

Letter of Information
Education, Energy, and
Environment
3/8/2024

**Senate Bill 1083 - Public Utilities - Electric Distribution System Planning -
Regulations, Plans, and Fund**

Baltimore Gas and Electric Company (BGE) offers this letter on *Senate Bill 1083* and the proposed amendments. *Senate Bill 1083* requires the Public Service Commission (Commission) to adopt certain regulations to oversee electric distribution system planning in the State by December 31, 2025. Also, it requires electric companies to submit to the Commission upgrade plans by January 1, 2026.

BGE recognizes the importance of having a transparent distribution system planning process that supports the State's policy goals. However, *Senate Bill 1083* does not consider current ongoing Commission efforts to address distribution planning, which meet the requirements of PUA §7-801 enacted as part of the Climate Solutions Now Act of 2022 (CSNA). BGE has concerns that *Senate Bill 1083*, as introduced and as rewritten, will undermine the progress of existing efforts and could inhibit rather than support efficient progress toward developing distribution planning processes that support the State's CSNA goals.

Currently, the Commission is examining distribution planning in the Distribution System Planning Working Group (DSPWG), which BGE actively participates. This stakeholder driven process is developing a planning process that supports the state's policy goals, as required by the CSNA, including points for input from interested stakeholders into utility distribution system planning while recognizing the diversity of needs for the various Maryland electric companies due to their different service territories, customers, system configurations and available technologies/resources. Also, DSPWG has improved utility transparency through increased information sharing.

In its recent Order considering the DSPWG Report, the Commission highlighted that it was not the intent of the Commission to require the utilities to develop DSP plans which require Commission approval before implementation. Further, the Commission correctly noted

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

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that “utilities are ultimately responsible for DSP, bear the risk of cost recovery, and must retain a reasonable amount of flexibility and nimbleness in DSP decision-making.” Flexibility is necessary and important as each utility has its own system.

In addition, many areas of consensus have been reached by the stakeholders in the Working Group. The DSPWG final report is expected by April 30, 2024 (as directed by the CSNA), with Commission-developed regulations anticipated by December 2024. If passed, this legislation could conflict with current Commission work.

We are aware that there are amendments to *Senate Bill 1083*, which do not address our concerns. Specifically, *Senate Bill 1083* defines “bottom-up electricity load forecast” and requires a utility to incorporate bottom-up load in its forecasting. While BGE already incorporates a “bottom-up” load in our forecasting, the definition is too prescriptive. It does not provide the flexibility for a utility to determine how to develop its forecast within the timeline. The legislation is not aligned with current utility DSP forecasting and should allow utilities to forecast based on distribution assets, consumer habits, or consumer mix. BGE urges the General Assembly to allow the Working Group to continue its efforts.

Senate Bill 1083 also requires, under §7-805, an electric company to submit to the Commission an electric distribution system expansion plan that identifies optimal locations for the deployment of distributed energy resources. Although BGE supports the goal to increase the deployment of distributed energy throughout the State, we believe that this legislation would unnecessarily expose Maryland utilities to increased cybersecurity and physical risks especially to our electric infrastructure and critical customers (i.e., airports, military facilities, hospitals, schools, water treatment facilities). There is already a risk of a coordinated attack due to the amount of publicly available information on critical infrastructure. *Senate Bill 1083* fails to include information protection provisions, and restrictions for use or protection from Public Information Act requests. It is prudent that BGE and other electric companies be able to control the dissemination of our proprietary data and information to protect our customers, assets, and stakeholders.

Utilities need practical implementation policies that streamline processes to build and operate the future electric grid that will incorporate renewable, distributed generation assets. However, the goals and mechanisms as currently outlined in *Senate Bill 1083*, as written, and amended, could undermine while potentially not achieving the outcome that it

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seeks. Further, the DSPWG final report is expected by April 30, 2024, as directed by the CSNA.

While BGE is committed to continuing our conversations with the bill sponsor to address our concerns regarding this legislation, we believe the current Commission's DSPWG should continue to do its work in developing regulations on distribution planning process that address the concerns of all the various stakeholders throughout the State.

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