

Testimony on: HB0143 – Electric Company Contracts, Capacity Market Models, and Regional Transmission Organizations – Studies
Committee: Environment and Transportation
Submitting: Deborah Cohn
Position: Favorable
Hearing Date: February 3, 2025

Dear Chair and Committee Members:

I am a long term Montgomery County resident who has been deeply disappointed by the failure of PJM Interconnection, LLC' (PJM) to adequately forecast load growth, accelerate interconnection of a backlog of inexpensive renewable energy supply, account for the closure of older generating facilities, and plan for needed transmission capacity to avoid costly emergency solutions. HB0143 addresses these concerns and I urge you to issue a favorable report on HB0143.

HB0143 requires the Public Service Commission (PSC), in consultation with the Maryland Energy Administration (MEA), to study the benefits and costs of requiring each Maryland electric company to demonstrate that it has contracted for at least 80% of its load-serving capacity over the next five-year period. The bill also requires the PSC and MEA, in consultation with neighboring states, to study the benefits and costs of options for withdrawing from PJM and a joint report of their findings and recommendations to the Governor and General Assembly by December 31, 2026.

Maryland is part of the 13-state regional transmission organization (RTO) called PJM. PJM has failed to interconnect renewable energy in a timely fashion, to plan responsibly for the rapidly increasing load forecasts due to data centers, and prevent dramatic ratepayer cost increases due to skyrocketing capacity market prices. According to a [July 23, 2025 article](#) in *Utility Dive*, PJM capacity market auction prices increased significantly in 2024, then increased another 22% increase from a year ago in the summer 2025 auction, may see record-high capacity prices for the 12-month period starting in June 2026. Allocation of these increases among PJM states can vary, but a disproportionate amount of these system wide increases are falling on Maryland ratepayers.

PJM has not taken into account our state's energy and climate policies and has not been adequately responsive to pressure from Governor Moore and governors of many other PJM states to reform and address specific state concerns. HB0143 allows Maryland, in conjunction with neighboring states, to consider alternatives to PJM. The study will provide policymakers with options for: 1) withdrawing from the PJM capacity market and developing a multistate compact to engage in a fixed resource requirement alternative to secure electric capacity through entering contracts with private entities or competitive capacity auctions; and 2) withdrawing from PJM and either establishing an independent regional transmission organization (RTO) or joining a different existing RTO operating in another region or state.

PJM's failures have been costly, but the optimum responses to those failures is complex. Determining the most prudent way forward to protect Maryland ratepayers requires careful consideration. HB0143 provides for that thoughtful study. For this reason I urge this committee to issue a FAVORABLE report.