

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1079 (Delegates Fraser-Hidalgo and Wilson)
 Economic Matters

Public Service Commission - Study on the Electric Transmission and Distribution System

This bill requires the Public Service Commission (PSC) to conduct a study on the electric transmission and distribution systems in the State to provide a comprehensive assessment of the potential application of grid-enhancing technologies and advanced conductors in a manner that ensures system reliability and safeguards the cybersecurity and physical security of those systems. By January 1, 2026, PSC must report its findings to the Governor, the Senate Committee on Education, Energy, and the Environment, and the House Economic Matters Committee.

Fiscal Summary

State Effect: Special fund expenditures for PSC increase by approximately \$300,000 in FY 2026 for consultant services, under the assumptions discussed below. Special fund revenues increase correspondingly from assessments imposed on public service companies.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	\$300,000	\$0	\$0	\$0	\$0
SF Expenditure	\$300,000	\$0	\$0	\$0	\$0
Net Effect	\$0	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: None.

Analysis

Bill Summary: The study must:

- identify present and reasonably foreseeable future inadequacies in the electric transmission system in the State;
- identify alternatives to building transmission lines, including grid-enhancing technologies such as dynamic line rating, power flow controllers, topology optimization, and other hardware or software designed to reduce congestion or enhance the flexibility of the electric transmission system;
- identify economic, environmental, and social issues associated with each alternative described above;
- summarize any public input, the role of local government, and any other stakeholder involvement in the identifications described above;
- identify investments necessary to modernize the electric transmission and distribution systems by (1) enhancing reliability; (2) improving security against cyber and physical threats; and (3) increasing energy conservation by facilitating communication between utilities and their customers through the use of specified technologies.

PSC may use information and analyses from regional transmission organizations to comply with the above requirements.

Current Law: PSC must supervise and regulate public service companies, which includes electric companies, subject to its jurisdiction to (1) ensure their operation in the interest of the public and (2) promote adequate, economical, and efficient delivery of utility services in the State without unjust discrimination. In doing so, PSC must consider the public safety, the economy of the State, the maintenance of fair and stable labor standards for affected workers, the conservation of natural resources, the preservation of environmental quality, the achievement of the State's climate commitments for reducing greenhouse gas emissions, and the protection of a public service company's infrastructure against cybersecurity threats. PSC must also enforce compliance with legal requirements by public service companies.

Each year, the PSC chair must forward to the Secretary of Natural Resources a 10-year plan listing possible and proposed sites, including the associated transmission routes, for the construction of electric plants within the State, subject to specified requirements.

Each annual [*10-year-plan*](#) provides a forward-looking analysis of the composition of Maryland's electricity and generation profile and covers topics relevant to Maryland,

including load growth forecasts, and the status of the State's generation resources and electric transmission system.

State Fiscal Effect: PSC advises that it must procure a consultant to conduct the required study at an estimated cost of \$100,000 to \$500,000. This analysis assumes the midpoint of the range. PSC intends to dedicate 50% of the time of one of its existing technical staff during the study period. The consultant will be responsible for interviewing other State agency representatives, such as the Maryland Energy Administration, the Power Plant Research Program, and the Office of People's Counsel, to obtain their perspectives. Based on information from PSC, this estimate assumes those agencies can provide their input with existing budgeted resources.

Accordingly, special fund expenditures for PSC increase by approximately \$300,000 in fiscal 2026 for PSC to procure a consultant to conduct the required study. Generally, PSC is funded through an assessment on the public service companies that it regulates. As a result, special fund revenues for PSC increase correspondingly from assessments imposed on public service companies.

Additional Comments: The Department of Legislative Services advises that the January 1, 2026 report deadline is likely unachievable if PSC waits until the bill's October 1, 2025 effective date to begin the procurement process.

While not required by the bill, PSC advises that it may choose to establish a permanent workgroup to routinely evaluate advancements in new technologies and establish and evaluate pilot programs; that workgroup would require 50% of the time of one of its existing regulatory economists.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Public Service Commission; Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2025
km/lgc

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