

**BEFORE THE
PUBLIC SERVICE COMMISSION OF MARYLAND**

Office of People’s Counsel Petition for an
Investigatory Docket on Baltimore Gas and
Electric Company’s Baltimore Peninsula
Investments

CASE NO. _____

**OFFICE OF PEOPLE’S COUNSEL PETITION FOR AN INVESTIGATORY
DOCKET ON BALTIMORE GAS AND ELECTRIC COMPANY’S BALTIMORE
PENINSULA INVESTMENTS**

This petition asks the Public Service Commission to exercise its supervisory and regulatory authority to initiate a proceeding to review Baltimore Gas and Electric Company’s Baltimore Peninsula¹ transmission and distribution infrastructure investments in the interest of transparency and accountability. As things stand, residential customers face paying billions of dollars in their utility bills over the coming decades for the costs of, the return on, and the taxes associated with capital investments that may be unnecessary or that may be deferred until actual customers bringing substantial increases in new electricity demand are identified.

The Office of People’s Counsel is not asking the Commission to take action at this time as a result of the added information and transparency that OPC seeks in the requested docket. Indeed, prudence issues should be deferred to future proceedings. But

¹ The Baltimore Peninsula redevelopment projects earlier were branded the Port Covington redevelopment. Except where citing or quoting from earlier documents using the Port Covington nomenclature, this document uses the Baltimore Peninsula label.

the Commission should have—and customers deserve—a full accounting of BGE’s plans that are now largely indecipherable because they are spread across numerous dockets, filings, and submissions before the Commission and PJM Interconnection, LLC (“PJM”).²

INTRODUCTION

BGE plans to invest more than a half billion dollars in distribution and transmission infrastructure to support unidentified electric load growth on the Baltimore Peninsula. This infrastructure will cost BGE customers billions of dollars over the coming decades, as it is recovered through both distribution rates and supply rates that include BGE’s transmission spending. BGE initially planned the massive build-out of electric infrastructure based on Under Armour’s ambitious 2016 plans to redevelop the area into a “mini-city” featuring about 14 million square feet of new development with significant power needs.³ But ten years later, about one-tenth of the planned development has been built, about half of the retail and office space that has been built is empty—retail and office space that was expected to drive the anticipated electricity demand—and Kevin Plank’s development company recently announced it was exiting from the rest of the project.⁴

² PJM is the regional transmission system operator and is charged with evaluating and planning for expansions to the transmission system.

³ Giacomo Bologna, *Baltimore Peninsula’s future is uncertain. BGE tearing up nearby roads isn’t*, THE BALTIMORE BANNER (Feb. 3, 2026), <https://www.thebanner.com/economy/bge-roadwork-baltimore-peninsula-3MFUOHEXEZH2JFF7U6QXSTKCKY/>.

⁴ *Id.*

Despite serious doubts about the continued need for the level of electric infrastructure investment previously projected, BGE has not altered the scale of its 2016 plans, which involve well over a half billion dollars in infrastructure spending. Aside from adding billions of dollars to future rates, it appears that if BGE's work continues, significant costs that would have been picked up by anticipated commercial customers are likely to be picked up by residential customers instead—adding to already significant burdens from high rates. The projects also involve significant disruptive construction work that will impact customers and the community over several years.

Despite the substantial ratepayer implications, the purpose, total estimated costs, and regulatory oversight related to BGE's Baltimore Peninsula plans are largely shrouded in mystery. The piecemeal basis in which the distribution and transmission spending is happening—spread across several Commission dockets with multiple filings, along with massive transmission expenditures subject to minimal review at PJM or by federal regulators—creates confusion and obscures the total costs of and the reasons for the massive infrastructure spending. Simply put, ratepayers cannot be protected when information comes in bits and pieces with no ability to holistically understand the full scale, purpose, and need for hundreds of millions of planned capital investments at Baltimore Peninsula.

BGE's communications are compounding the lack of transparency over its Baltimore Peninsula capital spending plans. OPC's efforts to obtain information have

not proven fruitful,⁵ and the company is telling the public that its “Transmission Supply Project”—a set of underground transmission lines to connect a new Port Covington Substation to BGE’s existing transmission system—is “reviewed and approved by the Maryland Public Service Commission.”⁶ But transmission projects—which presumably include the “Transmission Supply Project”—are under federal jurisdiction and not subject to the review and approval that the Commission applies to distribution system capital investments. Excluding the related distribution infrastructure spending, the estimated transmission supply project cost reported to PJM is \$407.25 million—nearly quadruple the amount of BGE’s initial estimate of \$105 million.⁷ Because the project presented to PJM is for transmission infrastructure, BGE’s statement is incorrect: the Commission does not review or approve transmission project costs or determine whether such projects are cost-effective. In fact, no regulatory body will consider

⁵ OPC delayed filing this petition as we tried to obtain further information from BGE on its planned capital spending and customer load growth for the Baltimore Peninsula. In January, we asked BGE to permit OPC to participate in the community meeting the company held on January 26, 2026, to explain ongoing transmission development work. BGE declined our request to join that meeting but offered to meet separately with OPC, and we agreed to a meeting scheduled for Wednesday, February 25, 2026. BGE cancelled that meeting on Monday, February 23, 2026, stating it would be rescheduled. In the meantime, during a PJM Mid-Atlantic Sub-Regional RTEP Committee meeting held on February 12, 2026, our questions about the project, which PJM referred to Exelon, largely went unanswered or were unsatisfactorily answered. See Exhibit A, *Questions regarding the Port Covington Project Update discussed at the 2.12.26 PJM Subregional RTEP - Mid Atlantic and South Committee stake-holder meeting* (Feb. 18, 2026). In any event, for the reasons this petition describes, a Commission investigation rather than informal communications is appropriate.

⁶ See Exhibit B, *BGE Response to Senate President Ferguson*, at 1. The letter further states without qualification that “Capital project investments are approved by the Maryland Public Service Commission.” *Id.*

⁷ See Exhibit C - *Mid-Atlantic Sub-Regional RTEP Committee BGE Supplemental Cost Update*, at 4 (Feb. 12, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/srtep-ma/2026/20260212/20260212-item-10---bge-supplemental-projects.pdf>. Although the cost increase was presented this month to the RTEP sub-regional committee, in January 2026—following OPC’s December 2025 inquiries to PJM about project costs—PJM informed OPC that BGE presented the cost increase to PJM in September 2022.

whether the transmission components of the project are necessary or cost-effective before the work is done, because under federal law such review occurs *after* the project is complete.⁸

Indeed, the only possible mandatory Commission review of transmission projects would occur through the statutory requirement regarding the siting of the project, in a proceeding for a certificate of public convenience and necessity (“CPCN”).⁹ But even that requirement appears not to apply here because the CPCN statute is inapplicable to underground transmission projects. Because the projects are not subject to the CPCN requirement, no party—including OPC or another government agency—can conduct discovery or present evidence on any aspect of the project, and the Commission conducts no review at all. Moreover, the project entirely avoids statutory requirements for public hearings and public comment.

A new docket is necessary because the Baltimore Peninsula investments are moving forward quickly, locking in hundreds of millions of dollars in spending and disrupting the community, without any holistic accounting of the scope, cost, and need for the work. Recent developments raise new questions—on top of prior questions—about BGE’s projections of electric demand growth on the Baltimore Peninsula and the need for the projects. Future rate cases and related filings will be inadequate to obtain

⁸ Furthermore, transmission infrastructure is presumed to be prudent for purposes of cost recovery at the Federal Energy Regulatory Commission. *Indus. Energy Consumers of Am. v. FERC*, 125 F.4th 1156, 1159 (D.C. Cir. 2025); *Potomac-Appalachian Transmission Highline, LLC*, 158 F.E.R.C. ¶ 61,050 P. 100 (Jan. 19, 2017).

⁹ A CPCN is a license a utility must receive from the Commission for certain infrastructure projects prior to commencing construction or exercising any rights of eminent domain. *See* Md. Code Ann., Pub. Util. (“PUA”) § 7-207.

the holistic accounting necessary to understand the scale and scope of the work and how much these investments are costing customers. The distribution-level investments and costs are spread across BGE’s two multiyear rate plans and in excess of 12 separate filings in those two dockets addressing multiple projects.¹⁰ There is no full accounting of the projects completed and planned, the costs already incurred, the total costs proposed, nor a clear breakdown of which costs are distribution costs and which are transmission costs. Rate cases are lengthy and subject to legal objections on scope and timing, especially for projects like those at issue that are spread across different dockets and years.

In fact, if the Commission fails to act, BGE’s massive transmission investments will evade any meaningful review. The investments are not projects that PJM has said are needed, but projects that BGE has presented to PJM. They are categorized as “supplemental” or “local” projects, which fall into a well-known regulatory gap that is the subject of an OPC complaint at the Federal Energy Regulatory Commission (“FERC”).¹¹ PJM does not evaluate whether such projects are necessary or cost-effective. Rather, it conducts a “do no harm” analysis—simply assessing whether the

¹⁰ These filings include the MRP application, annual project lists, and reconciliation filings for Case No. 9645, and the MRP application, annual project lists, and 2024 annual information report discovery for Case No. 9692.

¹¹ See *Complaint of Industrial Energy Consumers of America, et. al. v. Avista Corporation, et. al.*, Docket No. EL25-44; see also Md. Office of People’s Counsel, *Costly local transmission projects that avoid competition are causing unlawful rates, OPC tells federal regulators* (Dec. 19, 2024), <https://content.govdelivery.com/accounts/MDOPC/bulletins/3c86285>.

projects will adversely impact system operations.¹² Upon a finding of no harm, PJM incorporates the plans and assigns the costs to the utility advancing the project in a submission to FERC. The federal commission then incorporates the costs into the utility’s transmission rates. Those rates are paid by the utility’s customers—here, BGE customers. Although technically the costs could be challenged at FERC, that challenge would occur only after transmission projects are complete. Compounding this issue is the federal legal presumption of prudence for transmission investments and costs upon federal review.¹³ Without any transparency or discovery into the need, the costs, or alternatives for such investments, any challenge to the costs or prudence of BGE’s transmission investments is nearly impossible to undertake.

