



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpm
facebook.com/aarpm

**SB 92 – Electric Company Contracts, Capacity Market Models, and Regional
Transmission Organizations - Studies
Education, Energy and the Environment Committee
February 19, 2026
FAVORABLE**

Good afternoon, Chair Feldman, Vice Chair Kagan, and members of the Education, Energy and the Environment Committee. My name is Laurel Peltier, and I am a proud member of AARP Maryland and a resident of Baltimore County. AARP Maryland represents more than 850,000 members across the state, making it one of the largest membership-based organizations advocating on behalf of older Marylanders. We appreciate the opportunity to testify in strong support of SB92. We thank Senator Hettleman for introducing this legislation on behalf of Maryland ratepayers.

AARP is a nonpartisan, nonprofit organization dedicated to empowering people to live their best lives as they age. Our work focuses on issues that matter most to older adults and their families, including affordable utilities, financial security, health care access, and protection from financial exploitation.

SB 92 responds to concerns that PJM's actions have increased costs and decreased affordability for ratepayers, and that PJM has not adequately addressed rate impacts or state energy policy priorities. The findings and recommendations must be reported to the Governor and General Assembly by December 31, 2026. The bill takes effect July 1, 2026.

SB92 directs the Maryland Public Service Commission (PSC), in consultation with the Maryland Energy Administration, to conduct two major studies:

1. Electric Company Contracting Requirements: The PSC must analyze the benefits and costs of requiring each electric company in Maryland to contract for at least 80% of its load-serving capacity over the next five years. This aims to ensure reliability and potentially stabilize rates for consumers.
2. Regional Transmission Organization (RTO) and PJM Market Model: The PSC and Energy Administration, in consultation with neighboring states, must study and recommend options for:
 - Withdrawing from the PJM Interconnection capacity market model;
 - Developing a multistate compact to secure electric capacity through contracts or competitive auctions; and
 - Establishing or joining an alternative regional transmission organization.

AARP Maryland strongly supports this bill for the following reasons:

1. Affordability and Ratepayer Protection:

- AARP strongly supports efforts to address rising electricity costs, which disproportionately impact older adults and those on fixed incomes. PJM's recent capacity market actions have led to dramatic rate increases, making affordability a critical issue for our members.
- Maryland's leadership in studying alternatives to PJM's market model is timely and necessary. We urge the Commission to prioritize consumer protections and affordability in all recommendations.

2. Transparency and Accountability:

- The bill's focus on requiring electric companies to contract for most of their capacity is a positive step toward transparency and accountability. AARP has advocated for similar measures in other states to ensure utilities are not passing unnecessary costs onto consumers.
- We support provisions that require utilities to disclose their votes and actions in RTO stakeholder processes, as these decisions directly affect ratepayers. Maryland and New Jersey have enacted laws to increase transparency in PJM's procedures, and we encourage continued oversight.

3. Regional Collaboration and Alternatives:

- Studying the benefits and costs of withdrawing from PJM and exploring alternative RTOs is prudent. AARP recommends that any alternative model must do the following:
 - Protect residential and small business customers from subsidizing large users (e.g., data centers);
 - Ensure long-term reliability and affordability; and
 - Include robust consumer protections and public input.

4. Consumer Impact and Equity:

- Many AARP members live on low or fixed incomes and cannot absorb further rate increases. Any changes to Maryland's electricity market must safeguard vulnerable populations and prevent cost-shifting to residential customers.
- AARP supports policies that require large load customers to pay their fair share and prevent cross-subsidization. This principle should guide all recommendations from the Commission's study.

5. AARP's Track Record and Advocacy

- AARP has successfully advocated for several utility reforms in Maryland and other states, including prohibiting recovery of lobbying costs through rates, requiring public hearings for rate increases, and mandating transparency in utility decision-making at RTOs.
- We urge the Commission to build on these successes and ensure that Maryland's energy future is affordable, reliable, and equitable.

These are unusual times for Maryland's older adults, as many find the current electricity and gas rates truly unaffordable. The health and safety of our seniors have been negatively impacted as they scramble to find the funds to pay for their utilities to avoid terminations and keep the power on.

For these reasons, we respectfully urge the committee to support SB92.

If you have any questions, please contact Sara Westrick, AARP Maryland Advocacy Director at swestrick@aarp.org or by calling 410-310-0374.