

Testimony on: SB0092 – Electric Company Contracts, Capacity Market Models, and Regional Transmission Organizations – Studies
Committee: Education, Energy and the Environment
Submitting: Rhonda Kranz
Position: Favorable
Hearing Date: February 19, 2026

Dear Chair and Committee Members:

Thank you for accepting my written testimony in support of SB0092, Electric Company Contracts, Capacity Market Models, and Regional Transmission Organizations. I have lived in Maryland for 30 years and am very concerned that Maryland's needs are be poorly met by PJM.

SB0092 requires the Public Service Commission (PSC), in consultation with the Maryland Energy Administration (MEA), to study the benefits and costs of requiring each Maryland electric company to demonstrate that it has contracted for at least 80% of its load-serving capacity over the next five-year period. The bill also requires the PSC and MEA, in consultation with neighboring states, to jointly study the benefits and costs of options for withdrawing from PJM Interconnection, LLC. The PSC and MEA must submit a joint report of their findings and recommendations to the Governor and General Assembly by December 31, 2026.

PJM has failed to interconnect renewable energy in a timely fashion, to plan responsibly for the rapidly increasing load forecasts due to data centers, and prevent ratepayer costs from ballooning from high capacity market prices. These PJM failures have resulted in skyrocketing electricity costs for Maryland's ratepayers. According to a [July 23, 2025 article](#) in Utility Dive, Maryland saw a major price spike in the PJM capacity market auction in 2024; another 22% increase from a year ago in the summer of 2025; and PJM expects record-high capacity prices for the 12-month period starting in June 2026, which could lead to 1.5% to 5% bill increases for some ratepayers, depending on the state.

PJM has not taken into account our state's energy and climate policies nor has it been responsive to pressure from Maryland's and other PJM states' governors. Given all of PJM's failures, it is time for Maryland, in consultation with neighboring states, to consider alternatives and SB0092 would be an excellent first step. It will provide policymakers with options for: 1) withdrawing from the PJM capacity market and developing a multistate compact to engage in the fixed resource requirement alternative to secure electric capacity through entering contracts with private entities or competitive capacity auctions; and 2) withdrawing from PJM and either establishing an independent regional transmission organization (RTO) or joining a different existing RTO operating in another region or state.

For these reasons, I urge a FAVORABLE report for SB0092.