Importantly, the Commission’s approval of the distribution portion of the work will provide evidentiary support for the more than \$400 million in transmission expenditures. In other words, although the Commission does not review or approve transmission costs, its acquiescence in the distribution portion of the Baltimore Peninsula investments implicitly supports the much more costly transmission system investments that will flow to BGE customer bills. Indeed, BGE is representing to PJM the investments are necessary to resolve the “problem” of “[n]ew distribution customer

¹² PJM Interconnection, LLC, *PJM Manual 14B: PJM Region Transmission Planning Process*, at 19–20 (July 1, 2021), <https://www.pjm.com/-/media/DotCom/documents/manuals/archive/m14b/m14bv50-pjm-regional-transmission-planning-process-07-01-2021.pdf>.

¹³ *Indus. Energy Consumers of Am. v. FERC*, 125 F.4th 1156, 1159 (D.C. Cir. 2025); *Potomac-Appalachian Transmission Highline, LLC*, 158 F.E.R.C. ¶ 61,050 P. 100 (Jan. 19, 2017).

load on the Port Covington peninsula”¹⁴— the same argument that it has presented to the Maryland Commission regarding its distribution investments.

BGE will likely argue considering transmission costs associated with Baltimore Peninsula’s infrastructure plans is beyond the scope of the Public Service Commission’s authority. Although it is true that the Commission’s authority over the transmission buildout aspects of BGE’s workplans is limited, the Commission has general supervisory authority over public service companies that gives it broad power to inquire and learn about BGE’s plans. Indeed, the need for additional distribution and transmission work is based on load growth *on the distribution system*. Thus, the need for the transmission work is interrelated with the need for the work on the distribution system. The Commission has a duty to “initiate and conduct any investigation necessary to execute its powers.”¹⁵ Put simply, the Commission has the power to ask questions and demand answers. In any case, BGE itself has represented publicly that what appears to be federally jurisdictional transmission investments are, in fact, subject to Commission review and approval.¹⁶

Without Commission action, no forum is available to review the costs and drivers of the combined suite of distribution and transmission investments that will drive up BGE customer rates by billions of dollars. The only meaningful alternative for an accounting of BGE’s plans is the docket that OPC is requesting here.

¹⁴ Exelon, *Mid-Atlantic Sub-Regional RTEP Committee BGE Supplemental Cost Update*, at 2–3 (Feb. 12, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/srrtep-ma/2026/20260212/20260212-item-10--bge-supplemental-projects.pdf>.

¹⁵ PUA § 2-115(a).

¹⁶ See Exhibit B, *BGE Response to Senate President Ferguson*, at 1.

ARGUMENT

Utilities are private companies with private interests, enjoying protection from competition and the benefit of captive customers. Because capital spending drives utility profits,¹⁷ utilities are incentivized to spend on capital investments. The Public Service Commission’s responsibility is to regulate and supervise utilities in the interest of the public.¹⁸ That is, the Commission’s responsibility is to protect customers from unnecessary and wasteful spending on capital infrastructure.¹⁹ The Commission cannot exercise its responsibility without understanding the full scope and reasons for massive capital spending that is ongoing and planned for the future on the Baltimore Peninsula. Customers themselves deserve a holistic accounting of BGE’s plans—an accounting that is not currently available and may never be available without Commission action.

Part I below explains (i) the waning status of development at the peninsula, (ii) how BGE’s plans are based on outdated projections of growth, (iii) how currently available information is lacking, and (iv) how a new docket is the only meaningful way to understand the facts surrounding BGE’s plans.

Part II contains OPC’s recommendations for the docket, encompassing an initial informational filing, discovery, and responsive filings—after which the Commission can decide whether additional action is necessary.

¹⁷ Exelon Corp., *Earnings Conference Call Fourth Quarter 2025*, at 17 (Feb. 12, 2026), <https://investors.exeloncorp.com/static-files/12dc128e-e5b1-42de-aa1d-3a3684c32f7b> (“Investing in infrastructure for our communities generates 5-7% annualized operating earnings growth, which combined with ~60% dividend payout ratio results in an attractive risk-adjusted total annual return of 9-11%.”).

¹⁸ PUA § 2-113(a)(1)(i).

¹⁹ *Delmarva Power & Light Co. v. Md. Pub. Serv. Comm’n*, 370 Md. 1, 6-7, 803 A.2d 460, 463 (2002) (explaining that utilities are subject to “pervasive” regulation and “extensive government control over [the utilities’] rates, service, and operations[.]”)

- I. The Commission should open a docket to review the status, scope, and costs of BGE’s investment plans for the Baltimore Peninsula development.**
- A. Baltimore Peninsula development plans have largely failed to meet expectations, and future development remains highly uncertain.**

Media reports have detailed the struggles of the Baltimore Peninsula development since its 2016 inception that coincided with BGE’s infrastructure spending plans. Under Armour and its chief-executive, Kevin Plank, spearheaded the redevelopment of Port Covington in 2016, projecting 14 million square feet of new development—both commercial and residential—through 2041.²⁰ Initially, Under Armour’s ambitious plans for a large, global-headquarters campus totaling 2.9 million square feet to accommodate an estimated 10,000 employees, including a new high-tech manufacturing facility, anchored the redevelopment.²¹ Under Armour scaled back its plans in 2017 due to changing financial circumstances.²²

Since 2017, Port Covington has gone through multiple attempted rebrands. First, in 2017 as a potential second headquarters for Amazon, complete with a Maglev station.²³ Next, as “Cyber Town USA,” the redevelopment was anchored around three cybersecurity companies that had committed to relocating to Port Covington in 2018 but

²⁰ Giacomo Bologna, *Baltimore Peninsula’s future is uncertain. BGE tearing up nearby roads isn’t*, THE BALTIMORE BANNER (Feb. 3, 2026), <https://www.thebanner.com/economy/bge-roadwork-baltimore-peninsula-3MFUOHEXEZH2JFF7U6QXSTKCKY/>.

²¹ Giacomo Bologna, *What Kevin Plank’s 2013 trip to Dubai has to do with your surging BGE bill*, THE BALTIMORE BANNER (July 9, 2025), <https://www.thebanner.com/economy/baltimore-peninsula-development-bge-substation-N4DAI5XPBNC5XNY4SZ4NMTTAE4/?schk=YES&rchk=YES%E2%80%A6>.

²² *Id.*

²³ Giacomo Bologna, *Baltimore Peninsula timeline: From Dubai to goodbye*, THE BALTIMORE BANNER (Dec. 18, 2025), <https://www.thebanner.com/economy/growth-development/baltimore-peninsula-kevin-plank-under-armour-IHQKYDP2GZEELOLM2R2VVOS4LQ/>.

subsequently changed plans in 2021.²⁴ Most recently, in 2023, Port Covington was rebranded as Baltimore Peninsula.²⁵

Despite the efforts to attract and retain tenants, the Baltimore Peninsula development has been largely stagnant. Only one tenth of the 14 million square feet of new development has been built.²⁶ Although the first phase of construction is complete, only half of the retail and office space is occupied. Under Armour developed a 1,500-person anchor office building that opened in 2024—a far cry from the previously envisioned 10,000-person headquarters.²⁷ Office space was expected to be the primary driver of electricity demand, but, as of the date of this filing, there are no new plans to build more office space at Port Covington.²⁸ Sagamore Ventures and Goldman Sachs announced they would be exiting from future development on the Baltimore Peninsula in December 2025.²⁹ The main financier for the phase one development, Bank OZK, considers the land “non-performing.”³⁰ The bank has since taken ownership over the development and is currently seeking a buyer.³¹

²⁴ *Id.*

²⁵ *Id.*

²⁶ Giacomo Bologna, *Baltimore Peninsula’s future is uncertain. BGE tearing up nearby roads isn’t*, THE BALTIMORE BANNER (Feb. 3, 2026), <https://www.thebanner.com/economy/bge-roadwork-baltimore-peninsula-3MFUOHEXZHZ2JFF7U6QXSTKCKY/>.

²⁷ Giacomo Bologna, *Baltimore Peninsula timeline: From Dubai to goodbye*, THE BALTIMORE BANNER (Dec. 18, 2025), <https://www.thebanner.com/economy/growth-development/baltimore-peninsula-kevin-plank-under-armour-IHQKYDP2GZEELOLM2R2VVOS4LQ/>.

²⁸ *Id.*

²⁹ Hayes Gardner *et. al.*, *Under Armour’s Kevin Plank built an empire. Now Rome is burning*, THE BALTIMORE BANNER (Dec. 22, 2025), <https://www.thebanner.com/economy/under-armour-kevin-plank-baltimore-peninsula-BQMMFEBFNJHX3LM7KJ6AF4BULY/>.

³⁰ Giacomo Bologna, *Arkansas bank thinks it has a buyer for the rest of Baltimore Peninsula*, THE BALTIMORE BANNER (Jan. 28, 2026), <https://www.thebanner.com/economy/real-estate/baltimore-peninsula-bank-ozk-arkansas-F3KTFOE6SVGEFHIAHQ7UBXMPI/>.

³¹ *Id.*

B. BGE is building infrastructure to meet the demand that was contemplated in 2016 but is not being realized.

Despite the lagging development on the peninsula, BGE told the press this month that its “plans have not changed as our customers’ energy needs in south Baltimore have not changed.”³²

The infrastructure work is extensive and costly. To serve Baltimore Peninsula, BGE’s plans include constructing two new substations (Clare Street and Port Covington) and significant modifications to the Westport, Gould Street, and Greene Street substations. These projects involve building or reconfiguring numerous lines serving each substation. It is OPC’s understanding that the Clare Street substation has been completed, at a total cost of \$41.8 million and that BGE began construction on the Port Covington substation in 2023 and has spent nearly \$10 million since then, with an additional \$30.7 million in spending forecasted from 2025–2026.

Outside of distribution costs, BGE presented plans to PJM in 2019 for projects to serve the “problem” of “[n]ew distribution customer load on the Port Covington peninsula.”³³ These Baltimore Peninsula plans address project development activities that overlap with the distribution system investments. BGE initially presented PJM estimated project costs (for capital expenditures) of \$105 million with an in-service date of December 1, 2026.³⁴ In 2022, however, BGE increased that capital expenditure

³² Giacomo Bologna, *Baltimore Peninsula’s future is uncertain. BGE tearing up nearby roads isn’t*, THE BALTIMORE BANNER (Feb. 3, 2026), <https://www.thebanner.com/economy/bge-roadwork-baltimore-peninsula-3MFUOHEXZHZH2JFF7U6QXSTKCKY/>.

