

FREDERICK H. HOOVER, JR.
CHAIR

MICHAEL T. RICHARD
ANTHONY J. O'DONNELL
KUMAR P. BARVE
BONNIE A. SUCHMAN



PUBLIC SERVICE COMMISSION

March 6, 2024

Chair Brian J. Feldman
Education, Energy, and the Environment Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401

RE: SB 1083 – Favorable with Amendments – Public Utilities – Electric Distribution System Planning – Regulations, Plans, and Fund

Dear Chair Feldman and Committee Members:

On June 23, 2021, the Public Service Commission (PSC) established Case No. 9665¹ and initiated the Distribution System Planning (DSP) Work Group, with the direction to undertake a comprehensive examination of distribution system planning in Maryland. Effective June 1, 2022, Maryland enacted the Climate Solutions Now Act (CSNA),² which among other things adopted the language now codified at Maryland Annotated Code, Public Utilities Article, § 7-801 et seq. Those sections directed the Commission to adopt regulations or issue orders by July 1, 2025, to implement specific policies for electric distribution system planning and improvements to promote a set of 12 State policy goals, among other things. To meet the mandates of the CSNA, the Commission ordered the DSP Workgroup to file its final report on April 30, 2024. SB 1083 will add additional electric distribution system planning requirements to the Public Utilities Article, § 7-801 et seq.

The Public Service Commission has worked with representatives from the Office of People's Counsel (OPC) and Maryland Energy Administration (MEA) (i.e., collectively the “joint state agencies”) to offer several amendments to the bill’s sponsor, which have been accepted. These amendments address PSC concerns associated with certain terminology and definitions, load forecasting, distribution planning objectives, and the bill’s emphasis on grid upgrades, as opposed to “non-wire” planning solutions desired by the joint state agencies. In addition, the joint state agencies agreed that the PSC should have flexibility to direct utility distribution plan filing deadlines to coordinate with other proceedings, such as rate cases, as opposed to inflexible statutory deadlines.

¹ Case No. 9665, Distribution Planning for Maryland Electric Utilities

² Senate Bill 528 (2022)

The Public Service Commission has learned that MEA will be deploying about \$10 million in Grid Resilience State/Tribal Formula Grant³ funds in FY2025. Maryland is a prime recipient of this federal grant and utilities can receive these awards. Therefore, the joint state agencies recommended elimination of the bill's "make ready" fund provisions.

I appreciate the opportunity to provide favorable testimony, with amendments to SB 1083. Please contact the Commission's Director of Legislative Affairs, Christina M. Ochoa, at christina.ochoa1@maryland.gov if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Frederick H. Hoover".

Frederick H. Hoover, Chair
Maryland Public Service Commission

³ Authorized by the U.S. Bipartisan Infrastructure Law, the Grid Resilience State and Tribal Formula Grants program is designed "to strengthen and modernize America's power grid against wildfires, extreme weather, and other natural disasters that are exacerbated by the climate crisis."