

Maryland PIRG

SB92: Electric Company Contracts, Capacity Market Models, and Regional Transmission Organizations - Studies
Education, Energy and the Environment
February 17th, 2026
Emily Scarr, Maryland PIRG
Favorable

Maryland PIRG is a state based, small donor funded public interest advocacy organization with grassroots members across the state. We work to find common ground around common sense solutions that will help ensure a healthier, safer, more secure future.

Having a federally regulated, independent regional entity overseeing the grid provides efficiencies that benefit Maryland consumers. However, in light of PJM's failure to connect clean energy, properly plan, and repeatedly set rules that harm Maryland energy customers, it is wise for Maryland to join other states in the PJM region to consider alternatives to PJM, including leaving PJM's capacity market or setting up a new regional transmission organization. This bill requires the Public Service Commission and the Maryland Energy Administration to study both options.

Since PJM is overseen by FERC, there are limited opportunities for the Maryland legislature to hold PJM accountable to poor planning and anti-consumer decisions; however, it has proven helpful to speak out publicly about changes needed at PJM and to coordinate efforts among states as this legislation does. Wherever possible, it has also helped to have legislative support of filings from the OPC and PSC at FERC on behalf of Maryland energy customers. The Office of People's Counsel has been able to secure legal victories for Maryland ratepayers through such efforts, [like a decision earlier this month](#).

Background

Electric supply and transmission costs are managed by PJM, our regional grid operator. PJM's job is to manage our electrical transmission grid and which energy projects can connect to the grid, as well as auctions to set the price for electricity. PJM should serve as a traffic cop to ensure the right balance of supply and demand so that electricity is affordable and reliable.

PJM is controlled by its stakeholders and is largely dominated by fossil fuel companies and electric utilities. While our electric bills are going up, these companies and utilities are reaping massive profits for the production and transmission of electricity.

PJM is making it too hard for cheaper, clean energy like solar connected batteries to connect to the grid to bring prices down. Compared to other grid managers, PJM has one of the [longest](#) timelines in the country for connecting new clean energy projects. 98% of the projects that have been awaiting approval from PJM over the past several years are renewable energy projects. PJM has failed to connect these hundreds of gigawatts of clean power—enough to power 60 million homes—to the grid, allowing them to languish in the queue instead.

Maryland PIRG Foundation, state agencies, consumer advocates, and a bi-partisan group of state legislators and Governors have also been highly critical of PJM, its governance structure, and its anti-consumer decisions that are driving up bills. Including criticism that:

1. PJM is setting rules that pad the profits of its utilities and fossil fuel companies at the expense of ratepayers
2. PJM is not properly planning for nor assessing costs appropriately for projected increases in energy demand from data centers

Recent auctions have been fundamentally flawed. In theory a high auction price would signal to energy developers that they should propose projects to meet demand; however if projects are already proposed and PJM is standing in the way the whole system is broken and all it does is reward legacy power plants at the customers expense, providing industry with windfall profits.

In addition to MD customers suffering from these bad auction results, there are a few additional PJM decisions that are especially hurting Maryland electricity customers.

1. When Talen Energy Corp. announced plans to close its coal-fired power plants at Brandon Shores, PJM [granted BGE a no-bid contract to build a new transmission line](#) to compensate for the lost power. The Office of the People's Counsel (OPC) [protested PJM's proposal](#) for not undergoing a competitive procurement process nor considering cost-effective alternatives to transmission such as battery storage, but FERC approved the projects as PJM requested. Since, BGE's cost estimates for the project have doubled, reaching \$1.5 billion, most of which will be charged to BGE ratepayers. Those increased transmission costs are rolled into our supply charges. The only good news from this is that, [according to an independent analysis from OPC](#), the new transmission line will be able to more than replace the power being produced at Brandon Shores.
2. PJM also excluded the two power plants from the supply pool in its electricity auction, contributing [as much as 65% of the local bill increases](#) we saw in 2025, artificially lowering the amount of supply available despite the plant remaining open until the transmission line is complete. While this horrible decision has been reversed for next year - it's a clear example of PJMs anti-consumer decisions making.
3. And of course, Maryland ratepayers are also paying these power plants hundreds of millions of dollars to keep them open because of failure for PJM to respond to their planned retirement. Ultimately, Brandon Shore planned closure resulted in sweetheart deals for both Talen Energy and BGE.

The current increases we are seeing in our electric supply rates are not because there is not enough electricity. We have enough for the near term. They are because of rising natural gas supply costs and PJM decisions that are padding energy company and utility profits and forecasted increases in demand from data centers. This doesn't mean we shouldn't be getting new energy projects online, of course, but it does mean that we need to be careful this crisis doesn't lead to even worse decisions for ratepayers

We thank the sponsor for her ongoing efforts to hold PJM accountable and advocacy on behalf of energy customers.

We respectfully request a favorable report.