



# Maryland

## Energy Administration

**TO:** Chair Korman, Vice Chair Guyton, and Members of the Environment & Transportation Committee

**FROM:** MEA

**SUBJECT:** HB 1561 - Electricity Generation and Storage - Investor-Owned Electric Companies and Front-of-the-Meter Storage (Affordable Energy Act)

**DATE:** March 10, 2025

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**MEA Position: UNFAVORABLE**

House Bill 1561 may lead to reintegration of Maryland's electric companies. The bill calls for electric companies to create, under certain circumstances, a resource adequacy plan that includes, among other things, plans to invest in, operate, and maintain generating facilities. This is an approach that Maryland abandoned with the creation of a restructured energy market in the year 1999 through the Electric Customer Choice and Competition Act.

The Maryland Energy Administration (MEA) would caution even the possibility of reintegration. Integration of utilities, specifically the vertical integration where a single entity controls generation, transmission, and distribution, is often considered detrimental due to its tendency to foster anti-competitive behavior, increase costs for consumers, and hinder the transition to renewable energy. While designed to provide reliable, centralized service, these monopolies often prioritize shareholder profits over innovation and efficiency. Conversely, the current competitive market system tends to limit price increases in the commodity portion of standard offer service (the supply of energy offered by electric companies)

Rising utility bills are of the utmost concern in the state at this time. However, MEA believes that before any drastic changes to Maryland's energy landscape take place, at the very least a thorough study of reintegration be undertaken before allowing electric companies the legal authority to do so. Reintegration, if left unchecked, may have the opposite effect desired, leading to higher utility costs for Marylanders.

For these reasons, MEA urges the committee to issue an **unfavorable report**.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, at [landon.fahrig@maryland.gov](mailto:landon.fahrig@maryland.gov) or 410.913.1537.