³³ Exhibit C at 3.

³⁴ *Id.* at 4, 11.

estimate to \$407.25 million. Recently, through representatives of its parent company (Exelon), BGE reported at a PJM meeting that the projected in-service date has been pushed to end of 2028.

According to Exelon’s submission to PJM³⁵, the supplemental transmission project work includes:

- Building a new Port Covington 115/13 kV substation;
- Expanding the existing Westport 115kV station to accommodate new 115kV underground circuits;
- Building two 115 kV underground circuits from the Westport substation to the Port Covington substation; and
- Building two 115 kV underground circuits from the Greene Street substation to Port Covington.

The PJM document was prepared by Exelon.³⁶ In a meeting of the Mid-Atlantic Sub-Regional RTEP Committee meeting PJM referred OPC’s questions about the project to an Exelon representative.³⁷

C. The investments are significant, information is lacking, and communications have been confusing.

Little information is publicly available to assess the basis for BGE’s continued pursuit of its planned Baltimore Peninsula projects. No public record is available to support the load forecasts BGE has been using to inform its investment decisions or the

³⁵ Exelon, *Mid-Atlantic Sub-Regional RTEP Committee BGE Supplemental Cost Update*, at 2–3 (Feb. 12, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/srstep-ma/2026/20260212/20260212-item-10---bge-supplemental-projects.pdf>; see Exhibit C at 4, 11.

³⁶ *Id.* The first page bears the Exelon logo and is partially titled “BGE Supplemental Cost Update.

³⁷ See Exhibit A, *Questions regarding the Port Covington Project Update discussed at the 2.12.26 PJM Subregional RTEP - Mid Atlantic and South Committee stake-holder meeting* (Feb. 18, 2026).

extent to which the company has amended its plans in light of the scaling back of the Baltimore Peninsula development over the past three years. Nor is information regarding the full scope, timeline, and estimated costs of BGE's various Baltimore Peninsula projects readily accessible. The limited information that is available is scattered across sporadic filings submitted in numerous Commission dockets and in cursory submissions to PJM. These filings make it difficult if not impossible to obtain a clear picture of BGE's current spending plans for the area.

Moreover, the limited information that has been provided is placed into federal and state jurisdictional accounting categories, as asserted by BGE, when the project seemingly entails inter-related and overlapping project development and execution activities. A full, holistic review of the Baltimore Peninsula investments is required both to ascertain the dimensions of the investments and to properly define the cost categories to allow for review of their prudence in the appropriate fora. From the limited information we have been able to compile, the combined transmission and distribution capital investment costs, as currently under development by BGE, are substantially more than \$500 million, reflecting *billions* in incremental revenue requirements over the investments' useful life.³⁸

1. Distribution capital spending

BGE's Clare Street substation exemplifies the difficulties in obtaining an accurate and clear picture of BGE's Port Covington investments. BGE initially included

³⁸ OPC estimates that BGE's Baltimore Peninsula spending comprises more than 6 percent of BGE's combined electric distribution and transmission rate base.

this project in its MRP 1 workplan, with capital spending forecasted for that project for each year from 2021-2023.³⁹ But each of the MRP 1 project lists included adjusted annual budgets for the substation.⁴⁰ Moreover, because of project delays,⁴¹ BGE carried over work on the substation from MRP 1 to MRP 2. Thus, the MRP 2 included additional budget estimates⁴² for work on the substation, estimates which were subsequently adjusted in BGE's project lists for 2024 and 2025.⁴³ Presently, stakeholders and the Commission must comb through at least 12 different filings across two different MRP dockets just to understand how much BGE budgeted for, and actually spent, on a single project.

Numerous projects beyond the Clare Street substation are being built or are planned to support alleged customer load growth on the Baltimore Peninsula, but there is no holistic accounting of all the projects. More information is needed to better

³⁹ Direct Testimony of Ajit Apte, Exhibit #AA-1 at 7, ML# 230267, *Application of Baltimore Gas and Electric Company for an Electric and Gas Multi-Year Plan* (Case No. 9645, May 15, 2020); see BGE Revised 2021-2023 Capital Workplan and 2021 O&M Project List", ML# 233739, *Application of Baltimore Gas and Electric Company for an Electric and Gas Multi-Year Plan* (Case No. 9645, Feb. 12, 2021).

⁴⁰ See BGE, Revised 2021-2023 Capital Workplan and 2021 O&M Project List, ML# 233739, *Application of Baltimore Gas and Electric Company for an Electric and Gas Multi-Year Plan* (Case No. 9645, Feb. 12, 2021); BGE, 2022 Capital and O&M Project Lists, ML# 237675, *Application of Baltimore Gas and Electric Company for an Electric and Gas Multi-Year Plan* (Case No. 9645, Nov. 1, 2021); BGE, 2023 Capital and O&M Project List, ML# 242894, *Application of Baltimore Gas and Electric Company for an Electric and Gas Multi-Year Plan* (Case No. 9645, Nov. 1, 2023).

⁴¹ Supplemental Rebuttal Testimony of Laura K. Wright at 29:1-5, ML# 314181, *Application of Baltimore Gas and Electric Company for an Electric and Gas Multi-Year Plan* (Case No. 9645, Dec. 11, 2024).

⁴² Direct Testimony of Ajit Apte, Exhibit AA-1 at 6, ML# 301409, *Baltimore Gas and Electric Company's Application for an Electric and Gas Multi-Year Plan* (Case No. 9692, Feb. 17, 2023).

⁴³ BGE, 2024 Capital and O&M Project Lists and Operation Pipeline Project Lists, ML# 307582, *Baltimore Gas and Electric Company's Application for an Electric and Gas Multi-Year Plan* (Case No. 9692, Feb. 12, 2024); BGE, 2025 Capital and O&M Project Lists and Operation Pipeline Project Lists, ML# 315328, *Baltimore Gas and Electric Company's Application for an Electric and Gas Multi-Year Plan* (Case No. 9692, Jan. 31, 2025).

understand the project costs and cost increases that have already occurred. Illustrative of this need for more information is BGE’s 2024 MRP project list: it included \$17.5 million for its Baltimore Peninsula projects,⁴⁴ but the company’s actual 2024 spend exceeded \$30 million.⁴⁵ The Commission also cannot effectively exercise its supervisory authority and protect customers when the line between its distribution and transmission spending for Baltimore Peninsula projects is unclear. That line is critical to understand for regulatory purposes, since distribution level spending is subject to Commission jurisdiction and transmission costs are recoverable through federally set transmission rates.

An example of the lack of clarity between distribution-level spending and transmission spending comes from BGE’s recently issued notices to its South Baltimore customers for BGE’s Port Covington to Greene Street Transmission Supply Project. While this project would appear to be part of the set of transmission projects submitted to PJM and covered by BGE’s upwardly revised \$407.25 cost estimate, the company has told the community that the project is reviewed and approved by the Commission—which would not be the case if it is part of the PJM project list.⁴⁶ The company also stated, vaguely if not incorrectly, that “[c]apital project investments are approved by the

⁴⁴ BGE, 2024 Capital and O&M Project Lists and Operation Pipeline Project Lists, ML# 307582, *Baltimore Gas and Electric Company's Application for an Electric and Gas Multi-Year Plan* (Case No. 9692, Feb. 12, 2024).

⁴⁵ BGE, 2024 Annual Informational Filing and Operation Pipeline Project Completion and Cost Variance Reports, ML# 317299, *Baltimore Gas and Electric Company's Application for an Electric and Gas Multi-Year Plan* (Case No. 9692, March 31, 2025).

⁴⁶ See Exhibit B – *BGE Response to Senate President Ferguson*, at 1. The letter further states without qualification that “Capital project investments are approved by the Maryland Public Service Commission.” *Id.*

Maryland Public Service Commission”⁴⁷ when, in fact, transmission project investments are not so approved.

2. Transmission capital spending

BGE’s transmission plans and costs are equally opaque. The information available from PJM includes just two slides containing substantive information.⁴⁸ This level of information falls far short of what is necessary to understand the scope of the work and the reasons why cost estimates ballooned from \$105 million in 2019 to \$407.25 million in 2022, nearly quadruple the initial estimate after just three years.⁴⁹ The slides reveal little information. The bullet points provide only limited details about cost drivers, including the land acquired to build the substation, complications from use of a non-traditional substation design, and compressing the execution schedules for certain project components. Such cursory explanations raise significant questions deserving of answers, especially considering the size of the investments.

On a recent PJM stakeholder call, Exelon dismissed OPC’s questions about costs as beyond the scope of PJM’s workgroup. While the Exelon representatives acknowledged that there are additional distribution-level costs outside of the \$407.25 million in supplemental project costs, they asserted that questions about the increased

⁴⁷ *Id.*

⁴⁸ Exelon, *BGE 2019 Submission of Supplemental Projects for Inclusion in the Local Plan*, at 1–2 (May 20, 2019), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/srrtep-ma/postings/2019/bge-local-plan-submission-for-2019-rtep.pdf>; Exelon, *Mid-Atlantic Sub-Regional RTEP Committee BGE Supplemental Cost Update*, at 2–3 (Feb. 12, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/srrtep-ma/2026/20260212/20260212-item-10---bge-supplemental-projects.pdf>. Both presentation decks are included as Exhibit C to this petition.

⁴⁹ PJM informed OPC that Exelon provided the revised cost estimate in 2022.

cost estimates were outside the scope of the meeting.⁵⁰ Greater transparency regarding these costs is necessary—even if the Commission does not set the rates that recover those costs.

PJM also defers entirely to BGE and Exelon’s assertions about new customer load. BGE cites “new distribution customer load” as the “problem” the Baltimore Peninsula projects are intended to solve. BGE’s most recent project update to PJM states that the “developer provided updated loads for the peninsula (225MW diversified load, 392MW total projected load).”⁵¹ But the developer is unidentified. In fact, as noted above, Baltimore Peninsula’s main developer left the project in 2025.⁵² In the PJM stakeholder call, Exelon’s representative stated that it is “revisiting” the level of load in ongoing discussions but that its determination is not yet conclusive.

