

Anatomy of a Bill Increase

Prices for electricity in Maryland are up

42%
and rising

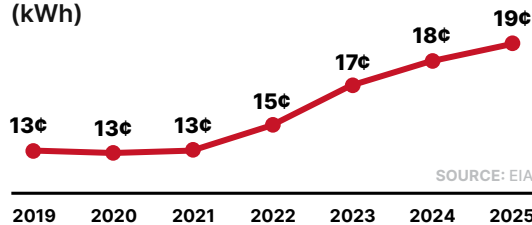
while additions of new power plants and power lines have slowed to a crawl and low-cost solar and battery storage projects wait to connect

leaving consumers exposed to energy shortages and price spikes.

Improving interconnection and transmission planning processes will save Marylanders hundreds.

Maryland

Average MD Electricity Price (kWh)



40%

of Maryland households use electricity for heating

The average cost a new electricity producer must pay to connect to Maryland's regional grid has **grown by almost 10x since 2019.**

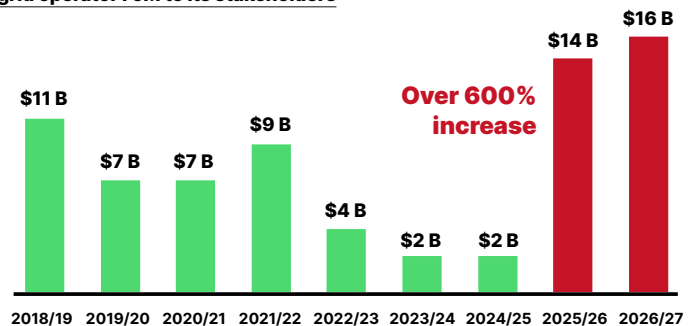


67% of Maryland's electricity infrastructure is **at least 30 years old**, while **only 8% has been built in the last decade.** The aging grid raises costs for consumers and stifles the entry of low-cost power.

"...the [regional] system would see a capacity shortage as soon as the 2026/27 Delivery Year."

- Letter from regional grid operator PJM to its stakeholders

PJM Capacity Auction Total Clearing Price in USD



\$546

potential annual savings per household



PJM Spotlight

10x

PJM Capacity prices have risen more than tenfold compared to prices in 2023.

► Record-breaking Capacity Auction



Grid operators ensure there is enough electricity to meet future demand by purchasing capacity in advance. "Capacity" is a guarantee from electricity plant owners that they will be available to operate if called upon.

- PJM is the grid operator for 13 states, including the entire mid-Atlantic region



There were not enough eligible bidders in PJM's recent capacity auction to meet the total demand, so prices rose all the way to the price cap put in place before the auction.

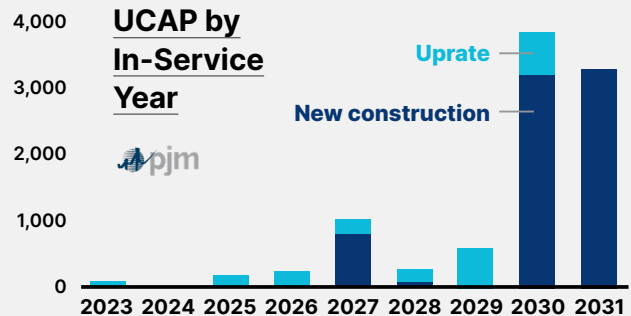


New electricity resources are not being added at a pace that can keep up with the growth in electricity consumption, causing prices to soar.



It can take five or more years for new resources to connect to the grid.

► PJM's Solution? The Reliability Resource Initiative (RRI)



- RRI is an intended solution to insufficient supply present in the capacity auction.
- Through this process, PJM selected 39 gas projects, **which are slower to build and won't deliver significant new energy supply until 2030 or later.**
- Meanwhile, nearly all of the 31 battery storage projects submitted would come online before 2030, and only 5 were selected.
- This solution won't help address near-term demand, and ratepayers will suffer through the end of the decade.

► Solutions for States

Maryland Governor Wes Moore has joined a bipartisan group of Governors demanding change at PJM. Through the formation of a PJM Governors Group, states can work together to design better markets and make smart investments in transmission that will unlock a more affordable future for all Marylanders.

State regulators need to ensure PJM keeps costs low by planning regional transmission to connect the lowest-cost clean power sources and requiring utilities to maximize the value of existing infrastructure using grid-enhancing technologies and high-performance conductors.

