

SB0675 FAV PHI 3.6.25.pdf

Uploaded by: Anne Klase

Position: FAV



March 6, 2025

112 West Street
Annapolis, MD 21401

Support – Senate Bill 675 - Public Service Commission - Full Costs and Benefits Analysis of Sources of Electricity Generation

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support **Senate Bill 675 - Public Utilities - Alternatives to Construction of New Transmission Lines**. 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. 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 the ratepayers of the State and report its findings and recommendations to certain committees of the General Assembly by December 1, 2026.

Pepco and Delmarva Power support the intent of the bill, 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. With limited in-state generation and pending retirements of dispatchable resources, Maryland relies heavily on energy imports to meet demand. The North American Electric Reliability Corporation (NERC) forecasts show electricity peak demand and energy growth between 2024 and 2033 at the highest levels in a decade. PJM is already seeing significant demand growth due to electrification and energy-intensive data centers. To maintain reliability, new dispatchable generation, storage, energy efficiency, demand response, and hybrid solutions using clean fuels are essential.

Pepco and Delmarva Power believe 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, Pepco and Delmarva Power recommend 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.

Pepco Holdings, the parent company of Pepco, an electric utility serving Washington, D.C., and suburban Maryland; Delmarva Power, an electric and gas utility serving Delaware and portions of the Delmarva Peninsula; and Atlantic City Electric, an electric utility serving southern New Jersey. Anthony and his team are responsible for guiding the company's delivery of reliable and excellent service to more than two million customers in the Mid-Atlantic. Pepco Holdings is a subsidiary of Exelon Corporation, one of the nation's leading energy services companies.

Valencia McClure | Anne Klase | Allyson Black-Woodson | Poetri Deal | 410 980 5347

SB0675.pdf

Uploaded by: Carol Frazier

Position: FAV

I am writing in strong support of this legislation, which is, I believe, long overdue. As a matter of fact, I am astonished that it is not already law.

Utility bills are a fact of life for all Maryland families, and for many families, are a major budget item. Many families recently experienced an incredible increase in electricity bills - some by as much as 100%. That is just crazy and is something I have never heard of.

The Maryland Public Service Commission is funded by Maryland taxpayers and is therefore answerable to said taxpayers. It just stands to reason that when the PSC is considering electricity, the first and foremost criteria should be the reliability of the different sources of electricity followed closely by the cost of each.

Thank you for your consideration.

SB 675 written testimony.pdf

Uploaded by: Charlene Sharpe

Position: FAV



Senate Bill 675

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

Position: **SUPPORT**

To: Education, Energy and the Environment Committee

Date: March 4, 2025

From: Worcester County

Worcester County supports SB 675, which would provide the state with a better understanding of energy costs.

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. The intermittency of generation makes the cost comparison between options like natural gas and wind difficult. A Levelized Full System Cost of Electricity examination would consider the irregularity of renewables and as such would give us an understanding of the true cost of these energy options. It would provide a single comparison figure that would simply explain the financial implications of Maryland's renewable energy providers to the state's utility customers. We urge you to issue Senate Bill 675 a favorable report. Thank you for your time and consideration.

SB0675-EEE_MACo_SUP.pdf

Uploaded by: Dominic Butchko

Position: FAV



MARYLAND
Association of
COUNTIES

Senate Bill 675

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

MACo Position: **SUPPORT**

To: Education, Energy, and the Environment
Committee

Date: March 6, 2025

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** SB 675. 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. SB 675 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.

SB 675 is a good governance, commonsense bill. For this reason, MACo urges the Committee to give SB 675 a **FAVORABLE** report.

BGE_EEE_FAV_SB675– Public Service Commission – Ful

Uploaded by: Dytonia Reed

Position: FAV

Favorable
Education, Energy, and Environment
3/6/2025

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.

SB 675 - PSC - Full Costs and Benefits Analysis of

Uploaded by: Grayson Middleton

Position: FAV



Educate. Advocate. Innovate.