Finally, the only means of reviewing the \$407.25 million of capex disclosed by BGE to PJM for prudence or cost-effectiveness is before FERC when the projects are added to BGE’s transmission rates and after they go into service. Even at that late date, under FERC precedent, the costs will be presumed prudent, creating a difficult if not impossible hurdle for challenging the need for the transmission investment or less costly alternatives.⁵³ While the docket requested here will not determine the prudence of the

⁵⁰ OPC followed up the stakeholder meeting with written questions. *See* Exhibit A.

⁵¹ Exhibit C at 3.

⁵² Giacomo Bologna, *With lead developer out, Baltimore Peninsula to reset again*, THE BALTIMORE BANNER (Oct. 31, 2025), <http://thebanner.com/economy/mag-partners-plank-baltimore-peninsula-VMR3VIL3MBE3BCIGSFZ2RHBCMA/>.

⁵³ *E.g.*, Potomac-Appalachian Transmission Highline, LLC, 158 F.E.R.C. ¶ 61,050 P. 100 (Jan. 19, 2017) (“The regulated entity has the burden of proof to establish prudence. However, in order to ensure that rate cases are manageable, the Commission presumes that all expenditures are prudent so the utility need not justify in its case-in-chief the prudence of all of its costs.”).

transmission (or any) investments, it can help create a record that could be used in other dockets, including at FERC.

D. A dedicated docket is the only effective way for the Commission and stakeholders to obtain facts and, if it deems appropriate, take meaningful action.

A dedicated proceeding focused on BGE's transmission and distribution developments is necessary for a full understanding of BGE's Baltimore Peninsula capital spending; without it, there will be no forum to meaningfully evaluate BGE's spending plans that will drive up customer bills by billions of dollars over the coming decades.⁵⁴

First, a dedicated proceeding will ensure the Commission and parties have a holistic picture of all of BGE's past and future capital spending on the Baltimore Peninsula—overall capital costs substantially in excess of a half billion dollars. While piecemeal treatment may benefit the company, it obscures the facts for the Commission and stakeholders. In a rate case—or a CPCN proceeding—the scope of the Commission's inquiry is limited to the application before it. With limited-scope proceedings, utilities often object to discovery on the basis that it exceeds the scope of the proceeding. For example, in a rate case, utilities frequently object to discovery on costs incurred outside the test-year period supporting the application for new rates, even

⁵⁴ Based on information available to OPC, the combined state and federally jurisdictional capital underground transmission and substation expenditures for Baltimore Peninsula are substantially in excess of \$500 million, for which the cumulative revenue requirement collected in future rates can reasonably assumed to be at least \$2 billion.

if those costs directly relate to expenditures a utility is seeking to recover through their proposed rates.

By reviewing the projects in a stand-alone docket, the Commission can obtain information on the total costs incurred dating back to 2017 as well as costs projected for future years. The proceeding would also enable the Commission, OPC, and other parties to obtain information regarding the need and justification for the investments—including load forecasts and assumptions—that inform the company’s development of its Baltimore Peninsula investments dating back to 2016. Such information would likely be difficult to obtain through a rate case or CPCN proceeding.

Second, there is no other opportunity available for the Commission to gain transparency into BGE’s transmission investments, even though the project seemingly entails closely inter-related project development and construction activities cutting across and merging the incurrence of costs, which may for accounting reasons be determined to be either federal or state jurisdictional. Cost recovery for transmission investments is a matter of interstate commerce and subject to FERC jurisdiction. Thus, there is no rate proceeding that would allow the Commission to evaluate these investments. Transmission projects sometimes require CPCNs prior to construction, and CPCN proceedings afford the Commission some opportunity to review a project’s scope and need. But the \$407.25 million in costs disclosed to PJM, however, include significant expenditures for four 115 kV underground transmission lines. Underground transmission lines are exempt from the CPCN requirement. Moreover, neither a rate

proceeding nor a CPCN proceeding allows the Commission to evaluate, together, the related transmission and distribution components of a comprehensive project.

Third, a proceeding dedicated to the peninsula projects would avoid distractions caused by other, unrelated issues and maximize the focus of the Commission's inquiry. In a rate case, the Baltimore Peninsula projects would be evaluated alongside and compete for attention with numerous other capital investments. Having a proceeding focused only on BGE's Baltimore Peninsula investments ensures efficient and targeted review, allowing for the fact finding and attention that is not otherwise available or unlikely.

Fourth, a Commission docket may be the only means of avoiding an inference of prudence—based on the Commission's treatment of BGE's distribution investments—in any federal proceeding regarding the planned transmission-level spending for the Baltimore Peninsula. While the Commission has not addressed the prudence of much of the Baltimore Peninsula projects underway or planned, the Commission's approval of related distribution-level expenditures in BGE's MRPs could be inferred to suggest the Commission has accepted BGE's representations of significant load growth on the peninsula. FERC would be unlikely to second-guess the Commission's MRP decisions, absent further action. Especially given the scale of \$407.25 million in transmission investments, the Commission should exercise its investigative authority to determine whether such an inference is justified.

II. The Commission should require BGE to make an informational filing, allow discovery and responsive comments, and then decide whether further action is appropriate.

The Commission's investigatory proceeding should require BGE to make an initial informational filing followed by a period of discovery and an opportunity for responsive comments. After responsive comments are filed, the Commission can decide whether the docket should be continued through a further evidentiary proceeding, a legislative-style hearing, or another process the Commission believes is necessary. It also could close the docket if it is satisfied with the added transparency provided by the informational filing and responses. The filing required of BGE should address, at minimum, the following:

1. Historic and revised load projections

Commercial real estate was a key driver in BGE's initial load forecasts for load growth from the Port Covington redevelopment. It is unclear to what extent this load growth has occurred as of this 2026 filing. BGE's most recent update to PJM, however, identified "225 MW diversified load, 392 MW total projected load."⁵⁵ The filing should fully explain what is meant by "diversified load" and "total projected load." The Commission should thus direct BGE's filing to include:

- Each of the load projections for the Baltimore Peninsula/Port Covington area from 2016-2025;
- Current load projections that informed the scoping of BGE's infrastructure investments;
- BGE's most recent forecasted load for the Baltimore Peninsula area;

⁵⁵ See Exhibit C at 3.

- The levels of incremental load that BGE projects the projects will serve and the basis for those estimates; and
- The customers driving projections of increased load, the nature of their commitments, their locations, and the amount of load from each location.

BGE's filing should further explain how it developed its load forecasts and any adjustments BGE made to its forecasts in light of changed circumstances.

2. Cost information and justification of projects

The filing should explain the costs it has incurred for distribution and transmission spending at Port Covington in its filing. Specifically, the Commission should direct BGE to provide a filing to fill in the informational gaps and fully explain the work the company has completed, is doing now, and plans to do in the future. For each category, it should provide detailed cost information and the justification of need for each project. At a minimum, the filing should include the following information

- Total transmission and distribution project costs incurred to date by year;
- Up-to-date estimates for remaining transmission and distribution project costs, including identification and explanation of contingency assumptions included in the estimate;
- The justification that each project is needed to maintain safe and adequate service;
- Identification and detailed explanation of the project's primary cost drivers;
- Detailed explanation of any increase in project costs relative to prior forecasts and budgets since 2016;
- Differences in financing costs (e.g., change in interest rates);

- The amounts, types and terms of any financial commitments that the customers to be served have made in support of the project;
- Identification and explanation of environmental issues affecting project design and costs;
- The level of completion in percentage terms of design and engineering for the project; and
- Updated project timeline and in-service dates

CONCLUSION

Under PUA § 2-115(a), the Commission is required “to initiate and conduct any investigation necessary to execute its powers or perform its duties” Massive infrastructure spending based on ambitious initial plans for a now-foundering development—for which customers will over time pay in excess of two billion dollars—necessitates the Commission’s exercise of its investigatory authority. BGE’s customers, and the Commission, should know the full scope and cost of BGE’s Baltimore Peninsula infrastructure investments. And BGE should be required to provide information about the forecasting underlying its continued determination that “customers’ energy needs in South Baltimore have not changed,”⁵⁶ despite clear reductions in the scale of development at Baltimore Peninsula. Moreover, given that the purported needs of distribution customers are driving BGE’s transmission investments, the interrelated state and federal jurisdictional components warrants a holistic view of the entire project in one proceeding and one forum. The investigatory preceding OPC requests will provide

⁵⁶ Giacomo Bologna, *BGE’s Baltimore Peninsula project will top \$500 million*, THE BALTIMORE BANNER (Feb. 23, 2026), <https://www.thebanner.com/economy/bge-baltimore-peninsula-port-covington-cost-7QESTED3FJAJ3OUWOFRS5QNLEQ/>.

much-needed transparency into a costly investment with significant implications for customer bills. The Commission has the power to ask questions and demand answers, and it should exercise that power here.

Respectfully submitted,

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To	PJM Staff. Subregional RTEP - Mid-Atlantic and South Committee Stakeholder Matters (Jeffrey Goldberg, Brian Hau, Katherine Graham). BGE/Exelon representatives, c/o Alex Stern
From	Maryland Office of People's Counsel (MPC) Philip L. Sussler (cc: Michael Sammartino)
Re	Questions regarding the Port Covington Project Update discussed at the 2.12.26 PJM Subregional RTEP - Mid Atlantic and South Committee stake-holder meeting
Date	Feb. 18, 2026.

This memo responds to the Exelon/Baltimore Gas and Electric (BGE) presentation to the PJM Subregional RTEP Mid-Atlantic and South Committee stakeholder meeting held on 2.12.26 and matters discussed during the meeting and documents further follow-up inquiries from MPC.

More specifically, the memo summarizes the discussion at the 2.12.26 PJM stakeholder meeting (adding to the written material presented by Exelon/BGE representatives and summarized by them during the meeting). It sets forth questions MPC posed during the meeting and MPC's documentation of the answers provided by Exelon/BGE representatives during the meeting. MPC also reposes questions which in MPC's view were not fully answered or seeks further clarification to the answers provided during the meeting and provides supporting reasons for the reposed questions or questions seeking clarification.

