

SB0092_RichardKaplowitz_FAV
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TESTIMONY ON SB#/0092 – FAVORABLE

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

TO: Chair Feldman, Vice Chair Kagan, and members of the Education, Energy and the Environment Committee

FROM: Richard Keith Kaplowitz

My name is Richard K. Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#0092, Electric Company Contracts, Capacity Market Models, and Regional Transmission Organizations - Studies

PJM is failing Maryland and costing Maryland consumers. As documented by the Maryland PIRG Foundation:¹

Between rising delivery and supply costs, Maryland electric utility customers are struggling. Decisions by PJM, the regional grid operator, are a significant contributor to rising bills.

Here are two key ways PJM's decisions are unnecessarily raising rates for Maryland energy consumers.

1. A flawed auction design lead to record-breaking PJM capacity auction with a \$14.7 billion price tag for ratepayers. Ratepayers will see increase supply costs on their bills in the upcoming months...
2. PJM is also proposing Maryland electric customers pay for new transmission lines to bring power into Virginia. Traditionally, transmission costs are paid for by the stakeholders who are responsible for the increased transmission needs.

There must be a better way to manage the production of electricity in Maryland. This bill will take positive steps to find that path by requiring the Public Service Commission and the Maryland Energy Administration jointly, in consultation with neighboring states, to study the benefits and costs of, and make recommendations on, potential options for certain actions with regard to withdrawing from the PJM Interconnection, LLC capacity market model, developing a certain multistate compact, withdrawing from PJM Interconnection, LLC, and establishing or joining an alternative regional transmission organization; etc. It is one of many proactive steps Maryland should be taking to get a handle on utility costs.

I respectfully urge this committee to return a favorable report and pass SB0092.

¹ <https://pirg.org/maryland/foundation/updates/decisions-by-regional-grid-operator-pjm-hurting-electric-customers/>