February 17, 2026

Delegate Marc Korman
Chair
House Environment & Transportation Committee
250 Taylor House Office Building
6 Bladen Street
Annapolis, MD 21401

Delegate Michele Guyton
Vice Chair
House Environment & Transportation Committee
251 Taylor House Office Building
6 Bladen Street
Annapolis, MD 21401

RE: SEIA Opposition to HB674: Public Service Commission - Full Costs and Benefits Analysis of Sources of Electricity Generation

Chair Korman, Vice Chair Guyton, and Members of the House Environment and Transportation Committee:

I am writing on behalf of the Solar Energy Industries Association (SEIA) in **opposition** to HB674 (Morgan). It was referred to the House Environment and Transportation Committee on February 2, 2026.

Founded in 1974, SEIA is the national trade association for the solar and storage industries, building a comprehensive vision for the advancement of these technologies. As the voice of the industry, SEIA works to support solar and energy storage as they become a mainstream and significant energy source by expanding markets, reducing costs, increasing reliability, removing market barriers, and providing education on the benefits and capabilities of solar and energy storage technologies. We work with our 1,200+ member companies, which include solar and storage manufacturers, service providers, residential, community and utility-scale solar developers, installers, construction firms, and investment firms, as well as other strategic partners, to shape fair market rules that promote competition and the growth of reliable, low-cost energy storage and solar power.

If enacted, HB674 would require the Maryland Public Service Commission to conduct a full costs and benefits analysis of various sources of electricity generation in the state. While not problematic on its face, HB674 would require the Commission to utilize the Levelized Full System Cost of Electricity (LFSCOE) model for this analysis. Unlike the Levelized Cost of Energy and Levelized Avoided Costs of Energy, which are well-respected analytical metrics for determining the average costs and benefits of a source of electricity generation over the lifetime of that asset, LFSCOE is a concept that originates from non-peer reviewed research that is far outside the mainstream and has no bearing on energy policy design or project development.

LFSCOE is a meaningless value that is calculated based on a single, entirely unrealistic circumstance: the cost of serving the entire electricity market with only one technology plus energy storage. There is no situation in which any electric utility, state, or Regional Transmission Organization (RTO), would ever meet its load with only one type of electricity generating technology plus energy storage. LFSCOE purports to show that solar and wind are “expensive” when considering the “full system cost” because a state like Maryland would need to dramatically overbuild wind and solar in order to provide electricity around the clock.

Because LFSCOE is calculated based on a unrealistic scenario where a single technology plus storage would replace all other types of existing electricity generation, it is entirely irrelevant to Maryland policy as the resulting cost determined by the analysis would not be experienced by any ratepayer or market participant. Maryland is in a restructured market where energy prices are set by PJM's wholesale market. These prices are based on the economic dispatch of the existing fleet, not a hypothetical functioning of an entirely fictional parallel power grid. No energy consumer would thus ever pay the "full levelized cost" of any energy asset, and no ratepayer would be forced to subsidize certain generation types at their "full levelized cost" in any circumstance.

Maryland should avoid bringing unwarranted attention to a fundamentally flawed concept. Even merely requiring the Public Service Commission to calculate the LFSCOE lends undeserved credibility to the metric and could bring negative focus against renewables as members of the public are rarely aware of nuances of power market design when faced with a splashy – but false – headline about how much certain types of electricity generation "really" cost. This approach has no merit and should not be included in any policy analysis commissioned by the state.

For these reasons, SEIA opposes this legislation and respectfully urges the Committee to issue an unfavorable report on HB674. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Leah Meredith

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