1. Load Levels to be Served.

BGE's documentation describes the new distribution customer load on the Port Covington peninsula to be served by the proposed project. This load is described as "updated loads" for the Pt. Covington peninsula, and, including 225 MW diversified load,

and 392 MW total projected load, repeating information in BGE materials filed with PJM in 2018/2019 for the same project.

Question: How should these load levels be interpreted? Has this changed from when the project was initially proposed? What is meant by “diversified” load? Do the projections take into account Under Armour’s (and/or the current developer’s) updated plans and their impact on the timing for development of the affected sites?

BGE Answer and follow up (by MPC): (summary of meeting discussion and reposing of question by MPC). Per BGE as discussed during the 2.12.26 meeting, “Diversified load” is the planning level of coincident load used to size the upstream facilities; projected load is the individual non-coincident load at all the individual customer locations to be served by the upstream facilities. These were the loads initially specified in 2019 when the project was initiated. BGE is “revisiting” the level of load in on-going discussions with the current developer (with restaurants, condos, gas stations, as potential customers) but these determinations are not yet conclusive regarding the level of load to be served.

MPC reposes the question and asks for BGE to document with greater detail:

- the levels of incremental load that it currently projects that the project will serve;
- the basis for those estimates, including particular customers, the nature of their commitments, and their locations;
- the amount of load from each location;
- the anticipated in-service date of each location and load; and
- The amounts, types and terms of any financial commitments that the customers to be served have made in support of the project.

BGE also stated during the 2.12.26 meeting that the distribution system in the area is currently “tapped out” so any increment in load would require an expansion. MPC asked whether a smaller, less costly system could have been built to serve lower levels of incremental load and whether BGE considered this possibility in its planning of the project and if so with what result? BGE did not respond to this further question. MPC re-asserts this question. MPC also seeks clarification on what BGE means by the area being “tapped out,” including information describing which areas of BGE’s facilities are tapped out or constrained, which will be resolved by the project. What additional capacity is provided by the project to these facilities or areas (expressed as a % of current service levels and in MWs of additional capacity)?

2. Cost Increase (nearly 4x increase to \$407.25MM capex).

Question. What are the reasons for the cost increase from \$105MM to \$407.25MM (a nearly 4x increase)? Can BGE distinguish which of the reasons for the cost increase set forth in BGE's written presentation (without quantification of impact) drove which elements of cost?

BGE Answer. BGE's representative during the meeting said the question was out of scope, because, per the representatives assertion, it relates to cost recovery not planning. BGE did not respond to the question.

MPC's responds and reposes the question and asks for further clarification. BGE discloses a nearly quadrupling of capital expenditure to the project from the "initial" estimate (not counting the additional distribution system investments, which seemingly are not part of the reported cost). BGE also provided a one page of narrative of the causes for the mistaken estimate, without quantifying the impact of each cause (in cost, or in time-line impacts). BGE also did not respond to the question posed during the meeting about what level of design and engineering had been completed to support the new estimate and what level of uncertainty or contingency assumptions are included in the updated estimate.

The updated project cost itself exceeds by a significant margin usually expected costs for transmission facilities to serve the expected level of load or the described specific components of the project (e.g., the project's capex is now over \$1800/kW of the projected diversified load to be served by the project).¹ A near quadrupling of cost from an initial estimate (as occurred here) is a very serious matter, for planning purposes and all other matters, and should require much greater support and justification than the one-page narrative summary, as was provided.

As part of BGE's planning efforts, accurate cost estimation and description of its evolution for a project it is developing should be a central consideration in good planning; particularly for a project of this size (as expanded by the updated cost estimate). Accordingly, it seems unreasonable to foreclose discussion in any detail of the basis for the cost estimate and its evolution over the course of the project.

¹ This is approximately 6x the \$/kW unit value of BGE's rate base for transmission compared to BGE's peak load. See, Exelon, 4th Quarter 2025 Earnings Presentation, p. 28 (Feb. 16, 2026) (for BGE 2025 rate base values); BGE peak load for 2025 metered demand from PJM 2026 Load Report, Table B-1 (for BGE peak load).

BGE, elsewhere (in connection with the Brandon Shores Solutions project) has indicated in disclosures to the TEAC that increasing levels of design and engineering (measured as a percentage) improve the accuracy of the estimate and disclosed the status of design and engineering in connection with that project². Query why shouldn't there be a similar approach for this project, given its substantial cost and history of major mis-estimation of cost. In addition to reposing its questions about the drivers of the updated cost estimate, MPC also asks about when the cost estimate was updated, when provided to PJM and documentation developed and prepared by BGE to support the updated cost estimate in addition to the one-page narrative provided at the 2.12.26 stakeholder meeting.

Question. Does the revised cost include all costs related to the Project or only federal jurisdictional costs?

BGE Answer. No. There are additional distribution level expenses and capex that are not included within the \$407.25MM.

BGE did not answer MPC's follow-up question raised during the 2.12.26 meeting regarding the amount of any additional costs related to the Project incurred at the distribution level. MPC reposes that question. MPC also asks BGE to disclose the portions of the Project accounted for as distribution facility investment and those accounted for as transmission investment and in what amounts; and the amount of the project cost BGE has been expended to date, both for the transmission and for the distribution portions of the project. The project entails multiple and tight tie-ins and overlaps between BGE's transmission and distribution facilities; an accurate understanding of the project for planning purposes requires a holistic view of the project and its costs; not siloing its review between the two categories of facilities, based on accounting conventions.

Question. What is the level of completion in percentage terms of design and engineering for the project?

² PJM TEAC, Reliability Analysis Update (Feb. 4, 2025), pp. 13-14. Notwithstanding BGE's disclosure regarding updates of the cost of the Brandon Shores deactivation transmission solution project, MPC has a continuing objection to the sufficiency or minimum adequacy of that disclosure, both as to cost and BGE's cost estimating and planning practices. *Id.* and *See also*, TEAC Recommendations to the PJM Board, PJM Staff White Paper (Feb. 2025), p. 4 (describing the increase in the Brandon Shore deactivation project from \$738.83MM to \$1,513.96MM, more than doubling the estimate of required capex from that used by PJM (and the Exelon affiliates, including BGE) for the initial estimate used to plan the project). The two projects (Port Covington and the Brandon Shores deactivation projects (BGE only portion)) in combination comprise a 75% increase in BGE's transmission rate base. Capex increases stemming from BGE's initial underestimates for the two projects are more than half of that increase.

BGE answer (see above). BGE did not answer the question and did not indicate whether the current cost estimate is accurate because of advances by BGE in design and engineering for the project or cabin the remaining level of uncertainty or identify contingencies carried by the project budget reflecting the level of design and engineering completed for the project. MPC reposes the question.

Question. BGE documentation says the projected in-service date is 12/1/26. Is this still correct?

BGE answer. The new in-service date is the end of 2028.

3. Additional Customer Commitments and Disclosure.

Question. What kind and level of binding financial commitments exist from the customer(s) with the incremental load to be served by the proposed project?

BGE Answer. BGE stated during the 2.12.26 meeting that there are on-going discussions with the current new developer, but that nothing yet is signed; accordingly, we presume that there are no as yet binding commitments from customers for all or a portion of the project cost.

MPC reposes the question, and requests updates as BGE's discussion with the customer(s) progresses. MPC also asks (1) what are the financial commitments BGE has and has had with specific customers to be served by the project and is planning for with the customers to be served; and (2) what level of service and timing of in-service dates has been or is planned for the prospective customer loads?

Background (from PJM posted materials): BGE Solutions proposal, dated 3/25/19. Need Presentation, dated 1/25/19. Local Plan Inclusion, dated 2019.

PJM OATT requirements

MPC notes that its questions regarding the project (and its view that they are within scope) conform to the following, excerpted from PJM OATT, VI. Administration and Study of New Service Requests, R Attachment M-3, section (c)(1):

As described in sections 1.3(c) and (d) of Schedule 6 of the OA, the subregional RTEP Committees shall be responsible for the review of Attachment M-3 Projects. **The Subregional RTEP Committees shall have a meaningful opportunity to participate and provide feedback, including written comments, through the transmission planning process for Attachment M-3 Projects.**

(emphasis supplied).

MPC's questions and BGE's anticipated fully responsive answers are necessary to afford a "meaningful opportunity to participate and provide feedback" by PJM stakeholder participants, including MPC.

FERC has also provided guidance on the permissible scope of matters for review in connection with the planning and execution of transmission projects.

Thus, for example, FERC stated in its Order 890 (at P 472), that it

requires that transmission providers make available information regarding the status of upgrades identified in their transmission plans in addition to the underlying plans and related studies. It is important that the Commission, stakeholders, neighboring transmission providers, and affected state authorities have ready access to this information in order to facilitate coordination and oversight.

MPC's inquiries are consistent with this guidance and well within scope of matters to be discussed and disclosed through the M-3 Process.

As noted during the 2.12.26 meeting by MPC, the project is not subject to Maryland Public Service Commission CPCN review under current law (confirmed by BGE during the meeting) because it is underground transmission, so the PJM M-3 process is one of the limited vehicles for public review of the project.

The Honorable Bill Ferguson
President of the Senate
State House, H-107
100 State Circle
Annapolis, MD 21401 - 1991

Dear Senate President Ferguson:

Thank you for reaching out for more information about BGE's Port Covington to Greene Street Transmission Supply Project, work that will help provide enhanced electric service reliability and more energy capacity throughout south Baltimore. This project and other related transmission work benefit 24,000 existing customers, and this number will grow as development continues.

We share your commitment to driving economic growth to support more access to jobs and opportunities. As you know, economic growth cannot happen without the assurance that essential services – including access to energy – will be available when new residents and businesses need to turn on the lights for the first time. Transmission investments in and around your district provide that assurance to current residents and businesses, as well as developers, and also enable the electrification adoption needed for the state to achieve its ambitious climate goals.

As requested, please find responses to your questions and feedback below.

1. What is the purpose of the project?

A: This project has two purposes. It will supply and enhance resiliency for a new substation in south Baltimore and eliminate an environmental concern by allowing BGE to remove an old oil-filled underground transmission line that connects Greene Street substation to the Westport substation. Overall, the area's new and upgraded transmission infrastructure will strengthen grid reliability and support future growth.

