OPC
OFFICE OF PEOPLE'S COUNSEL
State of Maryland

5 Myths about how Maryland "resource adequacy" affects your utility bill

The concept of Maryland's "resource adequacy"—whether Maryland has enough electricity generation to "keep the lights on"—is frequently mentioned in discussions about high utility rates. Maryland has sufficient in-state generation and transmission capacity over the near- and medium-term to meet the peak demands on its system. Transparent and objective efforts, some of which may be underway, to analyze future contingencies would be prudent. The forecasts of massive growth in electricity demand from data centers outside of Maryland, however, could impact all of the PJM states, including Maryland. Despite those forecasts of growth in demand being outside of Maryland, myths about Maryland's own resource adequacy—and how it affects your utility bill—persist. More information is available on OPC's website.

1

MYTH: Bills have gone up because Maryland doesn't have enough electricity to meet the demands on its system.

TRUTH: The biggest drivers of higher utility bills for Maryland customers are increasing distribution rates and extreme weather. Supply costs are volatile and can also contribute to higher bills. Recent supply cost increases are driven by inadequate transmission system planning and PJM's contrived market rules rather than any immediate reliability concerns. Maryland has sufficient in-state generation and transmission capacity to meet the peak demands of Maryland customers over the near- and medium-term as long as PJM itself has sufficient capacity to meet regional demands.

2

MYTH: Your bill is higher because Maryland is a net importer of electricity.

TRUTH: Maryland customers benefit from being part of a diverse regional system. The State has imported a portion of its power needs for many decades because it is more economical, and most PJM states do the same. In fact, existing Maryland power plants could generate additional electricity in-State, but the costs would be greater than importing electricity.

3

MYTH: Maryland climate policy is causing Maryland power plants to shut down.

TRUTH: Maryland law does not prevent any type of power plant—including plants running on fossil fuels—from being built or operating in the State. Some power plants have closed—or, in the case of Brandon Shores, announced plans to close—primarily because of economics, not climate policy.

4

MYTH: Utilities don't benefit or profit from the supply portion of the utility bill.

TRUTH: Maryland's utility monopolies earn substantial revenues and profits from building and owning transmission infrastructure, which customers pay for through the supply portion of their bill. For example, Exelon—through BGE—is building most of the transmission to allow the Brandon Shores power plant to retire, at a cost that just doubled to more than $1.5 billion, most of which will be paid for by BGE customers.

5

MYTH: Maryland needs energy infrastructure to meet its growing demand.

TRUTH: PJM's most recent 2026 forecasts show little growth in electric demand in Maryland over the next 20 years. Load growth projections caused by data centers outside of Maryland totals 87,186 MWs, but just 1,419 MWs in key Maryland zones (Delmarva, Pepco, and BGE). BGE's most recent forecast went down from the year before, and its peak demand projected for 2046 is less than the peak demand it met in 2011.

For more information, see our resource adequacy FAQs.

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