Date: March 4, 2025
To: Members of the Senate Committee on Education, Energy, and the Environment
From: Grayson Middleton, Government Affairs Manager
Re: SB0675 – 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 SB 675 and urges a favorable committee report.

SB 675 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@dcachicken.com or 410-490-3329.

Sincerely,

Grayson Middleton

Government Affairs Manager

SB675 Public Service Commission - Full Costs.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

March 6, 2025

The Honorable Brian Feldman
Chair, Education, Energy, and the Environment Committee
The Honorable Cheryl Kagan
Vice Chair, Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

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

We are writing to express our **support** for **Senate Bill 675/ House Bill 1149 - 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.



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

Sincerely,

Herman Jeffrey Harrison
President

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

electricity bill.pdf

Uploaded by: Kristin Jackson

Position: FAV

We, the Waterman's Association of Worcester County, are writing to express our strong support for Senate Bill 675, which aims to establish a ratepayer-first energy policy in Maryland by requiring a comprehensive cost-benefit analysis of electricity resources. This bill provides much-needed light on what matters most to Maryland residents: electricity service that is both reliable and affordable.

As Maryland transitions towards renewable energy sources and greater electrification, it is imperative that policymakers prioritize the affordability and reliability of our energy grid. Attempts by state lawmakers to pick winners and losers in the electricity generation sector will inevitably lead to higher costs for ratepayers.

Senate Bill 675 offers a commonsense approach. By requiring the Public Service Commission (PSC) to conduct a thorough analysis of the full costs and benefits of various electricity generation sources within the state, this bill ensures that the data necessary for informed decision-making is available. This would allow the PSC to recommend policy changes specifically designed to support the development of energy sources based on the lowest cost and greatest benefit to Maryland's ratepayers.

Understanding the impact of different energy sources on ratepayers is fundamental to responsible governance. This bipartisan bill empowers our lawmakers with the knowledge to make sound policy decisions that balance environmental goals with economic realities.

I believe that Senate Bill 675 is a crucial step towards securing a sustainable and affordable energy future for Maryland. It is essential to ensure a reliable and affordable energy supply for all Marylanders.

Thank you for your time and consideration. I urge you to support Senate Bill 675 and prioritize the needs of Maryland ratepayers.

Sincerely,

Earl R Gwin, Jr

President

Waterman's Association of Worcester County

SB 675 - Carozza Testimony_FINAL.pdf

Uploaded by: Senator Mary Beth Carozza

Position: FAV

MARY BETH CAROZZA
Legislative District 38
Somerset, Wicomico,
and Worcester Counties

Education, Energy, and
the Environment Committee

Executive Nominations Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

March 6, 2025

The Senate Education, Energy, and Environment Committee
SB 675 – Public Service Commission – Full Costs and Benefits Analysis of
Sources of Electricity Generation
Statement of Support by Bill Sponsor Senator Mary Beth Carozza

Thank you Chair Feldman, Vice Chair Kagan, and my fellow members of the distinguished Senate Education, Energy, and Environment Committee for this opportunity to present Senate Bill 675 – Public Service Commission – Full Costs and Benefits Analysis of Sources of Electricity Generation and ask for a favorable report.

I want to thank my fellow members of this Committee – Senators Attar, Brooks, Gallion, Simonaire, and Watson – for cosponsoring this important legislation that prioritizes our ratepayers who deserve to know the true and full costs of energy generation.

Maryland is facing an energy crisis. Regional electricity demand growth due to data center development as well as Maryland’s intense electrification efforts that have unfortunately led to the retirement of coal and oil generation facilities without an adequate replacement have caused utilities rates to skyrocket. During the 2025/2026 PJM capacity auction energy prices increased by 800% compared to the prior year. PJM has released new electricity demand forecasts that indicate our region “could see a capacity shortage as soon as” June 2026. Maryland’s energy crisis has contributed to the rising cost of electricity that has crippled the finances of so many of our constituents.

SB 675 would require the Public Service Commission to conduct an analysis of the full costs and benefits of sources of electricity generation in the State and to recommend policy changes to support the development of energy sources based on the lowest cost and greatest benefit to the ratepayers.