More details:

- Construction is expected to begin in Q2 2027.
- Critical customers benefitting from this project include multiple state and federal agencies, health care facilities, critical infrastructure, and more.
- Gould Street substation will not be able to support forecast load in 2028, which is why it is being replaced with a new, upgraded substation.
- Replacing aging substations and cables improves reliability and reduces future maintenance expenses.
- This work is reviewed and approved by the Maryland Public Service Commission.

2. How was the route determined, and which government agencies approved of it?

A: The route was selected based on engineering feasibility, minimizing community impact, cost, schedule, and traffic impacts. BGE coordinates with city departments (such as Baltimore DOT) during the permitting phase and adheres to all regulatory requirements as part of that process. Capital project investments are approved by the Maryland Public Service Commission.

3. Is this route final and is there any possibility of adjusting it?

A: The current route reflects our best engineering judgment and available data. BGE will evaluate feasible adjustments if significant concerns arise. Any changes would require additional engineering review and coordination.

4. What safety analysis has been completed regarding the co-location of high voltage underground transmission lines within the immediate vicinity of a residential area?

A: We have underground transmission assets in roadways near residents throughout the service territory, as it is common practice and all safety standards and codes are strictly followed.

5. Will BGE be consulting with CHAP on the project as a number of the impacted neighborhoods are designated as historic?

A: We do not anticipate CHAP-related concerns. If future design changes impact historic districts, BGE will engage with CHAP as required.

6. How long is the project expected to take overall?

A: The project is in the engineering phase. Construction is expected to begin in Q2 2027, with the overall timeline determined as design and permitting progress.

7. How long will it take on a block-by-block basis with an emphasis on residential areas?

A: BGE is in the engineering phase. Permits will be submitted to Baltimore DOT for review, and BGE will adhere to all requirements once we reach that stage. The work plan will be formalized once we reach Issued For Construction (IFC) status, secure permits, and award the construction contractor contract (COC).

8. Will roads be closed fully or partially as work is being done?

A: BGE aims to keep as many roadways open as possible during construction. A Maintenance of Traffic (MOT) plan will be submitted to Baltimore City and BGE will comply with all requirements. As a reminder, BGE will restore any roadways impacted by construction.

9. Will parking be impacted beyond working hours? If yes, will BGE provide alternative arrangements for residents, especially given the reality that many impacted residents do not have access to off-street parking?

A: As typical with construction projects, temporary parking changes may be necessary on smaller roadways during construction. BGE is intentional about limiting the impact on neighborhoods and will communicate with communities for input in advance. Again, this will be better known once the project has been designed and a MOT plan developed.

Commitment to Community Outreach and Engagement

Holding virtual public meetings open to all impacted 46th District residents where the above questions will be answered, the project will be described, and additional community questions can be raised.

- Plan: BGE is committed to transparent and proactive outreach, including public open houses, attendance at community association meetings, and regular updates via multiple channels. We are scheduling in-person and virtual meetings with community stakeholders to keep them abreast of the project's purpose, progress, and, most importantly, to hear feedback. For example, the first virtual meeting invitation was sent to all community association leaders to understand how best to engage with their communities. This meeting will take place in the last week of January (we are coordinating the date based on leadership availability). A robust outreach plan is being developed to ensure elected officials and community members are engaged throughout key milestones as the project is designed.

Attendance at individual community association meetings within the Locust Point, Riverside, Key Highway, Federal Hill, Federal Hill South, Otterbein, Harbor Walk Townhouse, and Ridgely's Delight neighborhoods.

- Plan: We are working with community association leadership to secure standing meeting date information and to understand how best to engage with their communities. We are committed to working with each community identified.

Consistent communication with the relevant community associations and residents via writing, electronic communications, and social media.

- Plan: We will customize our communication methods to meet the needs of each community.

Your leadership in Maryland's Senate and in District 46 is immensely appreciated and respected. Nothing is more important to BGE – and to me personally – than being a good neighbor to the communities we serve. We continue to demonstrate our care and commitment to Baltimoreans through the safe and reliable delivery of energy as we now rank 4th in reliability in the country, through our community stewardship earning us the #1 corporate philanthropist in Greater Baltimore by the *Baltimore Business Journal* two years in a row, and through our deep commitment to workforce development where we helped 3,000+ participants in 2025. 4th reliability

My team and I look forward to partnering with your office, our Baltimore City elected officials, our community leaders, and our customers to ensure Baltimore has the reliable energy it deserves.

Sincerely,

Tamla Olivier
BGE President and CEO

Mid-Atlantic Sub-Regional RTEP Committee
BGE
Supplemental Cost Update

February 12, 2026

Cost Update: s2025

Supplemental Project ID: s2025

Need Number: BE-2019-0001

Previously Presented:

Needs Meeting – 01/25/2019

Solutions Meeting – 03/25/2019

Process Stage: Included in 2019 BGE Local Plan

Supplemental Project Driver: Customer Service

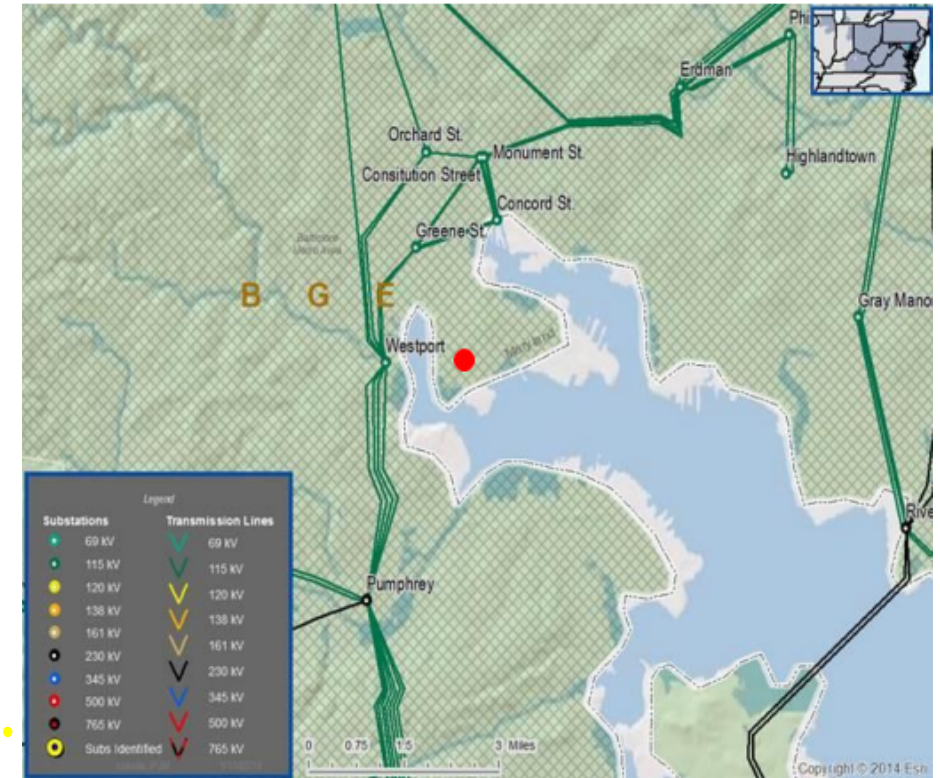
Specific Assumption References:

2019 Local Planning Assumptions (BGE) – 12/07/2018 Mid Atlantic SRRTEP

- Customer Service

Problem Statement:

New distribution customer load on the Port Covington peninsula.
Developer provided updated loads for the peninsula (225MW diversified load, 392MW total projected load)



Supplemental Project ID: S2025
Need Number: BE-2019-0001

Selected Solution:

- Build a new Port Covington 115/13 kV station
- Expand existing Westport 115 kV station to accommodate new 115 kV UG circuits
- Build two 115 kV UG transmission supplies from Westport to Port Covington
- Build two 115 kV UG transmission supplies from Greene St to Port Covington

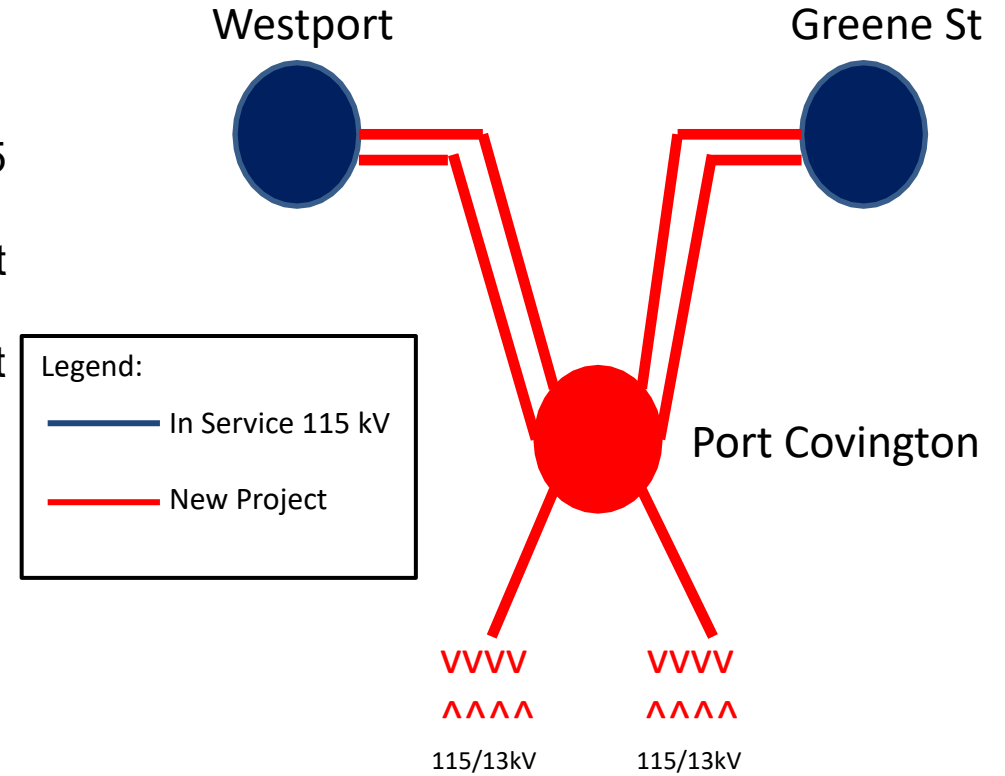
Original Estimated Cost: \$105M
Current Estimated Cost: \$407.25M

Projected In-Service Date: 12/01/2026

TO Alternatives Considered:

- No other viable solutions were found.

