37-RTOs-Report-Utility Transparency and Account Uploaded by: Elizabeth Law

| BILL NUMBER: | Senate Bill 37 | |
|---------------------|--|--|
| | Electric Companies – Regional Transmission Organizations – Report (Utility Transparency and Accountability Act) | |
| COMMITTEE: | Education, Energy, and the Environment | |
| HEARING DATE: | February 13, 2025 | |
| SPONSOR: | Senator Hester | |
| POSITION: | Favorable | |

Chair Brian Feldman, Vice Chair Cheryl Kagen and Members of the Committee,

As a professional electric power engineer and Maryland resident concerned with the lack of transparency in PJM's decision making process I ask for a Favorable Report on SB 00 37.

Two examples of the result of PJM's opaque decision making process which hurts Marylanders are:

- 1. Maryland residents are already experiencing the anguish of the PSEG Maryland Piedmont Reliability Project (MPRP) transmission line threatening hundreds of farms, preserved land and housing developments. PJM's decision to award this contract was dropped on us like a dictate from a potentate.
- 2. The burdensome costs of subsidizing the Wagner and Brandon Shores coal fired power plants

This Act simply stipulates greater transparency deeper into the PJM bureaucracy. A simple recording of votes and communication of same every February 1 will allow elected officials and the public can have a greater understanding of who is making what decisions and why.

Please return a Favorable report.

Thank you

Elizabeth Law, P.E. (retired)

1758 Wheyfield Dr.

Frederick, Maryland 21701

ECA testimony SB0037 Utility Transparency.pdf Uploaded by: Frances Stewart

SB0037 – Utility Transparency and Accountability Act

Meeting of the Committee

February 13, 2025

Dear Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy and the Environment Committee, on behalf of Elders Climate Action Maryland, I urge a favorable report on SB0037, the Utility Transparency and Accountability Act.

Elders Climate Action is a nationwide organization devoted to ensuring that our children, grandchildren, and future generations have a world in which they can thrive. The Maryland Chapter has members across the state.

As you know, Maryland is served by the PJM Interconnection. That RTO has a number of problems, including a very long interconnection queue and poor transmission planning. Those problems make it harder for Maryland to decrease fossil fuel use and increase the use of renewable energy. That leads to difficulty in meeting our climate and air pollution reduction goals and increased costs for Maryland ratepayers.

The electric utilities play a large role in PJM's governance, but it is difficult for our Public Service Commission, the Office of People's Counsel, other public officials, and concerned citizens to get the information they need on important votes at PJM. This bill would ameliorate that problem by requiring the investor-owned electric utilities to file an annual report with the Public Service Commission on their votes.

That information will be more and more important in coming years as Maryland deals with increasing electricity demands. We strongly urge a favorable report on SB0037.

Ceres Testimony SB0037 - Utility Transparency and Uploaded by: Jeff Mauk



SB0037 – SUPPORT Jeff Mauk Ceres jmauk@ceres.org

SB0037: Utility Transparency and Accountability Act

Senate Education, Energy, and the Environment Committee February 13th, 2025

Dear Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and the Environment Committee,

I write today on behalf of Ceres to urge a favorable report from the Committee on SB0037 concerning Utility Transparency and Accountability. Ceres works with investors, companies, and financial leaders to promote sustainability solutions. Through our Business for Innovative Climate and Energy Policy Network (BICEP), we mobilize over 85 major employers, including several businesses doing business in Maryland, to advocate for more effective climate and clean energy policies.

Electricity costs are rising and projected to continue to grow due to decisions made by PJM. These decisions include parameters concerning its capacity auctions, as well as its delayed queue in allowing new energy resources on the grid. SB0037 strengthens Maryland's utility oversight by requiring electric companies to report their votes at meetings of PJM Interconnect, promoting accountability and protecting ratepayer interests.

Electric utilities' decisions at PJM meetings directly impact Maryland's energy costs, grid reliability, and market access. Currently, these votes occur without transparency, limiting oversight of decisions that affect ratepayer costs and business competitiveness.

The annual reporting requirement in SB0037 would:

- Enable better analysis of transmission cost drivers
- Support informed regulatory decisions
- Help identify opportunities to reduce energy costs
- Improve market competition through transparency
- Protect ratepayer interests in regional planning



This transparency measure aligns with standard corporate governance practices and imposes minimal administrative burden, as utilities already track their PJM voting records internally.

Several other states are considering similar requirements, demonstrating the feasibility and increasing need for utility voting transparency. Maryland businesses and ratepayers deserve and can benefit from insight into decisions that impact their energy costs and reliability.

This targeted transparency measure represents sound policy that protects Maryland ratepayers while maintaining reliable and cost-effective utility operations.

