



Maryland Energy Administration

TO: Chair Wilson, Vice Chair Crosby, and Members of the Environment & Transportation Committee
FROM: MEA
SUBJECT: HB 674 - Public Service Commission - Full Costs and Benefits Analysis of Sources of Electricity Generation
DATE: February 17, 2025

MEA Position: UNFAVORABLE

House Bill 674 mandates the Public Service Commission (PSC) to conduct a specific cost-benefit analysis of electricity generation sources in Maryland.

While comprehensive evaluations are valuable, this bill prioritizes short-term financial costs while failing to adequately consider critical factors such as environmental sustainability and public health impacts. The bill's proposed Levelized Full System Cost of Electricity (LFSCO) model does not incorporate external costs such as carbon emissions, air quality degradation, and associated public health risks. Maryland's reliance on fossil fuels has led to increased respiratory diseases, cardiovascular conditions, and premature mortality due to pollution exposure. Additionally, the current queue for interconnection of new generation in Maryland is dominated by solar and solar plus energy storage. The mandated report fails to take these anticipated assets into account.

Maryland has made significant progress in reducing greenhouse gas emissions through policies such as the Clean Energy Jobs Act and the Climate Solutions Now Act. This bill risks undermining these efforts by using a narrow cost-analysis model that does not account for the broader benefits of renewable energy. Fossil fuel-based energy sources contribute significantly to climate change and air pollution.

Furthermore, the bill fails to acknowledge the long-term economic benefits of renewable energy investments, including job creation in the offshore wind and solar industries, reduced healthcare costs, and insulation from fossil fuel market volatility. Ignoring these factors skews the analysis in favor of short-term fossil fuel interests, delaying the transition to a sustainable energy future.

Maryland's commitment to achieving its energy and environmental goals remains a priority. HB 674 introduces unnecessary obstacles to this goal by promoting an incomplete cost evaluation that disregards the full impact of energy generation.

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 or 410.913.1537.