An important term to highlight in the bill is “full.” Currently, calculating the “Levelized Costs of Electricity”, or LCOE, is the most popular method used to compare the costs of generating electricity using different technologies. A company called Lazard (a financial advisory/asset management company) is best known for producing the leading LCOE report. However, LCOE is a limited calculation method as it leaves out important factors regarding renewable generation, such as the impact of intermittency and non-dispatchability, and the LCOE calculation fails to capture the full and total costs of energy generation.

For background, intermittent energy is energy that is not consistently available as they can be

heavily affected by weather, season, or time of day. Therefore, intermittent energy often requires a dependable back-up energy generation source to meet the demand. Economically, the fact that intermittent generation has no obligation to meet the demand can be seen as a hidden subsidy.

Additionally, a non-dispatchable source of electricity is one that cannot be turned on and off to meet our fluctuating energy needs. Therefore, a non-dispatchable source of electricity would require energy storage so as not to waste any generated energy.

As Maryland transitions toward renewable energy sources and electrification, we as policymakers have a responsibility to ensure grid reliability and affordability for residents. LCOE is, in many ways, an outdated calculation method that does not factor in the full costs of modern energy generation. This is why SB 675 would use different calculation methods.

Another calculation referred to as the “Levelized Full System Costs of Electricity”, or LFSCOE, compares the costs of serving the entire market using just one generating source, plus storage. In contrast to LCOE and other alternatives, LFSCOE condenses the cost for each technology into one number per market. To be clear, this bill is NOT intended in any way as a criticism of renewable generation or any other type of generation. Rather, SB 675 simply asks the Commission to prepare a study of the true costs of different types of electricity generation that can be used to inform policy decisions.

We must put our constituents first, and that means understanding how the development of various energy sources would impact the ratepayers. This bipartisan bill is a commonsense approach to ensure the full costs and benefits in developing energy are calculated and we as a body would be able to consider policy recommendations that prioritize the lowest cost and greatest benefit to the ratepayers.

We are all well aware of the many energy bills that are being considered by the Maryland General Assembly this session, and I respectfully would request that this pro ratepayers energy bill, SB 675, be part of the package of energy bills approved this legislative session.

I thank you for your kind attention and consideration, and I respectfully request a favorable report on SB 675 with amendments.

SB 675 PSC Full Costs and Benefits Analysis of Sour

Uploaded by: Tammy Bresnahan

Position: FAV



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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.

SB 675 McGean Testimony.pdf

Uploaded by: Terence McGean

Position: FAV

SB 675 – Public Service Commission – Full Costs and Benefits Analysis of Sources of Electricity Generation

**Testimony of Terence J. McGean, PE
City Manager, Ocean City Maryland**

Chairman Feldman, Vice Chair Kagan, and members of the Committee. Please accept this written testimony in favor of SB 675 Public Service Commission – Full Costs and Benefits Analysis of Sources of Electricity Generation. I have served as the City Manager for Ocean City Maryland since 2022, prior to that I was the City Engineer for 31 years. I am also a Maryland licensed professional engineer. During my tenure as City Engineer, I served on the deregulation task force for the Delmarva Power service territory and under my direction, Ocean City was one of the first municipalities to purchase electricity on the open market after deregulation.

SB675 requires the Public Service Commission to submit a report that is long overdue. Specifically, it requires the Commission to objectively analyze the true cost to Maryland rate payers of different types of electricity generation. Further, it requires the Commission to perform this analysis using the Levelized Full System Cost method. This creates an apples-to-apples comparison of the full cost of different generation types by ensuring that the costs to provide the storage and dispatchable generation infrastructure necessary to supplement power for intermittent energy generation sources such as offshore wind are accounted for in the rate impact analysis for those technologies.