Respectfully submitted,

Jeff Mauk Director, State Policy, Eastern Region, Ceres

FAV_SB0037_StopMPRPInc.pdf Uploaded by: Joanne Frederick



WRITTEN TESTIMONY

BILL NO.: Senate Bill 37 – Utility Transparency and Accountability Act COMMITTEE: Senate Education, Energy, and the Environment Committee HEARING DATE: [Insert Date] SPONSOR: Senator Hester POSITION: Favorable

On behalf of **Stop MPRP, Inc.**, I respectfully submit this testimony in **strong support** of Senate Bill 37, which requires electric companies to submit annual reports to the Public Service Commission (PSC) detailing their recorded votes at regional transmission organization (RTO) meetings. This legislation is critical to ensuring greater transparency and accountability in decisions that impact Maryland residents, ratepayers, and communities.

The Lack of Transparency in RTO Decision-Making Hurts Marylanders

Maryland's electric grid is largely controlled by **PJM Interconnection**, an RTO that operates with little public scrutiny despite making decisions that affect land use, electricity rates, and infrastructure expansion. These decisions—including the proposed **Maryland Piedmont Reliability Project (MPRP)**—are being made behind closed doors, with **no clear record of how electric companies and their affiliates vote on key issues.**

For communities in **Baltimore, Carroll, and Frederick Counties**, the burden of this lack of transparency has been immense. The MPRP threatens **farms, forests, and private landowners** while being justified through a process that is **opaque and inaccessible to the public.** Affected residents have had to spend extensive time and resources trying to understand the rationale behind this transmission project—with little ability to see the truth behind the project.

The Burden on Communities Fighting Unjust Transmission Expansion

The proposed MPRP is a **prime example** of why transparency in RTO decision-making is needed. The project would:

- **Clear hundreds of acres** of forest and farmland, permanently altering the landscape.
- **Disrupt local communities** with new high-voltage transmission lines forced through private properties.
- Lack proper state oversight, as critical decisions are made at PJM with minimal disclosure to Maryland officials.

Residents and landowners have had to organize opposition efforts, hire legal counsel, and navigate complex regulatory proceedings—all **without full access to how decisions were made.** This is an unfair burden, especially when transmission expansion is being driven by utility companies that stand to benefit financially.



SB0037 Provides a Simple but Critical Solution

By requiring utility companies to disclose their recorded votes at RTO meetings, **SB0037** provides Marylanders with the transparency they deserve. This bill will:

- **Ensure public accountability** by allowing residents, landowners, and policymakers to see how decisions are being made.
- **Prevent undue influence** by making it harder for utilities to push through projects that primarily benefit corporate interests.
- Strengthen Maryland's regulatory oversight of energy decisions that impact communities, ratepayers, and rural lands.

We Must Hold Utility Companies Accountable

Maryland's energy policies should **reflect the interests of the people, not just the priorities of large utilities.** Without SB0037, the public will remain in the dark about the decision-making process at PJM—allowing transmission projects like MPRP to advance with **no meaningful public oversight.**

On behalf of **Stop MPRP, Inc.**, we urge the committee to issue a **favorable report** on SB0037 to bring much-needed transparency and accountability to Maryland's energy decision-making process.

Respectfully submitted, Joanne Frederick President Stop MPRP, Inc. joanne.frederick@stopmprp.org 443.789.1382

inbound8891792513259920948.pdf Uploaded by: Julie Frye Position: FAV

Support SB0037 for Transparency in Energy Decision-Making

Dear Senator,

I am writing as a constituent of Baltimore County Maryland to express my strong support for SB0037 and urge you to vote favorably on this important legislation. This bill addresses a critical need for transparency in the decision-making processes of Regional Transmission Organizations (RTOs) and their interactions with electric utilities.

Currently, utilities and their affiliates can participate in RTO meetings and vote on significant transmission-related projects with minimal public oversight. These decisions, which have profound impacts on energy costs and infrastructure development within our state, are often made behind closed doors, leaving state regulators, lawmakers, and the public uninformed and unable to effectively participate in the process.

SB0037 offers a crucial step towards greater transparency by shedding light on the involvement of electric companies in RTO meetings. By requiring greater disclosure of these interactions, this bill will empower stakeholders to better understand the factors influencing transmission project approvals and hold utilities accountable for their decisions. This increased transparency will foster a more informed and democratic process, ultimately benefiting all Maryland ratepayers.

I urge you to support SB0037 and help bring much-needed transparency to the crucial energy decisions that affect our communities. Thank you for your time and consideration of this important matter.

Sincerely,

Julie Frye

18111 Bunker Hill Road

Parkton, MD 21110

Hester SB37 Testimony.docx.pdf Uploaded by: Katie Fry Hester Position: FAV

KATIE FRY HESTER Legislative District 9 Howard and Montgomery Counties

> Education, Energy, and Environment Committee

Chair, Joint Committee on Cybersecurity, Information Technology and Biotechnology



Annapolis Office James Senate Office Building 11 Bladen Street, Room 304 Annapolis, Maryland 21401 410-841-3671 · 301-858-3671 800-492-7122 Ext. 3671 KatieFry.Hester@senate.state.md.us

THE SENATE OF MARYLAND Annapolis, Maryland 21401

Testimony in Support of SB37 - Utility Transparency and Accountability Act

February 13, 2025

Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and Environment Committee:

Thank you for your consideration of Senate Bill 37, which will require public utility companies in Maryland to disclose their PJM votes, increasing transparency into the critical decisions they are a part of making. For the record, this committee heard this bill last year (SB 682) and unanimously voted in favor of it. This year, the bill does not include a controversial provision regarding utilities recovering costs of lobbying through rates.