Project Status: Design & Engineering



Project ID	Description	Original Projected Cost (shared in 2019)	Current Cost
s2025.1	Build a new Port Covington 115/13 kV station	\$105M	\$407.25M
s2025.2	Expand existing Westport 115 kV station to accommodate new 115 kV UG circuits		
s2025.3	Build two 115 kV UG transmission lines from Westport to Port Covington		
s2025.4	Build two 115 kV UG transmission lines from Greene St to Port Covington		

Cost Change Reasoning

- After extensive engineering and reviews, expanding the Westport 115 kV substation on the existing switchyard footprint was determined not to meet Exelon’s Transmission Bus Configuration Design Philosophy. The expansion was moved to another location associated with the retired Westport 115/34 kV area, which required additional demolition activities, complex civil activities (stemming from soil and groundwater conditions), and GIS equipment required to properly site expansion facilities.
- Siting for the Port Covington 115/13 kV substation was not confirmed until 2021. Suitable land was acquired, but it increased the cable routing necessary for the 115 kV circuits. The current design also requires a non-traditional two-story GIS buildout (first of its kind in BGE) to fit on the usable portions of the land. This also requires vertical routing of cable and auxiliary systems, enhanced fire protection and life safety provisions, and more complex construction sequencing due to limited laydown and access.
- BGE has coordinated with Baltimore City on the routing of Westport to Port Covington 115 kV circuits since early 2024. Final routing is being confirmed. To meet the forecasted loading of the area, execution schedules have been compressed, requiring overlapping design, permitting, procurement, and construction activities. Early procurement of long lead equipment, added contractor crews, and extended work windows have also contributed to increased costs.
- Labor rates and material costs have increased within upwards of 27% and 50% respectively.

Appendix

High Level M-3 Meeting Schedule

Assumptions	Activity	Timing
	Posting of TO Assumptions Meeting information	20 days before Assumptions Meeting
	Stakeholder comments	10 days after Assumptions Meeting
Needs	Activity	Timing
	TOs and Stakeholders Post Needs Meeting slides	10 days before Needs Meeting
	Stakeholder comments	10 days after Needs Meeting
Solutions	Activity	Timing
	TOs and Stakeholders Post Solutions Meeting slides	10 days before Solutions Meeting
	Stakeholder comments	10 days after Solutions Meeting
Submission of Supplemental Projects & Local Plan	Activity	Timing
	Do No Harm (DNH) analysis for selected solution	Prior to posting selected solution
	Post selected solution(s)	Following completion of DNH analysis
	Stakeholder comments	10 days prior to Local Plan Submission for integration into RTEP
	Local Plan submitted to PJM for integration into RTEP	Following review and consideration of comments received after posting of selected solutions

Revision History

2/3/2026 – V2 – Re-formatted

BGE 2019
Submission of Supplemental Projects for
Inclusion in the Local Plan

Need Number: BE-2019-0001

Process Stage: Submission of Supplemental Project for inclusion in the Local Plan 12/03/2019

Previously Presented:

Need 01/25/2019

Solution 03/25/2019

Supplemental Project Driver: Customer Service

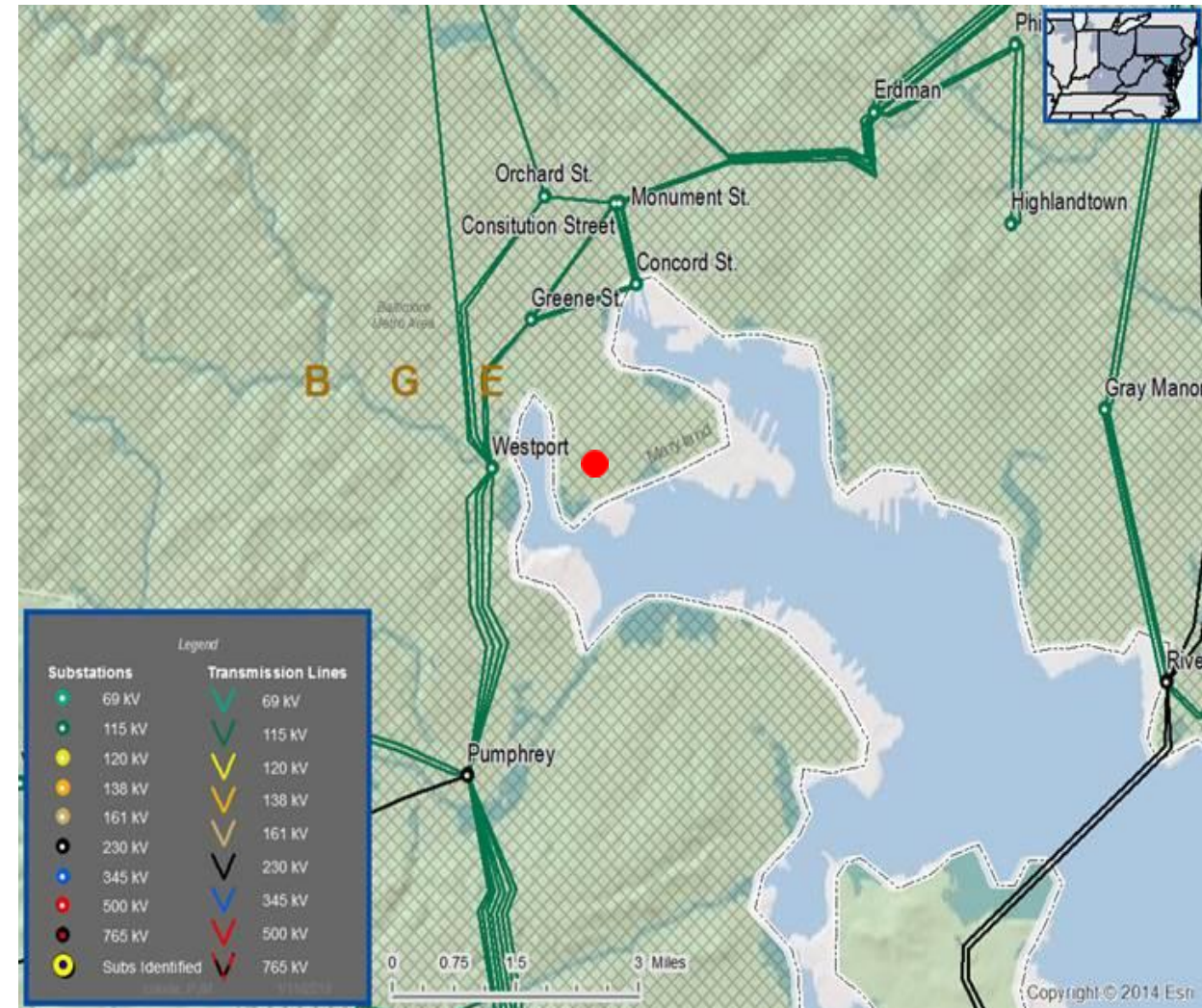
Problem Statement:

New distribution customer load on the Port Covington peninsula

Specific Assumption References:

2019 Local Planning Assumptions (BGE) – 12/07/2018 Mid Atlantic SRTEP

- Customer Service



Need Number: BE-2019-0001

Process Stage: Submission of Supplemental Project for inclusion in the Local Plan 12/03/2019

Selected Solution:

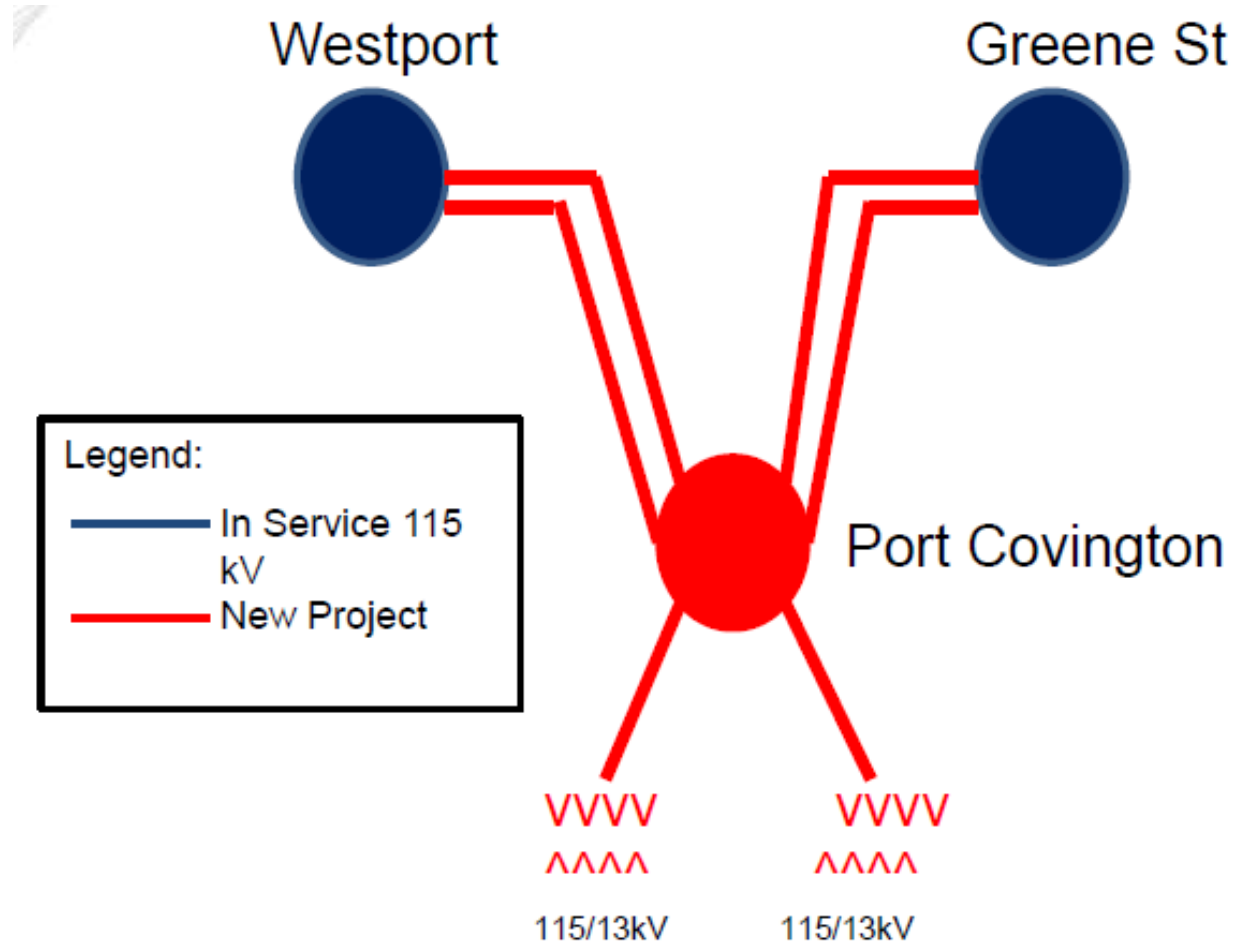
- Build a new Port Covington 115/13 kV station
- Expand existing Westport 115 kV station to accommodate new 115 kV UG circuits
- Build two 115 kV UG transmission supplies from Westport to Port Covington
- Build two 115 kV UG transmission supplies from Greene St to Port Covington