Currently, when the Public Service Commission evaluates the cost to the ratepayer for offshore wind, in addition to using inflated future predictions for the price of electricity, the Commission fails to account for the cost of power that must be provided when the wind does not blow (or since the turbines get shut down at high wind speeds, when the wind blows too hard). When wind power goes off line, it must be replaced either with existing dispatchable fossil fuel power (a hidden subsidy), new dispatchable power (typically expensive gas turbine plants), or mass battery storage systems. In order to accommodate Maryland's arbitrary mandates for offshore wind, the Commission is currently forcing Maryland regulated utilities to construct these battery storage systems all over the state and to pass the cost on to the ratepayer. That cost, which is ignored in the current rate impact calculations for offshore wind, would be have to be accounted for under SB675.

This winter we are all now seeing the impacts of a Maryland energy policy created without proper study. Electric rates that were already some of the highest in the region are skyrocketing as existing plants are forced offline by burdensome regulations with nothing to supplement them. Let us not make matters worse by forcing more expensive unreliable generation onto the Maryland ratepayer. Nuclear power is a viable alternative to offshore wind that offers clean consistent electric supply. SB675 takes a common-sense approach, look objectively at the real cost of electric generation and then use that information to make decisions for Maryland's energy future based on facts, not hype.

Final Testimony By Travis Fisher - March 6th.pdf

Uploaded by: Travis Fisher

Position: FAV



Statement

of

Travis Fisher

**Director of Energy and Environmental Policy
Cato Institute**

before the

**Education, Energy, and the Environment Committee
Maryland State Senate**

March 6, 2025

**RE: SB 675 Public Service Commission - Full Costs and Benefits Analysis of
Sources of Electricity Generation**

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

My name is Travis Fisher, and I am the Director of Energy and Environmental Policy Studies at the Cato Institute.

Cato is a nonpartisan public policy research organization in Washington, D.C. that promotes individual liberty, limited government, free markets, and peace.

It is an honor to speak with you today about the affordability of electricity for Maryland families.

In 2017, I was the lead author of the Department of Energy's *Staff Report to the Secretary on Electricity Markets and Reliability*. Eight years ago, it was already clear that the electricity industry was not consumer friendly, and I worry things have gotten worse.

Perhaps the most important finding from that report was that the low prices in wholesale electricity markets from abundant shale gas did not translate into lower retail prices—we called that the wholesale-retail disconnect.

It is a persistent blind spot in the world of electricity policy, and I'm glad to see Maryland lawmakers address it head-on by focusing on ratepayers.

Although I study the economics of electricity in my day job, first and foremost I join you as a resident of the state of Maryland trying to raise a family here on a tight budget. I have firsthand experience with the burden of high electricity prices.

That is why I am so thankful to Senator Mary Beth Carozza and her cosponsors for introducing Senate Bill 675, which asks the Public

Service Commission to study the full costs and benefits of electricity resources and recommend policy changes.

Focusing on the full system cost of electricity is the right approach because we all pay this cost, whether through our utility bills or our taxes.

In contrast, a narrow focus on the cost of a standalone intermittent resource leaves out important considerations, such as day-to-day balancing costs and the growing costs to ensure the grid is reliable in the long run.

Attempts by state lawmakers to pick winners and losers in the electricity generation sector will lead to higher costs. For example, an accurate assessment of the full costs of a grid that includes 8.5 gigawatts of mandated offshore wind will highlight how terrible such mandates are for consumers.

We have an opportunity to lead with a ratepayer-first energy policy, and Senate Bill 675 shines much-needed light on what matters most to ratepayers, which is electricity service that is both reliable and affordable.

For the sake of families across Maryland, I urge you to put consumers first.

Thank you.

SB 675_realtors_fav.pdf

Uploaded by: William Castelli

Position: FAV



Senate Bill 675 – Public Service Commission – Full Costs and Benefits Analysis of Source of Electricity

Position: Favorable

The Maryland REALTORS® support SB 675 which requires the Public Service Commission to conduct a full costs and benefits analysis of sources of electricity generation in the state.

Although electricity rates in Maryland have increased significantly this year, the rates have increased at twice the rate of inflation since 2010. In some Maryland counties, this means low-income households spend one-third of their income on energy bills, far outpacing the percentage of impacted low-income households nationally.

