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Education, Energy, and
Environment Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB1083 - Public Utilities - Electric Distribution System Planning - Regulations, Plans, and Fund

March 6, 2024

Chair Feldman, Vice-Chair Kagan, and members of the Education, Energy, and Environment Committee:

Thank you for your consideration of Senate Bill 1083 - Public Utilities - Electric Distribution System Planning - Regulations, Plans, and Fund, which will contribute to our state's strategy as we move to meet our renewable energy goals.

The State of Maryland has worked to achieve a robust and aggressive agenda to reduce our reliance on fossil fuels. This is evidenced by the passage, signage, and implementation of the Climate Solutions Now Act, Advanced Clean Cars and Trucks, and numerous bills that incentivize clean energy development through solar, wind, geothermal, and other technologies. We know that our electrical grid as currently constructed will need significant upgrades to meet the demand brought by electrification. Though we have acted to meet these challenges, we know there will be continued work on this issue.

Senate Bill 1083 seeks to take the next steps in ensuring our electric grid is sufficient for the future. A new grid reality requires new methods of planning. That is why this bill calls for innovative "bottom-up" forecasting from the PSC and utilities. This type of forecasting is granular in nature and identifies changes in customer demand from residential and commercial buildings. Bottom-up forecasting will better account for the increased adoption of electric vehicle chargers, electric heat pumps, solar arrays, and battery storage technologies.

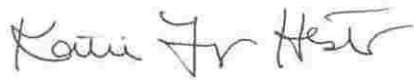
Senate Bill 1083 also requires utilities to anticipate where grid upgrades will be needed to support increased electrification and consider electric distribution system upgrades in overburdened communities. Additionally, to maximize long term affordability and efficiency, this bill requires coordination amongst gas and electric companies to ensure the grid is ready to accommodate new electric appliance load by the time it's needed by customers. Finally, SB 1083 ensures utilities identify optimal locations for siting of distributed energy resources based on distribution system and customer needs, location type, and where overburdened communities might benefit.

Work groups commissioned by some of the legislation referenced earlier such as the Distribution Planning Workgroup have taken on the challenge of finding solutions that will make our grid ready for the future. My bill does not seek to interrupt or duplicate their process, rather to add a few more tools as resources for the work group and the General Assembly to make the best decisions in modernizing our grid.

In conjunction with Advanced Energy United, my office has worked hard with the PSC, MEA, and OPC to draft amendment language that ensures this bill is aligned with the state's strategic vision and goals for electrification. I am appreciative of the PSC, MEA, and OPC for their hard work, thoughtfulness, and diligence on this bill. We have amendments currently in drafting, one of which will remove the make ready fund in section 7-806.

Thank you Mr. Chair, I ask that the committee provide a favorable report on SB 1083.

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester". The signature is written in a cursive, flowing style.

Senator Katie Fry Hester
Howard and Montgomery Counties