

# Maryland PIRG

**HB897: Lower Bills and Local Power Act of 2026**  
**Environment and Transportation**  
**February 24th, 2026**  
**Emily Scarr, Maryland PIRG**  
**Favorable**

*Maryland PIRG is a state based, small donor funded public interest advocacy organization with grassroots members across the state. We work to find common ground around common sense solutions that will help ensure a healthier, safer, more secure future.*

Maryland PIRG recommends a favorable report on the Lower Bills and Local Power Act of 2026, with amendments from the Governor.

Maryland PIRG supports the key pillars of this legislation:

- Improving the efficiency of transmission lines and supporting the deployment of battery storage and solar power to meet Maryland's energy needs.
- Direct relief to ratepayers through ending unnecessary ratepayer funded financial incentives to utilities.

## **PREVENTING UNWARRANTED PROFITS**

On direct ratepayer relief, the legislation requires utility participation in regional grid planning and management. This policy change will mean an end to ratepayer funded incentives being paid to utilities for their voluntary participation at the regional transmission organization (RTO). **This change is projected to save Maryland utility customers twenty million dollars a year.**

As voluntary participants, the Exelon utilities have used their participation as a point of leverage at PJM. They may argue they do so to the benefit of Maryland energy customers, but the evidence suggests otherwise. For example, BGE was recently able to secure a no-bid contract at PJM for the Brandon Shores transmission line upgrade without a competitive process and without considering cost effective alternatives to transmission. BGE's projected costs for the project have already doubled from \$800 million to \$1.5 billion, all of which will appear on customer bills.. And still, BGE has refused to share with legislators any analysis of the power that will be available from the upgraded line.

PJM is already dominated and largely controlled by fossil fuel generators and utilities. We have seen steady increases in transmission costs in the last decade and a massive spike in capacity costs in recent years because of how PJM has managed the queue and capacity auction.

*While Maryland PIRG is deeply critical of PJM, giving either of these powerful stakeholders added leverage does not help customers, and making Maryland energy customers pay for additional profits to Exelon for its participation adds insult to injury.*

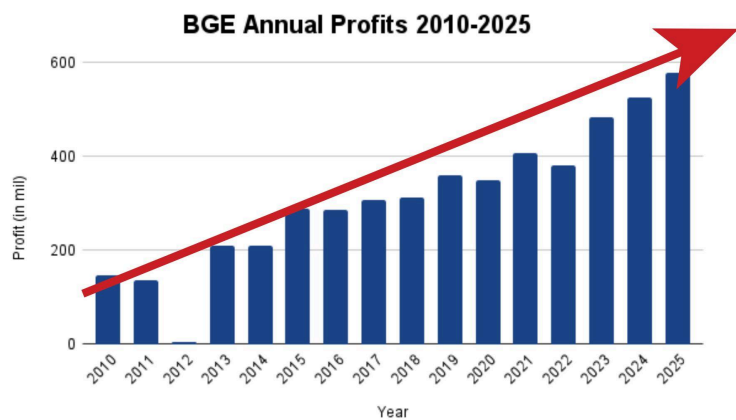
In the face of rapidly rising energy costs, we should scrutinize every cost that is being charged to ratepayers. We thank Gov. Moore for his proposed amendment to remove lines 22-27 on page 7. This section would have opened up new and unnecessary opportunities for utilities to profit through "performance incentives" for the

adoption of advanced transmission technologies (ATT's) and Maryland PIRG would be unlikely to support the bill with its inclusion.

As state granted monopolies, investor-owned utility profits should be reflective of the relatively lower level of risk associated with investments in regulated utilities as compared to the market. As a regulated monopoly there is no need for the legislature to add financial incentives for a policy requirement, especially at a time when the utilities are already bringing in record profits. The utilities have an obligation to abide by state policy, including transmission and energy efficiency goals regardless of additional financial incentives, and even if it lowers their opportunity to profit.

Since acquiring BGE, Pepco and Delmarva Power, Exelon has seen record profits:

- Exelon [reported](#) \$2.7 billion in profit in 2025
- BGE profits were consistently under \$150 million until the utility was bought by Exelon in 2012. Since, profits have rapidly increased to \$578 million in 2025.
- Pepco profits were \$205 million in 2018, the year after Pepco merged with Exelon, and have already nearly doubled to \$390 million in 2024.
- While we are still waiting for Pepco's 2025 profits, Pepco Holdings Inc. (which includes Pepco MD and DC, Delmarva Power, Atlantic City Electric) [reported](#) \$799 million in profit in 2025.



Finally, the legislation includes provisions allowing the Governor to transfer an additional \$100 million for direct ratepayer relief to customers. Maryland PIRG recommends that the legislature and Governor consider options that provide durable savings to customers. Options include using these funds to pay down a portion of the outstanding EmPOWER Maryland debt, which is still accruing profits to the utilities at about 4% (their cost of debt). Paying off some of this debt can help immediately lower the EmPOWER surcharge, avoid added compounding interest, and move us more quickly towards the surcharge only funding program benefits and not utility profits. This money could also be used to cover a portion of ongoing program costs of EmPOWER; however, this would be best considered as an ongoing investment in the program instead of a one-time fix.

**We respectfully request a favorable report.**