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Executive Nominations Committee



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**THE SENATE OF MARYLAND**  
**ANNAPOLIS, MARYLAND 21401**

**February 19, 2026**

**The Senate Education, Energy, and Environment Committee**  
**SB 270 – 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 270 – 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 Brooks, Gallion, Harris, Hester, 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 continuing to face 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 utility rates to skyrocket. Since 2018, the State has seen the retirement of 6,000 MW of electric generation resources – but the addition of only 1,600 MW of resources during that same time frame. Maryland is now importing more than 40 percent of its electricity, further contributing to the rising energy costs directly impacting our ratepayers.

During the 2025/2026 PJM capacity auction energy prices increased significantly from \$28.92/megawatt-day to \$269.92/megawatt-day. This is a nearly 800% increase in the cost of electricity. Energy prices continued to increase following the 2026/2027 PJM capacity auction, which resulted in capacity prices rising to \$329.17/megawatt-day, a record high for the second straight year. Due to the substantial increases in the cost of electricity for our ratepayers, PJM agreed to place a price cap on capacity auctions, but this price cap is scheduled to sunset after the 2029/2030 delivery year (upon evaluation and approval by the Federal Energy Regulatory Commission). This is a temporary fix for a long-term problem.

Maryland is already facing a capacity shortage. On July 21, 2025 PJM filed a request for a Federal Power Act section 202(c) emergency order with the Department of Energy for the Wagner 4 electric generator station in Anne Arundel County in response to a shortage of available electric generation supply in the region. The emergency order was granted, and less than a month later, on August 11, 2025, an estimated 4,000 Maryland residents lost power within the BGE service area due to a “transmission constraint issue” according to a BGE spokesperson.

The U.S. Department of Energy has warned that Marylanders could face controlled rolling blackouts if we face another heatwave similar to the one which occurred in late June 2025. Maryland's energy crisis contributed to the rising cost of electricity that has crippled the finances of so many of our constituents, who now must also contend with the potential for blackouts and brownouts.

SB 270 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. LCOE specifically calculates the average revenue per unit of electricity needed to break even. 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.

A growing number of experts are cautioning that using LCOE severely understates many broader system costs of intermittent resources, making these resources seem artificially cheap. 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 an outdated calculation method that does not factor in the full costs of modern energy generation. In essence, LCOE has significant limitations that hide the true cost of generation. This is why SB 270 would require the PSC to use the calculation method known as the Levelized Full System Costs of Electricity", or LFSCOPE.

LFSCOPE analyzes the cost of serving an entire market using only one generating source, plus the necessary storage. In contrast to LCOE and other alternatives, LFSCOPE 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 270 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. This is about collecting accurate data.

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.

I thank you for your kind attention and consideration, and I respectfully request a favorable report on SB 270.