Statement

of

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before the

Environment and Transportation Committee
Maryland House of Delegates

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RE: RE: House Bill 674 Public Service Commission – Full Costs and Benefits Analysis of Sources of Electricity Generation

Chairman Korman, Vice Chair Guyton, and members of the Energy and Transportation Committee:

My name is Paige Lambermont, and I am a Research Fellow in the Center for Energy and Environment at the Competitive Enterprise Institute. CEI is a nonpartisan public policy research organization focused on free market solutions to public policy problems.

I'm grateful for the chance to speak to you today about House Bill 674 and the opportunity to protect Maryland ratepayers.

No electricity source exists in a vacuum. The power grid is an interconnected system that exists to deliver electricity from where it is generated to where it is consumed. This happens on a near-instantaneous basis.

It only works if power is available when it is demanded, and in the correct quantities. Intermittent sources, including offshore wind, struggle to provide the degree of consistency that the power grid needs to operate.

To have the necessary level of consistency, there needs to be backup generation, often in the form of natural gas peaker plants. An understanding of the costs of various power sources that fails to take this into account is sorely lacking.

Maryland has an incredibly high Renewable Portfolio Standard (RPS) that requires over 50 percent of the state's power come from renewable sources by 2030.[1] Maryland also has high power prices 21.34 cents per kilowatt hour (kwh) in November of 2025, compared to an average of 15.86 cents per kwh for other South Atlantic states, and a U.S. average of 17.78 cents per kwh.[2]

House bill 674 would require an analysis of the costs of various sources of electricity; gas, nuclear, and offshore wind. This analysis would calculate each source's levelized full system cost of generation, rather than the cost of generating a unit of power in a vacuum, as many levelized cost of electricity models do.

This analysis would accurately account for the costs that intermittency imposes so that policymakers are able to understand the true costs and benefits of various sources of electricity.

This is especially important when considering policies such as renewables portfolio standards that impose requirements for the use of a specific type of generating source.

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[1] Department of Legislative Services, *Introduction to the Renewable Energy Portfolio Standard*, September 2025, https://dls.maryland.gov/pubs/prod/NatRes/IntroductiontotheRenewableEnergyPortfolioStandard.pdf.
[2] U.S. Energy Information Administration, *Electric Power Monthly*, Table 5.6.A, "Average Price of Electricity to Ultimate Customers by End-Use Sector, by State, November 2025 and 2024," January 26, 2026, https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a.

Government should not adopt policies, such as Renewable Portfolio Standards, that choose winners and losers in the electricity space. The first step towards protecting ratepayers from these standards is an honest accounting of what the mandates will cost.

I urge you to take this opportunity to accurately account for the cost to Maryland ratepayers of different electricity sources. House Bill 674 helps to achieve this objective.

Thank you.