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PUBLIC SERVICE COMMISSION

Chair Marc Korman
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

RE: HB 674– Favorable with Amendments – Public Service Commission - Full Costs and Benefits Analysis of Sources of Electricity Generation

Dear Chair Korman and Committee Members:

The Public Service Commission (the Commission) provides the following comments on House Bill 674 (HB 674) for your consideration. The Commission requests a favorable report, with consideration of the amendments detailed below.

The proposed legislation requires the Commission to conduct a full costs and benefits analysis of electric generation sources in the State and utilizes a certain type of assessment called a Levelized Full System Cost of Electricity model to analyze certain scenarios. The Commission is required to report its findings by December 1, 2027, which is to include recommended policy changes to support the development of the energy sources with the lowest costs and greatest benefits to ratepayers in the State. The Commission will require consultants to conduct the study, as the Commission does not currently have the required software tools, databases, and training in this type of analysis. The Commission’s Technical Staff would work with the consultants to accomplish the required assessment and analysis.

The study required in HB 674 would be beneficial to help inform State policy makers as strategies are developed to attract additional sources of generation to Maryland to help lower costs and meet state climate goals. The Commission believes amendments need to be made to the proposed legislation to be more technologically agnostic in its study parameters by including all generation types that may help serve Maryland’s energy needs in the future. The generation types to be studied should include nuclear, storage, solar, wind, and natural gas. The Commission also requests that a definition of “Levelized Full System Cost of Electricity” be provided and whether other models that help inform future cost of generation should be included.

The Commission appreciates the opportunity to provide testimony on HB 674 and requests a favorable report with consideration of the amendments detailed above. Please contact the Commission’s Director of Legislative Affairs, Niki Wiggins, if you have any questions.

Sincerely,

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