



March 10, 2026

Environment & Transportation Committee

HB 1561

Electricity Generation and Storage – Investor–Owned Electric Companies and Front–of–the–Meter Storage (Affordable Energy Act)

Sponsor: Delegate Pam Queen

Katie Mettle

Policy Principal, Maryland & New Jersey, Advanced Energy United

UNFAVORABLE

Dear Chair Korman, Vice Chair Guyton, and esteemed members of the Environment and Transportation Committee:

Advanced Energy United is a national industry association that represents companies operating in the clean and advanced energy spaces. “Advanced energy” broadly refers to technology that consists of, or is compatible with, clean energy generation, and makes our grid more affordable, efficient, reliable, resilient and/or secure. Our mission is to accelerate the transition to 100% clean energy economy.

HB 1561 would require utilities to build and rate-base new generation, creating the potential for stranded assets and ratepayer harms.

Maryland already permits utilities to petition the PSC to allow them to build and own new generation if there is a need for utilities to build it, who have not successfully made that case at the PSC to date.

This bill would be a major step towards vertically integrating the State’s utilities once again, which would be terrible for ratepayers. The State separated generation from distribution in

1999 for a reason. Under our current framework, electricity is sold competitively on a wholesale market. This keeps costs lower for ratepayers. Utilities purchase that electricity and pass it onto ratepayers at-cost. This bill would undo that progress, and drive up wholesale electricity costs for ratepayers, while adding the extra costs of forcing ratepayers to finance the new generation.

This bill also creates a financial incentive for utilities to argue that they need to build new generation at ratepayer cost. The reality is that we can do a lot to reduce our energy demand before we build new generation. Although new generation is needed, ratepayers are best served by first ensuring we are leveraging planning and forecasting and making sure we are reducing our energy demand through advanced energy technologies like distributed rooftop solar, behind-the-meter battery storage, bidirectional EV charging, heat pumps, and smart thermostats, etc.

For the new generation that we do need to build, we should ensure that it is being done as affordably as possible – and that means not only building it only if we truly need it – which this bill will not ensure – but it also means making sure that generation is being built and sold competitively by companies that are willing to take on the risks of investment, because they’ve done the math and realize there is enough demand to meet the supply they will generate. This bill risks passing exorbitant costs onto ratepayers for electricity we do not truly need to generate.

Thank you for your time and consideration. Advanced Energy United respectfully requests an unfavorable report.

Best Regards,

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