

# **Testimony\_SB525\_Public Utilities-Distribution Syste**

Uploaded by: Alfred Bartlett, MD

Position: FAV

**Committee: Finance**

**Testimony on: SB525 “Public Utilities - Energy Distribution Planning and Required Labor Standards”**

**Position: Support**

**Hearing Date: February 15, 2022**

The Chesapeake Chapter of Physicians for Social Responsibility (CPSR) submits this testimony in support of SB525, which will provide essential legislative guidance for the Public Service Commission’s (PSC’s) recently initiated process of planning our state’s electricity distribution system. This bill is not “duplicative” of the PSC’s process: it is the legislature’s voice, speaking in the public’s interest, to provide the future-oriented grid parameters needed to guide the PSC’s work.

### **Background**

In June 2021, five years after the opening of Docket PC44, the Public Service Commission (PSC) announced its intention to address planning of the state’s electricity distribution system through formation of a new Work Group. The Work Group’s process is to be organized using guidelines developed by the National Association of Regulatory Utility Commissioners (“NARUC”) and the National Association of State Energy Officials (“NASEO”).<sup>1,2</sup> Beginning in September, the PSC has hosted three educational sessions in which the state’s investor-owned utilities (IOUs) presented their approaches to distribution system planning (DSP). On January 18<sup>th</sup> of this year, the Work Group held the first working session, in which representatives of relevant state agencies – the PSC’s Interconnection Work Group, the Office of People’s Counsel (OPC), and the Maryland Energy Agency (MEA) – presented their perspectives on how the DSP process should be carried out.

CPSR has participated in these educational sessions and in the January 18<sup>th</sup> working session. CPSR also has experience with other PSC working groups, including since 2015 being an active member of the “Net Metering Work Group” overseeing the Community Solar Energy Generating Systems (CSEGS) Pilot Program, and recently the PC54 Work Group on Community Choice Aggregation. This testimony reflects these experiences and insights into the DSP process.

### **Distribution system planning is key to achieving our clean energy and climate-related goals.**

The design and future investment in the distribution system will determine –

- How much solar and storage we can build, and where;
- Our ability to electrify buildings and transportation – including which neighborhoods can have electric vehicle (EV) charging and whether that charging can be bi-directional;
- Our ability to use Smart Grid technologies to handle demand peaks at the lowest cost (without need for fossil-fuel powered “peaker plants”);
- Our system’s resilience and reliability in the face of climate and cyber threats;
- The development of microgrid resilience hubs for vulnerable communities; and,
- How equity, transparency, and ratepayer participation are part of our electricity future.

### **With major federal funding coming for grid modernization, the legislature must set our direction.**

At national level, the federal Infrastructure Investment and Jobs Act includes –

- \$5 billion to support “grid hardening grants” (§ 40101);

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<sup>1</sup> Blueprint for State Action, NARUC-NASEO Task Force on Comprehensive Electricity Planning; February 2021

<sup>2</sup> Jade Cohort Roadmap, NARUC-NASEO Task Force on Comprehensive Electricity Planning; February 2021

- \$6 billion in grants for innovative approaches to transmission, storage, and distribution infrastructure to harden and enhance system reliability and resilience (§ 40103);
- \$3 billion expansion of the Smart Grid Matching grant program for enhancing grid flexibility, including investments in distribution systems, microgrids, and vehicle-to-grid technologies (§ 40107); and,
- \$500 million for the State Energy Program.

This is an unprecedented opportunity – we can't leave potential resources on the table, and we need to use them wisely. Federal funds not only provide a great opportunity for grid investment but will also save ratepayers money. The present state administration has missed other opportunities to capture federal funds, and has also returned some funds that could have benefited Maryland residents.

### **SB525 provides needed specificity for our distribution grid planning.**

The several IOU's educational presentations on DSP showed that their planning generally considers near-term capacity requirements, evaluates additional power demand mostly in relation to immediate changes such as development of a new commercial center, and is primarily focused on reliability.

