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**Electric transmission costs have soared for Maryland
customers and will grow much faster in coming years, new
OPC report shows**

BALTIMORE – Ballooning transmission costs are already significantly impacting the electric bills of Maryland customers, but much larger cost increases for transmission are on their way, according to [a report released today by the Office of People's Counsel](#).

Regional rules governing transmission costs already have assigned Maryland customers responsibility for paying \$7.1 billion in transmission capital costs over the 20 years from 2010 to 2030, the analysis shows. Those costs, which already are substantially driving up electric bills for Maryland customers, are only part of the picture: Maryland customers will be assigned another \$5.4 billion for transmission capital spending for just the five years from 2031-2035, the analysis estimates.

Since transmission costs (like utility distribution costs) remain in rates for decades, the cumulative impact of all the capital spending will mean substantial, long-lived increases in the transmission rates customers pay in their electric bills. After including the utility's return and other costs into rates, the spending will add billions beyond the initial investment amounts in new cost burdens to Maryland electric customers.

“This report documents the rapid rise of transmission costs and, unfortunately, the fact that transmission rate increases will accelerate in coming years absent significant reform,” said Maryland People’s Counsel David S. Lapp. “Our utilities are exploiting regulatory loopholes and failing to advance policies to require data centers to pay their fair share. Regulators need to fill regulatory gaps and fix cost allocation rules that fail to account for the unprecedented real and projected—though highly uncertain—data center-driven electric demand growth.”

Transmission rates are included in the supply portion of customer utility bills, along with generation costs such as capacity and energy costs. In 2025, transmission costs made up roughly the same portion of most Maryland residential customer electric bills as capacity market costs, the report notes.

OPC’s report, prepared by Synapse Energy Economics, Inc., shows two main drivers of escalating transmission costs.

The first driver is the massive transmission infrastructure spending to support actual or projected data center load growth, including more than \$24 billion in PJM board-approved “baseline” projects over just the past three years, with more than \$2.2 billion assigned to Maryland customers, despite most all the data center growth occurring outside of Maryland.

The second driver is the rapidly rising costs of “supplemental” or “local” transmission projects advanced by utilities that evade any meaningful regulatory review. Capital spending for local transmission projects is identified and advanced by local utilities such as Baltimore Gas and Electric (BGE) and is paid for by their customers. The capital spending for Maryland local projects amounts to \$2.8 billion from 2010 to 2030, according to the report, with an estimated additional \$2.2 billion more spending projected for just 2031 to 2035. “Because these local projects face minimal oversight and lack competitive pressure, they present a great risk of excessive or inefficient investment at the expense of electricity customers,” the report observes.

Transmission facilities include high-voltage power lines that deliver power over long distances. PJM Interconnection, LLC (PJM) operates the regional transmission system for all or parts of 13 states (including Maryland) and the District of Columbia. PJM also administers the capacity market, under which power plant owners make advance commitments to provide power to meet reliability requirements, and energy markets,

in which it dispatches the lowest-cost electricity in day-ahead and real-time markets to meet power demands. The Federal Energy Regulatory Commission regulates PJM.

Among the report's other findings:

- Transmission costs recovered in Maryland residential customer bills have steadily increased over the past 15 years. Since 2010, transmission rates for Maryland utilities Pepco, BGE, and Delmarva Power & Light (DPL) have increased by a factor of five to six.
- The costs of Maryland baseline transmission (non-local) projects that are exempt from competitive procurement requirements because they qualify as “immediate needs” projects—including Exelon’s \$1.6 billion Brandon Shores Deactivation Project—across the four Maryland transmission zones are on average four times more expensive than projects that are competitively procured.
- Of the estimated additional \$5.4 billion in new capital costs for transmission projects built in 2031 to 2035, baseline projects represent 59 percent (\$3.2 billion) while local projects represent 41 percent (\$2.2 billion).
- PJM’s method of assigning transmission costs has Maryland customers paying a substantial and disparate share of the regional transmission projects needed to serve out-of-state load growth: From 2025 to 2030, Maryland is paying for an increasingly greater share of PJM-selected “baseline projects” (10 and 8 percent in 2029 and 2030, respectively) but is responsible for only 2 percent of the region’s total load growth.
- Data center load forecasts are highly uncertain, raising concerns about unnecessary transmission infrastructure, and if data center demand in PJM is overestimated, Maryland customers will pay for unnecessary transmission infrastructure.
- Exelon’s winter 2026 investor presentation projects that its transmission spending from 2026 to 2028 will amount to \$6.48 billion across its Maryland subsidiaries that include Pepco, BGE, and DPL—levels almost three times those Exelon reported to its investors for the same Exelon subsidiaries for the previous three years, 2023-2025 (\$2.325 billion).

The Utility RELIEF Act currently pending before the Maryland General Assembly, if enacted, would help address regulatory issues the report raises. The legislation would close gaps in Maryland’s transmission siting statute and require the Maryland Public Service Commission (PSC) to consider whether alternatives, including advanced transmission technologies, can more cost effectively address transmission project needs as part of the siting process.

OPC has filed legal challenges with respect to many issues identified in the report that are driving up the transmission costs hitting Maryland residential customer utility bills. [In filings submitted to federal regulators in 2024](#) and then [again in 2025](#), OPC challenged PJM’s assignment of costs for baseline transmission projects that are primarily needed to support out-of-state data center demand growth. In 2023, OPC [filed a request for federal regulators](#) to address the regulatory gap through which local transmission projects evade meaningful review, and in [2024, OPC filed a complaint](#) jointly with other state consumer advocates and large customer groups challenging the regulatory failures impacting local projects. In August 2025, [OPC contested BGE’s request for financial incentives](#) to build an estimated \$634 million of transmission projects located in Maryland but needed to meet reliability needs associated with data centers in Northern Virginia. On February 24, 2026, [OPC filed a request](#) with the PSC to investigate the costs and assumptions behind capital investments BGE is building on the Baltimore Peninsula, including local transmission projects that ballooned to \$407 million from an initial cost estimate of \$105 million.

The Maryland Office of People’s Counsel is an independent state agency that represents Maryland’s residential consumers of electric, natural gas, telecommunications, private water and certain transportation matters before the Public Service Commission, federal regulatory agencies and the courts.

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