Maryland is one of 13 states and the District of Columbia that are members of the Regional Transmission Organization (RTO) known as PJM. PJM is the largest RTO in the US, serving over 63 million people and comprising many utility companies and electricity generation facilities. It serves important functions, such as ensuring grid reliability.

PJM is unknown to many. However, decisions made at PJM significantly affect our consumer utility rates and Maryland's energy mix. For example, PJM's decisions regarding the capacity market have kept fossil fuel generators running longer which has slowed down the transition to renewables and unnecessarily increased costs for rate-payers. Further, PJM's rules on interconnections have delayed the hook-up and development of new clean energy generating facilities. Essentially, PJM's decision-making has the ability to override our state's policies and can significantly hamper Maryland's clean energy goals because of its unilateral control of grid infrastructure.

The purpose of this bill is to increase transparency and accountability of stakeholders at PJM. This bill will require any electric utility that is a member of PJM to disclose to the Maryland Public Service Commission any recorded vote they make within that organization, regardless if such disclosure is required by PJM itself. Specifically, this legislation will ensure that a utility's votes at PJM proceedings are transparent, which is in the public interest of Marylanders.

I am offering one amendment to this bill for committee consideration, which has been requested by the utilities. This amendment clarifies that the "affiliates" referenced in the bill are based in Maryland.

SB 37 is critical to increasing transparency in rooms where critical decisions about the future of energy in our state are made. For these reasons, I respectfully request a favorable report on SB37.

Sincerely,

Kouri Fr Hear

Senator Katie Fry Hester Howard and Montgomery Counties

More information:

What are PJM's committees and what information is currently available about PJM voting results?

There are four ongoing lower-level standing committees: <u>Operating Committee</u>, <u>Planning Committee</u>, <u>Risk Management Committee</u>, and <u>Market Implementation Committee</u>. It is difficult to fully account for all of PJM's lower-level committees, however, since some are subcommittees or exist temporarily for specific processes. None of the individual voting data at the lower committee levels is public; the only information publicly available is the overall percentages of votes each proposal received.

The lower-level committees are responsible for designing the proposals that advance to the upper-level committees. Recent issues have included:

- Developing a <u>process to transfer the ability to interconnect</u> at a certain point in the grid from retiring plants to new resources (considered by the <u>Planning Committee</u>)
- Modifying rules for retiring plants (considered by the <u>Deactivation Enhancements Senior Task</u> <u>Force</u>).

There are two **upper-level** committees that vote on the proposals presented by the lower committees: the <u>Markets and Reliability Committee</u> and <u>Members Committee</u>. These upper-level committees are slightly more transparent. The Markets and Reliability Committee reports votes by sector, but not the votes of individual firms. Only the Members Committee reports individual firm votes in addition to sector-weighted votes.

Utility Transparency and Accountability Act Factsh Uploaded by: Katie Fry Hester

HB121/SB37 Utility Transparency and Accountability Act

What is PJM and how does it affect Maryland energy issues?

Maryland is one of 13 states and the District of Columbia served by the Regional Transmission Organization (RTO) <u>known as PJM</u>. PJM is the largest RTO in the US and serves 65 million people. All of Maryland's electricity flows through PJM's regional transmission grid. PJM manages our grid, ensures grid reliability, maintains the transmission system, and prepares the grid for new energy sources. PJM comprises 1,090 member organizations including electricity generators, transmission owners, and utility companies.

Overall, having an independent regional entity overseeing the grid provides efficiencies that benefit Maryland consumers. However, decisions made at PJM can significantly impact our utility rates and determine how quickly progress is made in meeting our climate goals. PJM's authority over our grid and electricity transmission system is complicated by its opaque decision-making process that lacks an accountability structure for those who make the decisions.

PJM's past decisions have kept fossil fuel generators running longer, slowed down the transition to renewables, and unnecessarily increased costs for our ratepayers.

What are PJM's committees and what information is currently available about PJM voting results? There are four ongoing <u>lower-level</u> standing committees: <u>Operating Committee</u>, <u>Planning Committee</u>, <u>Risk Management Committee</u>, and <u>Market Implementation Committee</u>. It is difficult to fully account for all of PJM's lower-level committees, however, since some are subcommittees or exist temporarily for specific processes. None of the individual voting data at the lower committee levels is public; the only information publicly available is the overall percentages of votes each proposal received.