Reliability is certainly a key consideration, but by itself doesn't respond to the evolution required for a modernized grid and our increasingly complex energy needs. While the NARUC-NASEO process and the PSC generally acknowledge the need to align planning with state "policy goals" and consideration of "distributed energy resources," there is no more specificity than that.

SB525 adds essential definition to our state's greenhouse gas reduction, clean energy, equity, and fair labor goals by requiring the DSP process to promote:

- Decarbonization and greenhouse gas reduction;
- Energy efficiency;
- Load variability
- Electric grid resiliency and reliability;
- Adaptation to climate change;
- Load management;
- Bidirectional power flows;
- Demand response;
- Non-wire alternatives and non-capital options (*e.g.*, demand management software);
- High levels of distributed energy resources and electric vehicles;
- Energy equity;
- Electrification of building and transportation sectors;
- Stakeholder engagement and input; and,
- Fair and stable labor standards.

### **Our DSP process will affect the lives and interests of many stakeholders beyond the IOUs and the state regulatory authorities.**

Getting the grid-of-the-future Maryland needs requires input from key stakeholders, including –

- Low income and minority communities, who are typically under-represented in determination of renewable energy development and grid management;
- Developers of new electricity demand and management systems, like battery storage, building electrification, and software developers;
- Electric vehicle and related charging network developers;
- Workers;
- Residential and small commercial energy consumers; and,
- Renewable energy developers.

*Physicians for Social Responsibility is a national organization of doctors and other health professionals dedicated to averting two overarching threats to human health and well-being: nuclear weapons and climate change. PSR is a component of International Physicians for the Prevention of Nuclear War, which received the 1985 Nobel Peace Prize.*

Private sector investment is also at stake: while the IOUs (hopefully with federal support) will be investing in the distribution grid, substantial amounts of private sector capital will also be invested. Private investments include everything from individual homeowners' solar arrays and EV charging stations, to larger EV charging networks, commercial and community solar arrays, battery storage projects, etc. Those investments will depend on how the grid is developed.

In the January 18<sup>th</sup> session of the DSP Work Group, all three state government agencies – the PSC's Interconnection Work Group, the Office of People's Counsel (OPC), and the Maryland Energy Agency (MEA) – emphasized the need for such broad stakeholder engagement. The NARUC-NASEO "Roadmap" document itself states *"We see the need for a new stakeholder working group on integrated distribution planning... to ensure coordination and appropriate attention from utilities and stakeholders."*<sup>1</sup>

As the People's Counsel stated during OPC's January 18<sup>th</sup> presentation, *"Utilities plans and proposals will only be fully consistent with the public interest by coincidence."*<sup>3</sup>

**However, the present DSP approach doesn't assure such broad participation.**

Although the meetings are "open," many of these other important constituencies are not presently represented. In reality, to participate in the first substantive Work Group session, an organization or individual had to already be on the PSC's mail list, receive notice to then go to a formal PSC "Notice of Educational Session," and from there be directed to contact a specific individual to be given access to the proceedings. This approach is unlikely to achieve the broad stakeholder participation needed.

SB525 also therefore expresses the legislature's intention that DSP should support a regulation development process that will include these multiple important stakeholders.

**Other state legislatures have provided direction to their state's Distribution System Planning.**

Legislatures in states including Washington,<sup>4,5</sup> Illinois,<sup>6</sup> Nevada,<sup>7</sup> Maine,<sup>8</sup> New York,<sup>9</sup> Colorado,<sup>10</sup> and California,<sup>11</sup> have acted to provide guidance to their Public Services/Public Utilities Commissions regarding planning of their electricity distribution systems. Issues covered in legislation include planning for expansion of distributed energy resources, EV capacity, Smart Grid technology and non-wire solutions, cost effectiveness, labor standards, and energy justice.

In all these critical ways –

- capturing and guiding investment of federal funds;
- elaborating key areas where grid planning is needed to address our broader legislative goals; and,
- promoting a broadly inclusive planning process –

SB525 adds to the current DSP process an essential legislative voice on behalf of Maryland's citizens and interested parties who are otherwise not represented.

