



Maryland Energy Administration

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

FROM: MEA

SUBJECT: SB 92 - Electric Company Contracts, Capacity Market Models, and Regional Transmission Organizations - Studies

DATE: February 19, 2026

MEA Position: LETTER OF INFORMATION

The Maryland Energy Administration (MEA) respectfully submits this letter of information on Senate Bill 92.

Senate Bill 92 requires the Public Service Commission (PSC), in consultation with MEA, to study the benefits and costs of requiring each electric company to demonstrate that it has contracted for at least 80 percent 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 and make recommendations regarding potential withdrawal from the PJM Interconnection, LLC (PJM) capacity market model, the development of a multistate compact under a fixed resource requirement structure, and the possibility of withdrawing from PJM to establish or join an alternative regional transmission organization (RTO). The bill requires submission of a joint report by December 31, 2026.

MEA recognizes the intent of SB 92 to ensure that Maryland fully evaluates its options to protect ratepayers and align regional market structures with State energy policy goals. The General Assembly's interest in examining capacity markets and regional transmission governance reflects real affordability and reliability concerns. Maryland ratepayers have experienced significant volatility in wholesale capacity costs in recent years. The structure, transparency, and responsiveness of PJM's capacity market remain active subjects of debate among states, consumer advocates, and policymakers across the region.

On December 2025, Governor Moore signed an Executive Order directing State agencies to advance energy affordability, accelerate in-state generation, and strengthen accountability within regional markets. The Governor has joined a bipartisan coalition of governors calling for PJM reforms, including greater price stability, improved capacity market rules, and cost responsibility for high-load customers such as data centers. State agencies continue to engage with PJM, the Federal Energy Regulatory Commission, and neighboring states to advance these efforts.

Additionally, the December 31, 2026 reporting deadline presents practical constraints. MEA currently manages substantial statutory responsibilities, which require comprehensive modeling, stakeholder engagement, and cross-agency coordination. The studies required under SB 92 involve

significant legal, economic, and operational complexity. Conducting the multistate, technical, and legal analysis required in this bill within the proposed timeframe would require additional resources and careful alignment with existing planning efforts.

MEA remains committed to advancing affordability, reliability, and innovation while protecting ratepayers. Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten at megan.outten@maryland.gov or 443.842.1780.