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This bill will:

Require a public record of all PJM votes cast by Maryland public utility companies. This information is currently private, so the public has no way of knowing what their state-regulated, public utility companies are advocating for or against at PJM

For more information please contact: **Delegate Lorig Charkoudian**, <u>lorig.charkoudian@house.state.md.us</u> Phone: 410-841-3423

SB0037_2025_Utility Transparency_FAV_Advanced Ener Uploaded by: Katie Mettle



February 13, 2025 Maryland Senate Education, Energy, and the Environment Committee

SB 0037 Utility Transparency and Accountability Act Sponsor: Senator Katie Fry Hester

Katie Mettle Policy Principal, Advanced Energy United

FAVORABLE

Dear Chair Feldman, Vice Chair Kagan, and esteemed members of the Education, Energy, and Environment Committee:

Advanced Energy United is an industry association that represents companies operating in the clean energy space. Our mission is to accelerate the transition to a 100% clean energy economy.

SB 0037 will require electric companies' votes at PJM to be made public. PJM, as our regional transmission organization in Maryland, is a critical partner in bringing more energy online, and building transmission, to ensure that the entire PJM region, including Maryland, is able to meet our region's growing demand for energy.

As the largest regional transmission organization in the United States, PJM has an incredible challenge before it -- managing the constituencies of thirteen states plus the District of Columbia is not an easy task. From Advanced Energy United's perspective, PJM has hit speed bumps that have slowed down the process in bringing new energy generation online, particularly renewable energy and battery storage in the interconnection queue.

In our view, increasing transparency in the decision-making process at PJM will enhance the State's and other stakeholders' relationships with PJM, and facilitate more effective partnerships and cooperation that will help us work together more efficiently to bring more renewable energy and battery storage online, faster.

We respectfully request the Committee issue a favorable report. Thank you for your time.

Best Regards,

Katie Mettle, Policy Principal Advanced Energy United <u>kmettle@advancedenergyunited.org</u> 202.380.1950 x3197

SB0037 (HB0121) - FAV - Electric Companies - Regio Uploaded by: Landon Fahrig



| TO: | Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the |
|----------|---|
| | Environment Committee |
| FROM: | MEA |
| SUBJECT: | SB0037 - Electric Companies - Regional Transmission Organizations - Report (Utility |
| | Transparency and Accountability Act) |
| DATE: | February 13, 2025 |

MEA Position: FAVORABLE

Senate Bill 37 would provide increased transparency for utility companies in Maryland by requiring an annual report to be submitted to the Public Service Commission (PSC) of any vote cast at meetings of PJM Interconnection, LLC (PJM).

PJM serves as the regional transmission organization responsible for planning and managing the regional electric grid. PJM serves Maryland, and 12 other states along with the District of Columbia, and is comprised of several utility companies and electricity generation facilities. PJM regularly makes decisions that strongly impact Maryland's utility rates and clean energy goals.

The Maryland Energy Administration believes that more transparency and accountability in this decision making process would benefit Maryland residents. Currently, only certain votes are disclosed to the public. Many votes cast in committees or taskforces are not disclosed, limiting public insight into a vital decision-making process and the direct impacts upon ratepayers. Requiring additional voting disclosures provides transparency into how the interests of Maryland ratepayers are being represented in decisions that can significantly affect customer utility bills and impact Maryland's clean energy transition timeline.

For these reasons, MEA urges the committee to issue a favorable report.

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

SB0037_Utility Transparency and Accountability Act Uploaded by: Laurie McGilvray



Testimony on: SB0037- Electric Companies – Regional Transmission Organizations – Report (Utility Transparency and Accountability Act) Committee: Education, Energy and the Environment Organization: Maryland Legislative Coalition Climate Justice Wing Submitting: Lee McNair Position: Favorable Hearing Date: February 13, 2025

Dear Chair and Committee Members:

Thank you for allowing our testimony in support of SB037. The Maryland Legislative Climate Justice Wing is a statewide coalition of nearly 30 grassroots and professional organizations whose members urge you to vote favorably on SB037.

This bill will provide greater transparency into the decisions made at our grid operator, PJM. An important change this bill will make is to require a public record of all PJM votes cast by each Maryland electric company, which is not a municipal utility, through annual reporting to the Maryland Public Service Commission. Currently, this information is private and neither ratepayers nor the public have any way to determine what their public utility companies are advocating for at PJM.

Generally, it's good to have an independent regional entity overseeing our grid when that oversight results in efficiencies that benefit Maryland consumers. However, decisions made at PJM can significantly impact our utility rates. When those decisions lack transparency and accountability, they can greatly increase costs to ratepayers; fail to increase our grid's modernization and efficiency; slow our transition to clean energy; and causing us to fail to reach our mandated state climate goals.

A public record of all PJM votes by public utilities will greatly increase accountability through transparency allowing the state, the ratepayers, and the public better understanding of PJM's decisions and our public utility processes, which in turn will likely improve those processes and increase our grid efficiencies.

SB037 will provide this much needed transparency and regulatory guardrails to protect Maryland ratepayers while also ensuring that our utilities are helping rather than impeding Maryland's energy and climate goals.