**Because this DSP process has been initiated, it is necessary for the legislature to speak now.**

We therefore strongly urge a favorable report by the Committee on SB525.

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<sup>3</sup> CN9665 - Distribution System Planning Session IV - 01/18/2022; video recording (minutes 29:12-29:16): <https://www.youtube.com/watch?v=h6Hdtl3Qsxo&t=1777s>

<sup>4</sup> Washington, [SB 5116 \(enacted 2019\)](#)

<sup>5</sup> Washington, [State law WAC 480-100-610](#)

<sup>6</sup> Illinois, Climate and Equitable Jobs Act (SB2408, 2021)

<sup>7</sup> Nevada, [NRS 704.741-746](#)

<sup>8</sup> Maine, [An Act to Reduce Electricity Costs Through Nonwires Alternatives](#) (LD1181 2019)

<sup>9</sup> New York, A09508, 2020

<sup>10</sup> Colorado, SB 19-236, 2019

<sup>11</sup> [PUC Order Instituting Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resources Future](#) sets out background legislative and administrative processes

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Respectfully,

Alfred Bartlett, M.D., F.A.A.P.  
Board Member and Energy Policy Lead  
Chesapeake Physicians for Social Responsibility  
[alfredbartlett@msn.com](mailto:alfredbartlett@msn.com)  
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# **Testimony-SB 525-Support-UULMMD-Phil Webster - Goo**

Uploaded by: Ashley Egan

Position: FAV



# Unitarian Universalist Legislative Ministry of Maryland

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## **Testimony in Support SB 525 - Public Utilities - Energy Distribution Planning and Required Labor Standards**

To: Chairman Kelley and the members of the Finance  
From: Phil Webster, PhD - Lead Advocate for Climate Change  
Unitarian Universalist Legislative Ministry of Maryland.  
Date: February 15, 2022

The Unitarian Universalist Legislative Ministry of Maryland (UULM-MD) strongly supports the Energy Distribution Planning and Required Labor Standards in SB 525 - Public Utilities - Energy Distribution Planning and Required Labor Standards.

The UULM-MD is a faith-based advocacy organization based on the Principles of Unitarian Universalism. Two Principles are particularly relevant. The Second Principle, Justice, equity and compassion in human relations and the Seventh Principle, Respect for the interdependent web of all existence of which we are a part.

We believe in justice, equity and compassion in human relations. We know that global climate change impacts marginalized communities first and worse. Accelerating the transition to clean green energy requires a modern electrical grid. Which needs to be built with workers who receive fair and equitable labor standards and family-sustaining jobs. How can there be justice and equity if one part of society is reaping in the benefits, while another is paying all of the costs?

We also believe that we should all have respect for the interdependent web of all existence of which we are a part. We also know that the growing use of fossil fuels increases greenhouse gasses leading to increasing global temperatures, increased frequency and intensity of severe weather and sea level rise. Maryland is particularly susceptible to loss of coastal line due to sea level rise and agricultural land due to salt intrusion, so being proactive is in our best interest. Please keep us on the right and moral path towards a livable climate and a sustainable world. We owe it to our children.

SB 525 will help Maryland undertake the improvements needed to have a resilient electricity grid that supports the clean-energy economy and workers of the future. We support this bill and recommend a FAVORABLE report in committee.

***Phil Webster, PhD***

Lead Advocate for Climate Change UULM-MD

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# **SB0525\_GRID\_MLC\_FAV.pdf**

Uploaded by: Cecilia Plante

Position: FAV





## TESTIMONY FOR SB0525

### Public Utilities - Energy Distribution Planning and Required Labor Standards

**Bill Sponsor:** Senator Feldman

**Committee:** Finance

**Organization Submitting:** Maryland Legislative Coalition

**Person Submitting:** Cecilia Plante, co-chair

**Position:** FAVORABLE

I am submitting this testimony in favor of SB0525 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Due to the one-time federal infrastructure funding that Maryland will receive to support grid improvements along with the grant funding from the Department of Energy to support grid modernization, we need to be smart about how we plan to update and modernize our energy grid. The current process that the Public Service Commission (PSC) uses to plan for updates to the grid is not inclusive, and many of the people who are affected by these updates don't have visibility or a voice in the process. Additionally, we must make sure that we spend the federal infrastructure money wisely as we are in a tipping point with climate change and we need to focus much more heavily on having the grid support the green energy that we will rely on in the future.