When these energy costs are added to increasing home prices that exceed inflation, high loan interest rates, it is no surprise the percentage of first-time homebuyers is at thirty-year lows. SB 675 will help provide important information to inform energy generation decisions in Maryland. The REALTORS® encourage a favorable report.

For more information contact lisa.may@mdrealtor.org or christa.mcgee@mdrealtor.org

SACC Letter of Support - SB 675.pdf

Uploaded by: william Chambers

Position: FAV



March 4, 2025

Senator Brian J. Feldman
Chair, Senate Education, Energy and Environment Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

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

This letter is to support SB 675, Public Service Commission – Full Costs and Benefits Analysis of Sources of Electricity Generation.

On behalf of the 700 members of the Salisbury Area Chamber of Commerce, we are in full support of this Bill. Energy costs in Maryland have skyrocketed, placing another financial burden on businesses to make ends meet. In particular, our small businesses have really felt the rising costs of energy which is having repercussions on their ability to hire new staff, expand their small business and contribute to the growth of Maryland's economy.

Requiring the Public Service Commission to conduct an analysis looking for the full costs and benefits of a variety of energy sources currently in generation in Maryland. It is of the utmost importance that the results of this analysis lead to policy changes to support the generation of energy sources that result in lower costs to produce with the greatest benefits to all Maryland ratepayers.

The Salisbury Area Chamber of Commerce urges a favorable report on SB 675.

Respectfully,

William R. Chambers
President/CEO

SALISBURY AREA CHAMBER OF COMMERCE

The Voice for Business on Delmarva

SB 675_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 Brian Feldman
Education, Energy and the Environment Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

**RE: SB 675 – Favorable with Amendments - Public Service Commission - Full Costs and Benefits
Analysis of Sources of Electricity Generation**

Dear Chair Feldman and Committee Members:

The Public Service Commission (the Commission) provides the following comments on Senate Bill 675 (SB 675) 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 SB 675 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 SB 675 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

SB675 HB1149 Pavlak FWA.v2.pdf

Uploaded by: Alex Pavlak

Position: UNF

March 6, 2025

SB675 (HB1149) Pavlak UNF

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

WHAT I LIKE

- Addresses full system cost of electricity

WHAT I DO NOT LIKE

- Proposes a policy study not an engineering study
 - An engineering study would “quantify options”
 - Performance metrics are subjective
 - “Benefits” imply social cost of carbon, \$zillion under Biden \$zero under Trump,
 - Net zero would be better performance metric
 - A similar ratepayer impact study resulted in OREC prices over 4x PJM market price
- PSC does not currently have the skill to manage such a study

The Integrated Resource Planning Office proposed by SB909/HB1037 is a better approach provided it is structured as a system engineering development office, not a policy office.

- Starts with 10,000 ft big picture, concept modeling
- Proceeds through classic development stages.
- Builds & acquires a suite of validated models for different tasks



SB0675 (HB1149) - UNF - Public Service Commission

Uploaded by: Landon Fahrig

Position: UNF



Maryland

Energy Administration

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

FROM: MEA

SUBJECT: SB 675 - Public Service Commission - Full Costs and Benefits Analysis of Sources of Electricity Generation

DATE: March 6, 2025

MEA Position: UNFAVORABLE

Senate Bill 675 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. SB 675 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 SB0675.pdf

Uploaded by: David Lapp

Position: INFO

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BILL NO.: Senate Bill 675 – Public Service Commission - Full Costs and Benefits Analysis of Sources of Electricity Generation

COMMITTEE: Education, Energy, and the Environment

HEARING DATE: March 6, 2025

SPONSOR: Senators Carozza, Hershey, Attar, Brooks, Gallion, Simonaire, Watson, and West

POSITION: Informational

The Office of People's Counsel ("OPC") respectfully provides the following informational comments on Senate Bill 675. SB 675 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.

SB 675 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 sponsors 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 SB 675.