For these reasons we strongly support SB037 and urge a FAVORABLE report in committee.

350MoCo Adat Shalom Climate Action Cedar Lane Unitarian Universalist Church Environmental Justice Ministry Chesapeake Earth Holders Chesapeake Physicians for Social Responsibility Climate Parents of Prince George's **Climate Reality Project** ClimateXChange - Rebuild Maryland Coalition Coming Clean Network, Union of Concerned Scientists DoTheMostGood Montgomery County Echotopia **Elders Climate Action** Fix Maryland Rail Glen Echo Heights Mobilization Greenbelt Climate Action Network **HoCoClimateAction** IndivisibleHoCoMD Maryland Legislative Coalition Mobilize Frederick Montgomery County Faith Alliance for Climate Solutions Montgomery Countryside Alliance Mountain Maryland Movement Nuclear Information & Resource Service **Progressive Maryland** Safe & Healthy Playing Fields Takoma Park Mobilization Environment Committee The Climate Mobilization MoCo Chapter Unitarian Universalist Legislative Ministry of Maryland WISE

SB0037_FAV_Utility_Transparency_Accountability_Act Uploaded by: Liz Feighner



SB0037: Electric Companies - Regional Transmission Organizations - Report (Utility Transparency and Accountability Act)
Hearing Date: February 13, 2025
Bill Sponsor: Senator Hester
Committee: Education, Energy, and the Environment
Submitting: Liz Feighner for HoCo Climate Action
Position: Favorable

<u>HoCo Climate Action</u> is a <u>350.org</u> local chapter and a grassroots organization representing approximately 1,400 subscribers. It is also a member of the <u>Climate Justice Wing</u> of the <u>Maryland Legislative Coalition</u>.

We urge you to **vote favorably on SB0037** which addresses the lack of transparency on policy positions investor-owned utility companies take at our regional transmission organization (RTO) known as PJM. This bill requires investor-owned utility companies and any of its affiliates to submit an annual report to the Public Service Commission regarding each recorded vote cast at a meeting of PJM.

HoCo Climate Action has been advocating for clean, renewable energy for years along with advocating for decarbonizing buildings since October 2020. We are extremely concerned about the lack of transparency for electrical grid policy decisions made by PJM. While decisions made at PJM significantly affect rates and our state's ability to meet our climate goals, the decision making process is not transparent and votes by utilities are not public.

Transparency is good governance and does not cost much to utilities or the state. Requiring public disclosures of policy decisions made by utilities at the PJM is in the rate payers best interest. For these reasons, we ask for a favorable report for **SB0037**.

Howard County Climate Action Submitted by Liz Feighner, Steering and Advocacy Committee www.HoCoClimateAction.org HoCoClimateAction@gmail.com

SB37 Utility Transparency.pdf Uploaded by: Loraine Arikat Position: FAV



SB 37

Electric Companies - Regional Transmission Organizations - Report (Utility Transparency and Accountability Act) Position: Favorable

Dear Chair Feldman and members of the committee:

My name is Ricarra Jones, and I am the Political Director with 1199SEIU United Healthcare Workers East. We are the largest healthcare workers union in the nation, with 10,000 members in Maryland and Washington, DC.

SB37 will address important issues of transparency in decision making at our "PJM" regional transmission operator and ensure that ratepayers are not subsidizing utility costs for lobbying, advertising, and association dues that are not in the public interest, and which undermine Maryland's climate goals. The bill will not prevent utilities from lobbying, advertising, and paying association dues. Rather, it will ensure shareholders, not ratepayers, bear those costs.

SB 37 will ensure decisions made that affect the cost of electricity in Maryland by passing along to ratepayer's investments in new transmission, extra capacity for peak energy demand, and other costs are made with more transparency to the public. For those reasons, 1199 SEIU urges a favorable report on SB 37.

Sincerely,

Ricarra Jones 1199 SEIU United Healthcare Workers East Ricarra.jones@1199.org

SB0037_MDSierraClub_fav_13February2025.pdf Uploaded by: Mariah Shriner



Committee:Education, Energy, and the EnvironmentTestimony on:SB 0037, Electric Companies - Regional Transmission Organizations -
Report (Utility Transparency and Accountability Act)Position:SupportHearing Date:January 23, 2025

The Maryland Chapter of the Sierra Club urges a favorable report on SB 0037. This bill provides greater transparency regarding actions undertaken by Maryland utilities within the multistate, quasi-governmental electricity regional transmission organization (RTO) known as PJM Interconnection (PJM).

PJM's role in Maryland's electricity sector

PJM exerts significant control over the electricity sector, including decisions as to what new large electricity generation facilities can connect to the grid in Maryland. These decisions impact the development of clean energy, including solar and wind power. PJM's rules regarding electricity markets also may impact distributed energy resources, energy efficiency, and demand response, and can affect the amount that Maryland residents pay for electricity. In sum, PJM is a key gatekeeper regulating Maryland's efforts to significantly expand availability of clean energy.