This bill will bring more voices into the planning process, including –

- Residential and commercial energy customers
- Low-income communities
- Environmental advocacy groups
- Labor unions
- Industry experts in electric vehicles, distributed energy resources, and distribution planning

It also will provide guidelines for the process and help direct federal infrastructure funding, as well as promote and support family-sustaining jobs with prevailing wages and health and retirement benefits.

We have a lot of work to do to support our clean energy expansion, develop resiliency hubs, manage peak demand on our grid, and so much more. The planning process for the update and modernization of our energy grid could not be more important right now. We need to get this right and the PSC should not do this alone. Everyone who has a stake in the outcome should have a voice in the process.

We support this bill and recommend a **FAVORABLE** report in committee.

# **SB0525\_OPC\_Support.pdf**

Uploaded by: David Lapp

Position: FAV

DAVID S. LAPP  
PEOPLE'S COUNSEL

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BRANDI NIELAND  
DIRECTOR, CONSUMER  
ASSISTANCE UNIT

**BILL NO.:** Senate Bill 525  
Public Utilities – Energy Distribution Planning and Required  
Labor Standards

**COMMITTEE:** Senate Finance

**HEARING DATE:** February 15, 2022

**SPONSOR:** Senator Feldman

**POSITION:** Support

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The Office of People's Counsel wholeheartedly supports Senate Bill 525. SB 525 requires the Public Service Commission to hold a stakeholder-driven distribution planning proceeding and adopt by order or regulations electric system planning requirements. The legislation provides important backing from the General Assembly for long-term electric system planning. This planning is key to enhancing Maryland's electric system for the benefit of consumers and meeting the state's environmental goals. The bill also creates an important path for Maryland to access federal infrastructure funding to support its electric distribution system.

### **Background**

As introduced on January 12, 2022, SB 525 sets forth state goals with respect to decarbonization, greenhouse gas reduction, renewable energy, equity, labor standards, and promoting cost-effective distribution system resiliency and reliability. The bill establishes a distribution system planning workgroup and identifies stakeholders for participation. The workgroup is charged with making distribution system recommendations that promote a range of state policies, ranging from decarbonization and resiliency to energy efficiency and non-wire alternatives. The bill facilitates public participation and transparency in both creating initial planning standards and through ongoing advice to the Commission on distribution system planning.

The bill directs the Commission to use workgroup input in adopting regulations for distribution planning and implementation by no later than January 1, 2024. The regulations must promote the same factors the workgroup is directed to consider, along with several additional considerations, including, among others, state greenhouse gas reduction goals, benefits that are not readily quantifiable, least regrets investments, and metrics for measuring benefits.

The bill further provides that in rate cases utilities bear the burden of showing compliance with the Commission's regulations by quantifying benefits using objective and verifiable standards. It directs the Commission and the Maryland Energy Administration to coordinate with utilities to access federal infrastructure funds for meeting state electric distribution system goals. And it establishes labor standards for utility projects that affect the electric system infrastructure.

## **Comments**

### **1. Legislative action is needed to achieve the distribution system that serves Maryland's public policy goals and Maryland's consumers.**

SB 525 establishes an important and needed framework for Maryland's efforts to modernize the state's electric distribution system in ways that advance state policies and the interests of its citizens. The electric distribution is at a critical juncture. The future of the electric system should look very different from the traditional system of the past, but recent electric utility multiyear plans show that in the coming years utilities are planning investments in wires and concrete similar to past investments.