Estimated Cost: \$105M

Projected In-Service: 12/01/2026

Supplemental Project ID: S2025

Project Status: Design & Engineering



Need Number: BG-2019-0003

Process Stage: Submission of Supplemental Project for inclusion in the Local Plan 12/03/2019

Previously Presented:

Need Meeting 10/21/2019

Solutions Meeting 11/18/19

Project Driver: Equipment Material Condition, Performance and Risk

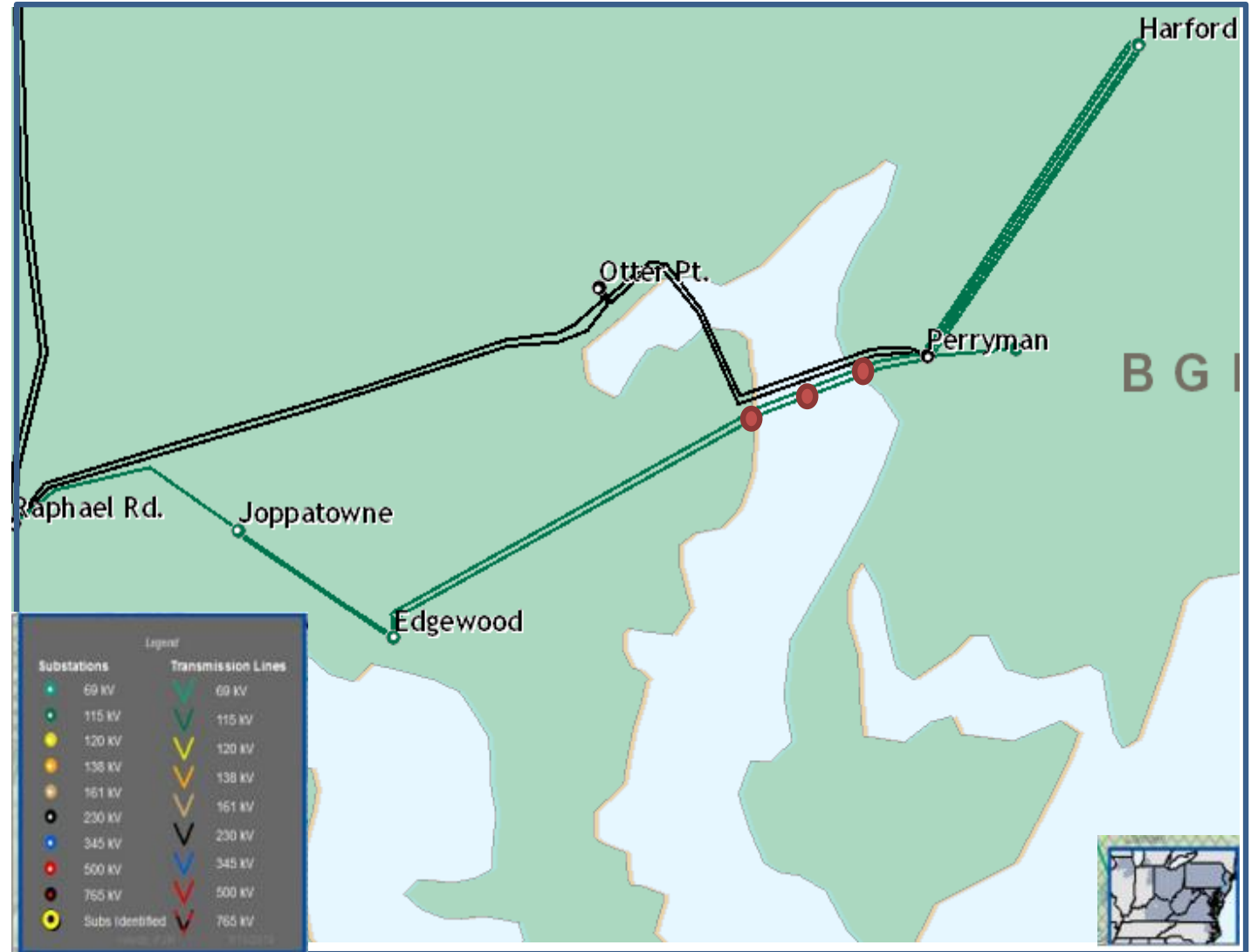
Specific Assumption Reference:

Material Condition

Problem Statement:

The Edgewood-Perryman 115kV circuits 110620, 110621 have three lattice towers with deteriorating pile and cap foundation and significant contamination of insulators, conductors, tower steel and foundations.

Model: 2024 PJM RTEP



Need Number: BG-2019-0003

Process Stage: Submission of Supplemental Project for inclusion in the Local Plan 12/03/2019

Selected Solution:

Replace existing 3 lattice towers and conductor with 7 new double circuit monopole towers and conductor.

Ancillary Benefits:

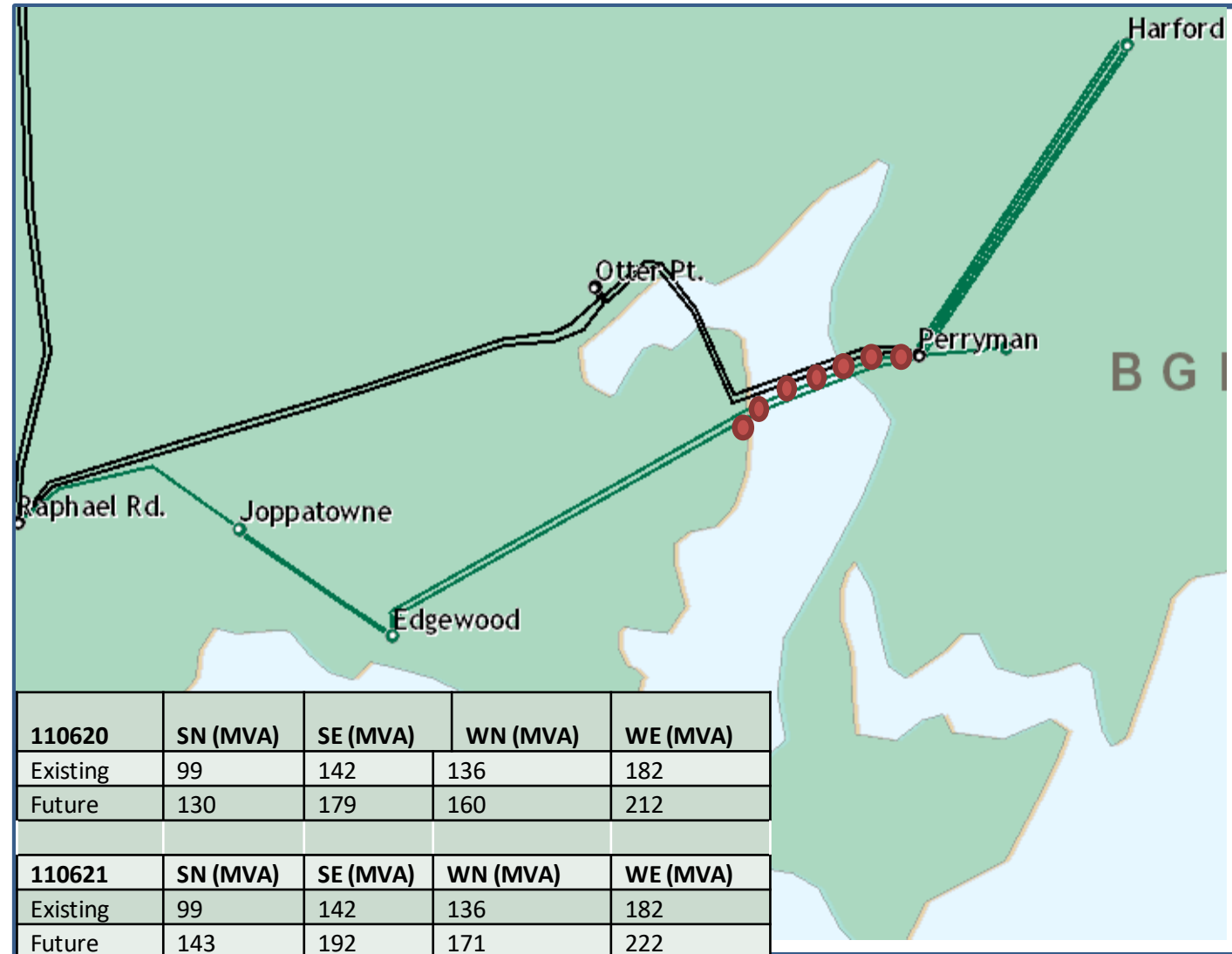
- Increased clearances over waterway reducing risk of future sailboat contacts
- Increased overall circuit capacity.

Estimated Cost: \$13.3M

Projected In-Service: December 2022

Supplemental Project ID: S2080

Project Status: Engineering



Revision History

12/03/2019 – V1 – Posted Local plan for S2025 and S2080