Benefits of increased transparency by Maryland utilities in PJM

PJM policies and procedures are decided upon by its members, which include utility companies and electricity generators. PJM procedures include several levels of member voting, and votes often are not disclosed. Consequently, it is difficult to know how Maryland utilities are exercising their discretion. Although PJM policies and procedures are regulated by the Federal Energy Regulatory Commission, Maryland retains regulatory authority over its utilities and thus the manner in which they participate in PJM.

The bill simply requires that Maryland utilities disclose their recorded votes at PJM meetings by filing reports with the PSC. The reports will need to include brief explanations of how the utilities' PJM votes served to advance the public interest. This will enable Maryland's public officials, regulators, and residents to know more about how Maryland utilities are carrying out their responsibilities, while retaining utilities' discretion to decide how to cast their PJM votes.

This bill will provide important transparency for Marylanders. The Maryland Chapter of the Sierra Club urges a favorable report on SB 0037.

Mariah Shriner Climate Campaign Representative Mariah.Shriner@MDSierra.org Josh Tulkin Chapter Director Josh.Tulkin@MDSierra.org

Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

SB 37 - MDLCV Support - Utility Transparency and A Uploaded by: Rebecca Rehr



solutions."

| Kim Coble | February 13, 2025 |
|---|---|
| Executive Director | Support: SB 37 - Utility Transparency and Accountability Act |
| 2025 Board of | Chair Feldman and Members of the Committee: |
| Directors Patrick Miller, Chair | Maryland LCV supports SB 37 - Utility Transparency and Accountability Act , and we thank Senator Hester for her leadership on this issue. |
| The Hon. Nancy Kopp, Treasurer Kimberly Armstrong Caroline Baker Joe Gill Lynn Heller Charles Hernick The Hon. Steve Laffert | This bill is straightforward: electric utilities in Maryland will submit an annual report to the PSC to disclose the votes they make at our regional transmission organization, PJM. Decisions that PJM makes significantly impact Maryland ratepayers, and our ability to reach our climate goals (i.e. through advancement of clean energy and energy storage solutions). As such, these decisions must be transparent. |
| Bonnie L. Norman | PJM decisions are informed by member (utility) votes, including through various work groups. Votes from utilities at PJM lead to, for example, determinations about whether new transmission is needed as a result of power plant closures. Recent PJM decisions about its capacity market calculations caused an <u>800% increase</u> in |

Lack of transparency is not unique to Maryland, but Maryland is part of the solution. Virginia and Indiana, within PJM, have introduced similar transparency measures, reinforcing this need.

transparency on whether the utilities' positions support the least-cost solutions to potential reliability issues with the regional grid or more expensive transmission

system-wide prices for 2025/26 compared to the prior year's auction. Certain high-level votes are disclosed, but the working groups, committees, and task force votes are not. We need to know how Maryland utilities are voting to make sure these decisions are working towards state climate goals, and to the benefit of Maryland ratepayers. As the Maryland Office of the People's Council wrote in testimony on a similar bill last year, "this report, "will provide important

PJM and state utility resources and decisions are critical to support a clean energy future and a healthier environment for everyone in Maryland. Maryland LCV urges a **favorable report** on this important bill.

SB37 testimony.pdf Uploaded by: Renee Hamidi Position: FAV



Committee: Education, Energy, and the Environment Testimony on: SB0037 "Electric Companies – Regional Transmission Organizations – Report (Utility Transparency and Accountability Act)" Position: Support Hearing Date: February 13, 2025

Valleys Planning Council, a non-profit that conserves land and resources, preserves historic character and maintains the rural feel and land uses in northwestern Baltimore County, urges a favorable report on SB0037, which would require an electric company, other than a municipal electric utility, to submit a report to the Public Service Commission regarding each recorded vote cast by the electric company and any of its affiliates at a meeting of a regional transmission organization.

PJM is a regional transmission organization that manages the electric grid in Maryland, part or all of 12 other states and the District of Columbia, coordinating the movement of electricity through the high-voltage transmission lines in its service territory. It operates wholesale markets, buying electricity on behalf of utilities, and runs markets that determine the mix of energy sources used to power homes and businesses. PJM also creates rules regarding the operation of the transmission systems.

This bill requires a record of all PJM votes cast by electric companies to be submitted to the Public Service Commission. This information is currently private, so the PSC – and the public – has no way of knowing what their state-regulated electric companies are advocating for or against at PJM.

While decisions made at PJM significantly affect rates and our state's ability to meet our climate goals, the decision making process is not transparent. By requiring a record of all votes cast by electric companies at PJM, the PSC will know what our electric companies are advocating for, or opposing, at this critical body. This legislation will ensure that the PSC and other policy makers have the information they need to regulate electric companies.

Requiring electric companies to report on recorded votes would provide additional needed transparency for votes on proposals that ultimately result in hundreds of millions of dollars in costs for utility customers. Valleys Planning Council urges a favorable report on SB0037.

