

**Testimony of the PJM Power Providers Group**  
**Before the House Environment and Transportation Committee**  
**Maryland House Bill 1561 – Opposed**  
**March 10, 2026**

The PJM Power Providers Group (P3) respectfully submits this testimony in opposition to House Bill 1561.<sup>1</sup> P3 is a nonprofit organization representing competitive power suppliers that own and operate a diverse portfolio of generation resources throughout the PJM region, including substantial investments in Maryland. Our members collectively own more than 108,000 megawatts of generation capacity and have invested tens of billions of at risk capital dollars—without guaranteed recovery from ratepayers—to ensure reliable and competitively priced electricity.

**House Bill 1561 Would End Maryland’s Competitive Market Structure**

House Bill 1561 would authorize utilities to return to rate-based ownership of generation, fundamentally reversing Maryland’s electric restructuring framework established under the Electric Customer Choice and Competition Act of 1999. That restructuring separated generation from transmission and distribution specifically to reduce costs through competition rather than guaranteed utility returns.

The competitive wholesale market has delivered measurable benefits to Maryland consumers. Inflation-adjusted default generation prices for Maryland’s consumers have remained stable over time, with 2025 prices nearly identical to 2014 levels. The generation price chart included in the supporting materials (Page 1) illustrates this long-term value proposition delivered by competitive market.

**Rate-Based Generation Shifts Financial Risk to Consumers**

HB 1561 would allow utilities to recover generation investment costs directly from ratepayers while transferring the risks associated with construction and performance to those same ratepayers. This pre-2000 approach transfers financial risk from investors to captive customers and creates a risk-free investment environment for utilities while obligating consumers to subsidize projects regardless of competitiveness or performance.

Experience in neighboring states raises additional concerns. While policymakers have expressed concern about PJM capacity prices around \$300/MW-day, capacity prices in Virginia—where utilities own and rate-base generation—exceed \$450/MW-day, demonstrating that utility

---

<sup>1</sup> The views expressed in this testimony represent the views of P3 as an organization and not necessarily the views of any P3 members. For more information on P3: [www.p3powergroup.com](http://www.p3powergroup.com). A list of the assets P3 members own in Maryland is attached.

ownership does not reduce costs.<sup>2</sup> Moreover, Virginia, under its utility owned generation structure, has consistently failed to keep up with rising demand, putting pressure on states like Maryland to build generation and transmission to support its shortfall.<sup>3</sup>

### **House Bill 1561 Is Unnecessary**

Current Maryland law already allows utilities, including BG&E and PEPCO, to petition the Public Service Commission (PSC) to rate-base generation if a compelling need exists. The PSC also retains authority to require or approve generation development to meet long-term electricity demand. HB 1561 would create an untested and vague regulatory process that risks opening the door to additional customer charges while eroding the benefits of Maryland's competitive market structure.

### **Generation Is a Smaller Share of Customer Bills Today and Capped Prices Going Forward Suggest Stability Going Forward**

Data included in the supporting materials show that generation and capacity represent a smaller share of residential electricity bills today than they did a decade ago, while distribution, transmission, policy costs, and taxes now make up a larger portion of customer bills (see chart on page 2).

Moreover, PJM's capacity prices are currently capped until May 31, 2028, and PJM has proposed that these capacity price caps continue until May 31, 2030. With capacity prices capped for the next four years, any increase in generation costs to Maryland consumers will be directly tied to the wholesale price of natural gas which is completely out of the hands of Maryland policymakers. If gas prices remain steady it is highly likely that generation rates will remain steady. The recent results of the New Jersey default service auction stand as a testament that generation rates may not see significant increases in the near future.<sup>4</sup>

### **Data Center Demand is Fueling the Need for More Generation and PJM is Actively Working on Measure to Allocate the Costs of Needed New Generation to Those Entities**

PJM Interconnection is actively implementing market, planning, and operational reforms to address the rapid growth of large-load data centers and ensure that reliability and cost allocation remain aligned with system needs. PJM has enhanced its interconnection and load forecasting processes to better account for high-density, geographically concentrated demand, while coordinating closely with transmission owners and state regulators to identify infrastructure upgrades required to maintain reliability. PJM is also refining its resource adequacy and capacity market frameworks to ensure that new load entering the system is matched with sufficient dispatchable and flexible generation resources and assigned the costs of those upgrades. In

