



February 19, 2026

Education, Energy, & the Environment Committee

SB 92

Electric Company Contracts, Capacity Market Models, and Regional Transmission Organizations - Studies

Sponsor: Senator Shelly Hettleman

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Policy Principal, Advanced Energy United

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

Advanced Energy United is an industry association that represents companies operating in the clean and advanced energy spaces. “Advanced energy” broadly refers to technology that consists of or which is compatible with clean energy generation, and which makes our grid more affordable, efficient, reliable, resilient and/or secure.

SB 92 requires the State, in conjunction with neighboring states, to study the possibility of leaving the PJM Regional Transmission Organization (RTO).

For all of the legitimate criticisms of PJM’s management, Advanced Energy United believes a study would demonstrate that leaving PJM – whether to join another RTO, form a new one, or to avoid participating in one altogether – would be too disruptive and costly to be worth pursuing.

Maryland, and the other PJM states, are not technically members of PJM. Our utilities are. The state may discover legal barriers or complexities to mandating or incentivizing the utilities that serve Maryland residents to withdraw from PJM membership.

Arguably, the greatest benefit of participating in an RTO is access to competitive wholesale energy markets. Energy generators must choose between contracting energy sales directly to utilities, or participating in an RTO's wholesale markets. If Maryland wants to bypass PJM's wholesale markets by forcing utilities to buy power directly from generators, that could create upward pressure on energy prices, and create pressure to vertically integrate our utilities or buy them out and switch to a public power system in order to ensure we are able to procure enough energy to meet demand. Both options could drive up energy prices for consumers.

In addition, the legal fees – regardless of the path chosen – and potential cost of standing up a new RTO could be very high as well.

PJM is in need of reform. Although advocating for reforms has been frustrating due to the lack of state jurisdiction over RTOs, and the independence of FERC, leaving PJM, regardless of the eventual option chosen, is very likely to create a different set of problems.

Thank you for your time.

Best Regards,

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