

**Opposition Testimony of Alpha Generation, LLC**

**Maryland House Bill 1561**

**Before the House Environment and Transportation Committee**

Alpha Generation, LLC (“AlphaGen”), an independent power producer serving customers across the PJM region and Maryland, respectfully submits this testimony in **strong opposition to HB 1561**. We also respectfully note our support for, and alignment with, the testimony submitted by the PJM Power Providers Group (“P3”) regarding this bill.

AlphaGen owns and operates competitive generation facilities across PJM, including the Keys Energy Center, which is a modern, efficient natural-gas combined-cycle plant that provides critically needed capacity, reliability, and grid flexibility to Maryland and the broader regional market.

We are actively evaluating and planning capacity upgrades at the Keys facility, reflecting our commitment to invest private capital to enhance system reliability and reduce costs to consumers. These upgrades represent tens of millions of dollars in potential new investment, funded entirely through competitive markets, not ratepayer surcharges.

Our business model, like that of other PJM competitive generators, is grounded in market discipline, private risk, and performance accountability.

HB 1561 would authorize or enable Maryland electric distribution utilities to own or procure new generation resources outside of the competitive PJM marketplace. As P3 correctly notes, this approach conflicts with:

- More than two decades of Maryland policy that has relied on competitive wholesale markets rather than rate-based utility generation;
- FERC-regulated PJM market structures designed to ensure reliability through least-cost, competitive procurement; and
- Consumer protection principles, which are best served when utilities are not permitted to socialize the costs and risks of generation through ratepayer-backed recovery.

Utility-owned generation, by definition, shifts investment risk from shareholders to captive customers, permitting utilities to recover costs plus guaranteed returns regardless of performance, competitiveness, or alternatives available in the PJM marketplace. Moreover, out of market activity has led to premature retirements of dispatchable generation and led to the current tightening in wholesale markets. Further out of market activity, such as monopoly utility build of generation is likely to have the same impact, exacerbating the capacity supply problem, not solving it.

HB 1561 would create a system in which monopoly utilities recover the costs of generation from ratepayers regardless of whether such investment is cost-effective compared to competitive alternatives, dampening and distorting those signals, ultimately discouraging private investment such as our planned capacity uprates at the Keys Energy Center.

AlphaGen supports and aligns with the comprehensive analysis provided in the opposition testimony submitted by P3 and we echo P3's concerns that HB 1561 undermines decades of Maryland energy policy, jeopardizes the integrity of PJM's competitive markets, and exposes ratepayers to unnecessary financial risk.

Maryland has benefited enormously from competitive generation. There is no reliability or policy justification to abandon that framework in favor of a cost-socialized, utility-owned generation model.

AlphaGen respectfully urges an **UNFAVORABLE** report on HB 1561.

We remain fully committed to providing reliable, affordable, and flexible generation to serve Maryland customers, through private capital investment, including prospective capacity uprates at the Keys Energy Center.

Thank you for your consideration.

Respectfully submitted,

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