The future distribution system must consider new and emerging technologies and be built knowing that technological change moves quickly. Unlike the existing system, which is built mostly to enable power to flow from large, centralized power plants to homes and businesses, it must be rethought to facilitate consumer demands for decentralized and innovative technologies, including:

- microgrids;
- localized solar;
- vehicle to grid charging;
- software to manage energy use—from EVs to houseful appliances;
- new billing systems;
- in-home displays;
- appliances that communicate to new meters; and
- other new technologies.

The distribution planning process must account for these and other—perhaps unforeseen—technologies, and it must account for all players in these new and emerging

markets, whether they be consumers, aggregators of demand services, builders of EV infrastructure, or any number of others. Stated otherwise, distribution system planning should not be utility-centric, but should focus on identifying products and services that advance state policy and meet the needs of consumers. The planning should then identify the products and services best provided by utility monopolies and those for which competition will lead to the best performance for consumers.

A fulsome distribution planning process also protects utility customers. Evaluating future system needs means anticipating how public policies and consumer desires will change over time and avoiding sinking costs into technologies that will become obsolete. Traditional utility-centric planning, on the other hand, often means capitulating to the utility's incentive to invest capital—and earn a return on that capital—even if the technology may become obsolete and other investments are needed down the road. Under current utility ratemaking policies, utility shareholders are rewarded by additional capital investments, which limits the desirability for utilities of long-term planning to reduce investment and avoid the risk of obsolescence. Utility customers, however, bear the cost of investments and bear risk for paying for obsolete investments.

The General Assembly's instructions in SB 525 will help ensure that distribution system planning meets the State's goals and benefits consumers. SB 525 sets forth important criteria for diverse stakeholder input, consideration of a spectrum of technologies, furtherance of state environmental policies, and the date-certain adoption of standards by which to evaluate utility plans going forward. Without legislative guidance, any of these goals will potentially be left aside.

## **2. The Commission's current proceeding does not obviate the need for legislative action.**

The Commission's current distribution planning proceeding should not deter the General Assembly from enacting legislation to frame the planning process and the outcome. While OPC commends the Commission for initiating its ongoing distribution system planning proceeding, the endgame of the Commission's current process remains unclear. The scope of the proceeding, its goals, the outcome, and the timing remain ambiguous. For example, the Commission has not committed to establish by regulation or order any objective criteria for evaluating system planning. SB 525 would provide important guidance: guaranteeing stakeholder input over time, ensuring the planning is inclusive of alternative approaches, and establishing an unequivocal outcome—objective and verifiable standards that govern system planning and future investments.

One of the most important features of SB 525 is its mandate for the Commission to adopt regulations governing distribution planning processes and implementation no later than January 1, 2024. As noted, the Commission's current process will not necessarily result in requirements that govern distribution plans going forward. It could end without such requirements or go on perpetually. But specific requirements are critical

for successful planning. Further, each month and year that such requirements are not in place sets back Maryland climate policies and creates unnecessary risk for consumers. Indeed, SB 525's January 1, 2024, deadline is late, given that planning requirements are merely the *first* step toward actual changes in the distribution system. After the planning rules are set, utilities will have to develop and submit plans, which will then have to be adjudicated, before they are finally implemented. Thus, even after rules are set, years could pass before consumers realize any actual benefits. The requirement in SB 525 of regulations by a certain date will assist in providing benefits to consumers sooner than would otherwise occur.

**3. SB 525 facilitates Maryland's access to federal funds to support its electric infrastructure.**

Importantly, SB 525 also requires the Commission, MEA, and utilities to coordinate efforts to access federal infrastructure funding. Without this legislative mandate, Maryland may miss out on tens or even hundreds of millions of dollars in federal funds that can help the state create a distribution system responsive to public policy goals as well as consumer desires for innovative solutions to their energy needs. Indeed, without General Assembly action, utilities may resist cooperating to access federal funds because such funding may reduce earnings they could gain by making the same investments with customer funds.

**Recommendation:** OPC requests a favorable report on Senate Bill 525.

## **SB 525 - Energy Distribution Planning and Required**

Uploaded by: Donna Edwards

Position: FAV



# MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

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*President*

**Donna S. Edwards**

*Secretary-Treasurer*

**Gerald W. Jackson**

## **SB 525 – Public Utilities – Energy Distribution Planning and Required Labor Standards Senate Finance Committee February 15, 2022**

### **SUPPORT**

**Donna S. Edwards**

**President**

**Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 525 – Public Utilities – Energy Distribution Planning and Required Labor Standards. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 340,000 union members, I offer the following comments.