---

<sup>2</sup> See, <https://www.pjm.com/-/media/DotCom/markets-ops/settlements/frr-lse-capacity-rates/2025/schedule-8-1-appendix-2.pdf>

<sup>3</sup> See, <https://www.eia.gov/todayinenergy/detail.php?id=64104>

<sup>4</sup> See, <https://www.nj.gov/bpu/newsroom/2026/approved/20260212.html>

addition, PJM is advancing improved transparency around large-load interconnection requests, studying co-location and behind-the-meter arrangements, and evaluating tariff revisions so that costs associated with serving large, rapidly developing loads are appropriately assigned to those creating the demand rather than broadly socialized to existing customers. Together, these efforts are intended to support data center growth while preserving grid reliability and protecting consumers from undue cost shifts.<sup>5</sup>

### **Competitive Markets Best Support Reliability and Investment**

Competitive wholesale markets encourage investment using private capital rather than customer guarantees. PJM members remain prepared to invest in Maryland's energy future, with more than 6,000 megawatts of new and updated generation and energy storage projects planned for the state.<sup>6</sup> Properly designed and well-functioning competitive markets help ensure reliability, facilitate innovation across technologies, deliver competitively priced electricity, and complement state and federal environmental objectives.

### **Conclusion**

House Bill 1561 represents a costly and unnecessary departure from Maryland's successful competitive electricity framework. By shifting investment risk to consumers, weakening competition, and duplicating authorities already available to regulators, the bill would likely increase long-term costs while undermining innovation and reliability.

For these reasons, the PJM Power Providers Group respectfully requests an **unfavorable report** on House Bill 1561.

---

<sup>5</sup> See, <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260116-pjm-board-letter-re-results-of-the-cifp-process-large-load-additions.pdf>

<sup>6</sup> For example, <https://www.constellationenergy.com/news/2025/11/constellation-offers-maryland-a-menu-of-new-generation-options-to-meet-rising-demand.html>

## **P3 Member Maryland Assets**

### **AlphaGen**

- Keys Energy Center in Brandywine, MD, Prince George's County, Natural Gas, 766 MW

### **Cogentrix**

- Rock Springs, Rising Sun, Cecil County, Maryland, 744 MW, Natural Gas

### **Constellation**

- Calvert Cliffs Clean Energy Station, Lusby, MD, Nuclear, 1,790 MW
- Conowingo Hydroelectric Generation Station, Darlington, MD, Hydro, 572 MW
- Criterion Wind Project, Oakland MD, Wind, 70 MW
- Fair Wind Project, Oakland MD, Garrett County, Wind, 30 MW
- Fourmile Wind Project, Frostburg MD, Garrett County, Wind, 40 MW
- Perrymen Generation Station, Aberdeen MD, Natural Gas and Oil, 404 MW
- Philadelphia Road Generating Station, Baltimore MD, Oil, 61 MW

### **Competitive Power Ventures (CPV)**

- CPV St. Charles Energy Center, Charles County, MD, Natural Gas, 745 MW
- CPV Backbone Solar – Garrett County, MD, Solar, 160 MW

### **NRG**

- Vienna Unit 8, Vienna, Maryland, 153 MW, Residual Oil (Primary), Distillate (Start-Up)
- Vienna Unit 10, Vienna, Maryland, 14 MW, Distillate
- NRG Chalk Point CT (Aquasco, Maryland, 80 MW, Natural Gas (Primary), Distillate (Secondary))

### **Rockland Capital**

- Dickerson Power, Dickerson, Montgomery County, Dual fuel units (natural gas and fuel oil), 294 MW
- Chalk Point Power Aquasco, Prince George's County, Natural gas-only units and dual fuel units (natural gas and fuel oil), 1,612 MW

### **Talen Energy**

- Brandon Shores Power Plant - 1,289 MW (coal)\*
- H.A. Wagner Generating Station - 702 MW (oil)\*

\*Scheduled to retire in 2029.