Renée Hamidi Executive Director Valleys Planning Council

Testimony in support of SB0037 - Electric Companie Uploaded by: Richard KAP Kaplowitz

SB0037_RichardKaplowitz_FAV 02/13/2025

Richard Keith Kaplowitz Frederick, MD 21703

TESTIMONY ON SB#/0037 – FAVORABLE

Electric Companies - Regional Transmission Organizations - Report (Utility Transparency and Accountability Act)

TO: Chair Feldman, Vice Chair Kagan and members of the Education, Energy and the Environment Committee **FROM**: Richard Keith Kaplowitz

My name is Richard K. Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#0037, Electric Companies - Regional Transmission Organizations - Report (Utility Transparency and Accountability Act)

Despite large opposition from citizens and multiple levels of government to plans such as The Maryland Piedmont Reliability Project (MPRP), a proposed critical system (grid) enhancement (update) that has been awarded to PSEG by PJM, the Regional Transmission Organization (RTO) responsible for operating and planning the regional electric grid in all or parts of thirteen states, including Maryland the project appears to be one the way to approval.¹. This despite the opposition of the Frederick County Executive and County Council to MPRP.

This bill is a sunshine bill; it will give the public knowledge of the processes involved in decisions by electric companies and their affiliates when meeting on regional transmission matters. It will accomplish that by requiring an electric company, other than a municipal electric utility, by February 1 each year, to submit a report to the Public Service Commission regarding each recorded vote cast by the electric company and any of its affiliates at a meeting of a regional transmission organization. Because of this both the PSC and the public can make a determination if the proposal takes into account environmental and other factors that can and will affect the quality of life and economies of affected jurisdictions and their residents. It will provide tools that can be used in evaluation of proposals by the Regional Transmission Organizations.

I respectfully urge this committee to return a favorable report on SB#0037.

¹ <u>https://www.wmar2news.com/local/community-unites-against-maryland-piedmont-reliability-project-at-heated-information-session</u>

SB37 Utility Transparency & Accountability Act.doc Uploaded by: Shore Progress



SB 37: Electric Companies - Regional Transmission Organizations - Report (Utility Transparency and Accountability Act Position: Support

Chairman Feldman, Vice Chair Kagan, and Members of the Committee,

Shore Progress urges a favorable report on SB 37 - the Utility Transparency and Accountability Act.

For rural communities on Maryland's Eastern Shore, which are some of Maryland's most economically burdened communities, rising utility costs and limited accountability from public service companies are having significant economic consequences.

PJM's opaque voting structure—especially in lower-level committees—leaves Marylanders in the dark about decisions that directly impact their rates and renewable energy progress. Too often, these decisions prolong reliance on fossil fuels, delay renewable energy integration, and impose unnecessary costs on ratepayers.

By requiring public service companies to report recorded votes on PJM task forces and committees, SB 37 ensures accountability and provides Maryland residents with critical insight into whether utility companies are advocating for cost-effective, environmentally responsible solutions.

Greater transparency will empower rural communities, strengthen trust, and hold companies accountable for decisions that shape Maryland's energy future.

Thank you for your time and consideration,

Shore Progress

SB 37 RTO Report Utility Transparency and Accounta Uploaded by: Tammy Bresnahan



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** or 410-302-8451. Thank you for your time and consideration we ask you for a favorable report.

SB0037_IndivisibleHoCo_FAV.pdf Uploaded by: Virginia Smith



SB0037

Electric Companies - Regional Transmission Organizations - Report (Utility Transparency and Accountability Act) Testimony before Education, Energy, and the Environment Hearing February 13, 2025 Position: Favorable

Dear Chair Feldman and Co-Chair Kagan, and members of the committee, my name is Virginia Smith, and I represent the 900+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are providing written testimony today **in support of SB0037**, which require electric company, other than a municipal electric utility, by February 1 each year, to submit a report to the Public Service Commission regarding each recorded vote cast by the electric company and any of its affiliates at a meeting of a regional transmission organization (RTO). We thank Senator Hester for her sponsoring of this bill.

Currently, the votes cast by RTOs and their affiliates are kept private from the general public. This lack of transparency means that consumers have no idea if the votes being cast will cause their power bills to increase or limit that State's ability to meet our climate goals. Providing more transparency is only a positive move because it gives consumers the information they need to advocate for themselves and their communities.

Thank you for your consideration of this important legislation.

We respectfully urge a favorable report.

Virginia Smith Columbia, MD 21044

SB37 Utility Transparency Act FAV 2025.docx.pdf Uploaded by: Zoe Gallagher



Testimony to the Senate Education, Energy, and the Environment Committee SB37 Electric Companies – Regional Transmission Organizations – Report (Utility Transparency and Accountability Act) Position: Favorable

February 13, 2025 The Honorable Chair Feldman Senate Education, Energy, and the Environment Committee 2 West Miller Senate Office Building Annapolis, Maryland 21401 cc: Members, Senate Education, Energy, and the Environment Committee

Honorable Chair Feldman and members of the committee:

Economic Action Maryland Fund (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances economic rights, equity and housing justice for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

I am writing to urge your support of the Utility Transparency and Accountability Act, which would require electric companies to report annually to the Maryland Public Service Commission on all recorded votes they and their affiliates cast in meetings of Regional Transmission Organizations (RTOs). These organizations oversee electricity transmission across large areas and influence grid operations, pricing, and policy decisions. As utility costs are incredibly high, and set to increase further¹, it is crucial that there is transparency in the system that sets these rates.

