



Testimony on: HB0054 – Task Force to Study Restructuring Maryland's Electric Utility Industry

Committee: Environment and Transportation

Organization: Maryland Legislative Coalition Climate Justice Wing

Submitting: Dave Arndt, Co-Chair

Position: Favorable

Hearing Date: February 3, 2026

Dear Chair and Committee Members:

Thank you for allowing our testimony today on HB0054. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of 32 grassroots and professional organizations, urges you to vote favorably on HB0054. We offer suggested changes to the membership of the task force later in this testimony.

HB0054 would establish a Task Force to Study Restructuring Maryland’s Electric Utility Industry, with staff for the task force provided by the Public Service Commission (PSC). While Maryland technically already has a “restructured” electric utility industry (i.e., transmission/distribution is separated from generation), the study will focus on options for changing Maryland’s current electric utility industry, to include publicly owned utilities, cooperatives, and public utility districts, and to evaluate options for improving or reducing electricity costs for Maryland ratepayers. The task force must report its findings and recommendations to the General Assembly by November 1, 2027.

In 1999, Maryland enacted the Electric Customer Choice and Competition Act, which facilitated the restructuring of the state’s electric utility industry. The law deregulated the generation, supply, and pricing of electricity. The State’s vertically integrated electric companies divested of their generation assets, allowing generation resources to be competitive, thereby relying on the competitive market to provide new generation resources and to meet load requirements.

There are many questions about the “success” of the competitive market in Maryland. In 2024, testimony on SB0001- Electricity and Gas - Retail Supply - Regulation and Consumer Protection, highlighted the failure of energy choice in Maryland to lower electricity rates, especially for minority and low-income consumers, and brought to light the wide-spread concern that companies were engaging in predatory marketing and pricing practices. Furthermore, in 2025 testimony on HB0960 – Ratepayer Freedom Act – highlighted the degree to which Maryland’s monopoly investor-owned utilities were making ratepayers pick up the tab for considerable costs for promotional advertising, entertainment and gifts, private aircraft, and investor relations expenses.

We would oppose any effort to return Maryland to a vertically integrated utility model, where our utilities could once again own the means of generation. Rather, it is time for Maryland to consider alternative approaches to the energy supply and governance of its electric utilities, and

HB0054 is a first step. Other states have adopted alternative utility and governance models, including Nebraska, Washington, and Oregon. We should learn from these examples, including comparing the level of infrastructure investments and improvements made by publicly owned electric companies with those made by private electric companies; understanding the legal implications of transferring electric company assets to public ownership; and estimating the costs and benefits to consumers. In addition, Maryland ratepayers have been at the mercy of decisions made by its regional grid operator, PJM. The bill rightly requires the task force to evaluate options for energy market participation, including withdrawal from PJM Interconnection, LLC.

While we support the intent of the bill, we recommend changes to the composition of the task force to ensure a better balance of perspectives. We are concerned that there is over-representation by vested interests. Specifically, there are too many utilities on the task force. For example, BGE, Delmarva Power and Light, and PEPCO all have the same parent company, Exelon, and have consistently voted in lock step in other forums. We recommend including only one member from the Exelon utilities. Also, we recommend limiting the membership of municipal utilities to two members. Finally, Maryland's utilities are members of PJM. There should not be an additional task force member from PJM, especially given the task force's charge to look at our PJM membership. Rather the task force can consult with PJM on technical matters during its deliberations. These changes would provide a better balance to the task force.

The current restructured utility model in Maryland is broken. Returning to the vertically integrated utility model of the past in which utilities own the means of generation is absolutely not the answer. This bill will give policymakers the detailed analyses they need to consider a better future for Maryland electric utilities.

For these reasons we ask for a FAVORABLE report.

- 350MoCo
- Adat Shalom Climate Action
- Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
- Chesapeake Earth Holders
- Chesapeake Physicians for Social Responsibility
- Climate Communications Coalition
- Climate Parents of Prince George's
- Climate Reality Greater Maryland
- ClimateXChange
- Coming Clean Network, Union of Concerned Scientists
- DoTheMostGood Montgomery County
- Echotopia
- Elders Climate Action
- Fix Maryland Rail
- Glen Echo Heights Mobilization
- Greenbelt Climate Action Network
- HoCoClimateAction
- Howard County Indivisible
- Maryland Legislative Coalition
- Maryland Energy Advocates
- Maryland Third Act
- Mizrahi Family Charitable Fund
- Mobilize Frederick

- Montgomery County Faith Alliance for Climate Solutions
- Montgomery Countryside Alliance
- Mountain Maryland Movement
- Nuclear Information & Resource Service
- Progressive Maryland
- Safe & Healthy Playing Fields
- Takoma Park Mobilization Environment Committee
- The Climate Mobilization MoCo Chapter
- Unitarian Universalist Legislative Ministry of Maryland