



TESTIMONY FOR HB0143
**Electric Company Contracts, Capacity Market Models, and Regional
Transmission Organizations - Studies**

Bill Sponsor: Delegate Charkoudian

Committee: Environment and Transportation

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in strong support of HB0143 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Maryland strongly relies on the PJM, which is the country's largest electric grid operator, managing the electricity transmission system for more than 65 million people in all or part of 13 states—Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia—and the District of Columbia. PJM, through its capacity auctions attempts to ensure the long-term ability of electricity supply to meet demand, and therefore determines the rates that consumers pay for their electricity.

Lately, PJM has been making very poor decisions about what energy to purchase, and has not accounted for the demand that we are seeing. PJM has repeatedly put the corporate goals of their members over the needs of rate-payers and the policies of member states working for a clean energy future. While there are still benefits to membership in PJM, states must ask when and whether the costs outweigh the benefits and what the alternatives might be.

This bill, if enacted, would require the Public Service Commission and the Maryland Energy Administration to study the costs and benefits of joining with other surrounding states to leave PJM and create a new regional transmission organization, as well as the costs and benefits of joining with other surrounding states to leave the PJM capacity market only, and create a multi-state "fixed resource requirement" compact, which would allow these states to ensure sufficient capacity, without being harmed by PJM's flawed capacity auction rules.

The report from this study would be due by December 31, 2026. We need to do this. PJM has been failing us for some time, and the burden of that failure has been placed solely on the backs of the residents of this state, many of whom cannot afford the bill. We strongly support this bill and recommend a **FAVORABLE** report in committee.