

Maryland PIRG

HB1561: Electricity Generation and Storage - Investor-Owned Electric Companies and Front-of-the-Meter Storage
Environment and Transportation
March 10th, 2026
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UNFAVORABLE

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 opposed generation restructuring in 1999, but regardless of whether you think vertical integration or competition in generation is the better model, **having competition where one of the competitors is the distribution utility is the worst of both worlds.**

Unlike its competitors, Exelon, or any other regulated utility, has captive customers and can pass on - and profit off of - cost overruns. Without an incentive to contain costs, or functionally an incentive to create cost overruns, enabling utility owned generation is likely more expensive and could drive up costs in the entire competitive market. If the generation produced by a regulated utility becomes a stranded asset, customers could be responsible, unlike competitors where investors would have to eat the stranded asset. Since Exelon bought BGE and Pepco, energy customers rates have risen dramatically, along with utility profits.

Rates:

- Since BGE was acquired by Exelon in 2012, gas delivery charges have more than tripled, about 3 times the rate of inflation. BGE gas customers now pay BGE roughly \$2 for delivery for every \$1 they spend on gas to heat their homes.
- Electric delivery rates for BGE and Pepco have risen faster than inflation as well, doubling or more than doubling since 2010.

Profits:

- BGE profits were consistently under \$150 million until the utility was bought by Exelon in 2012, since profits have rapidly increased to \$527 million in 2024, and are on pace to be even higher in 2025.
- Pepco profits were \$205 million in 2018, the year after the company's merger with Exelon, and have already nearly doubled to \$390 million in 2024.

In the face of rising delivery and supply costs, we're relying on the legislature to make wise decisions for Marylanders short and long term financial security. We respectfully request an unfavorable report.