The reporting requirement outlined by the bill ensures that electric companies disclose how they vote on decisions that can impact electricity rates, grid reliability, and infrastructure investments. This allows consumers and the PSC to gain insight into whether their utilities are acting in the best interests of the public. Additionally, by mandating disclosure, the bill discourages utilities from making decisions that could unfairly prioritize corporate profits over

¹*Maryland electric customers face up to 24% bill hikes from PJM capacity auction: report* https://www.utilitydive.com/news/maryland-bge-pepco-electricity-bill-pjm-capacity-auction-opc-ratepayer/7 24319/#:~:text=Talen%20Energy's%20Brandon%20Shores%20power,Maryland%20Office%20of%20Peo ple's%20Counsel.



consumer needs, such as opposing renewable energy integration or favoring higher-cost transmission solutions.

This bill also supports efforts of the PSC when it comes to saving ratepayer dollars, as it provides the PSC with more detailed information to monitor utility behavior and advocate for policies that protect ratepayers, ensuring utilities prioritize affordability and sustainability.

This bill empowers consumers and regulators by shedding light on decisions that significantly impact electricity service and costs.

For these reasons, I urge your favorable support on SB37.

Best,

Zoe Gallagher, Policy Associate

Exelon_LOI_EEE_Senate Bill 37_ Electric Companies Uploaded by: Dytonia Reed

Position: INFO



February 13, 2025

112 West Street Annapolis, MD 21401

Letter of Information – Senate Bill 37: Electric Companies - Regional Transmission Organizations -Report (Utility Transparency and Accountability Act)

Exelon and its utility delivery companies, Baltimore Gas and Electric (BGE), Potomac Electric Power Company (Pepco), and Delmarva Power & Light Company (Delmarva Power) submit this letter of information on Senate Bill 37- Limitations on Cost Recovery by Public Service Companies and Reports on Votes Cast at Meetings of Regional Transmission Organizations (Utility Transparency and Accountability Act). Senate Bill 37 requires each electric company in Maryland to submit an annual report to the Maryland Public Service Commission (PSC) of each vote cast at a meeting of a regional transmission organization (RTO) and all votes cast by an affiliate of the electric company. The report would include all votes cast by the public service company, regardless of whether the vote is non[®]decisional and has no binding effect on the activities of the RTO.

Exelon is committed to transparency, collaboration, and accountability. We consistently demonstrate these values while delivering reliable energy services to our customers. Exelon is a member of PJM, the regional transmission organization, formed at the approval of the Federal Energy Regulatory Commission. PJM coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. The purpose of an RTO is to promote economic efficiency, regional energy grid reliability, and non-discriminatory wholesale energy markets. PJM holds over 400 stakeholder meetings annually. These meetings are open to the public and are accessible both in person (for those meetings with an in-person option) and virtually. PJM regular meetings with stakeholders are integral to developing and refining PJM's rules, policies, and processes. Additionally, many different subcommittees and groups that are part of PJM's governance structure help administer an open grid and transparent market hold hundreds of meetings throughout the year. In the lower-level PJM committees and groups, which are open for public observation and participation, individual company votes are not formally recorded because they are merely indicative and non-decisional.

Requiring a utility to submit information to the PSC on every vote taken at PJM's lower-level committee meetings, subcommittees and task forces will be an administrative burden and costly. Exelon is willing to submit an annual report to the Commission of recorded votes cast by the Company in the spirit of transparency; however, there are concerns that Senate Bill 37 directly conflicts with the FERC jurisdictional PJM rules and code of conduct regarding the stakeholder process.

Further, the legislation requires disclosure of BGE, Pepco, and Delmarva Power's affiliate votes, even votes that are outside of Maryland. This could potentially exceed the PSC's regulatory authority and create conflicts with laws in other states where our affiliates operate. The Committee may want to consider language that limits the specificity of affiliate votes to only those affiliates conducting business in Maryland.

Exelon looks forward to continuing conversations with the bill sponsor and all stakeholders involved and hope this information is helpful to the Committee

Exelon (Nasdaq: EXC) is a Fortune 200 company and the nation's largest utility company, serving more than 10.5 million customers through six fully regulated transmission and distribution utilities — Atlantic City Electric, BGE, ComEd, Delmarva Power, PECO, and Pepco. Exelon's 20,000 employees dedicate their time and expertise to supporting our communities through reliable, affordable and efficient energy delivery, workforce development, equity, economic development and volunteerism.