For the past several years, a discussion has been building in Annapolis among policy makers and legislators regarding the future of energy in Maryland. There is a growing call to upgrade our power grid for greater efficiency and to handle the changes that are coming to power generation and distribution due to the growth of renewable and carbon-free energy, as well as the need for adaptation and mitigation from the effects of climate change. As we speak, the Public Service Commission (PSC) is beginning the process of Energy Distribution Planning for the future. It would be a mistake if we sat idly by as plans were made around us.

SB 525 is an historic opportunity for us to work with the PSC to direct what our energy distribution future should look like. With the creation of the Distribution System Planning Workgroup, multiple stakeholders will be engaged in planning for our energy future. Most notably, workers – those with the expertise in generation, distribution, and climate change adaptation and mitigation – have a voice in this process through appointment to the workgroup. Additionally, and of even greater importance, the workgroup is charged with studying and making recommendations for distribution planning that promotes labor standards in all elements of electric grid modernization. The input of workers on the workgroup, and the inclusion of required labor standards in promulgated regulations is vital to the future of energy in Maryland as we are looking toward a global energy transition over the next few decades.

Additionally, SB 525 requires that all contractors and subcontractors working on our electrical grid and distribution system pay Prevailing Wage, participate in a registered apprenticeship



program, offer health care and retirement, have a goal of 25% of total work hours performed by Maryland residents, and have complied with federal and state wage and hour laws for the previous three years. This commonsense measure ensures that a higher quality workforce is building Maryland's energy infrastructure of the future. If we invest in building it correctly, we will save tremendous resources on having to fix, upgrade, or correct problems in the future. Ratepayers deserve the highest skilled workforce, and our clean energy future demands it.

**For these reasons we ask for a favorable report on SB 525.**

# **Maryland SB-525.pdf**

Uploaded by: Gary Griffin

Position: FAV



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**Maryland Senate Finance Committee  
SB-525 Public Utilities – Energy Distribution  
Planning and Required Labor Standards  
February 15, 2022  
Position: SUPPORT**

**To:** Honorable Delores G. Kelley, Chair, and distinguished members of the Senate Finance Committee

**From:** Gary R. Griffin, International Representative, International Brotherhood of Electrical Workers

The IBEW, and its 11,749 members that reside in Maryland strongly support SB-525.

With financial support soon to be available to States from the Federal Government, via the Infrastructure Investment and Jobs Act, this bill will be a great opportunity to put in place legislation that will, far into the future, help the working families and employers in Maryland. Which, in turn, will strengthen our communities, which will strengthen our State, and last but not least strengthen the Electrical Grid in Maryland. Maryland has, for far too long, relied on energy that has been imported from other States. Maryland residents deserve the good paying jobs and benefits the Labor Standards of this legislation will provide, as we improve and expand the Electrical Grid System in Maryland.

This bill will be an investment in the future of Maryland's working people, employers, and Energy Independence.

In closing, I respectfully request that you support SB-525, as written, by giving it a favorable report.

Thank you for accepting my testimony and consideration of my recommendation.

Sincerely,

Gary R. Griffin  
International Representative, IBEW

# **SB 525\_CHESSA\_SUPPORT.pdf**

Uploaded by: Isaac Meyer

Position: FAV



**SUPPORT**

**Senate Bill 525**

**Public Utilities - Energy Distribution Planning and Required Labor Standards**

**Finance Committee**

**February 15, 2022**

Honorable Delores Kelley  
Chair, Finance Committee  
3 East  
Miller Senate Office Building  
Annapolis, Maryland 21401

Chair Kelley, Vice-Chair Feldman, and members of the Committee,

On behalf of the Chesapeake Solar & Storage Association (CHESSA), thank you for the opportunity to issue our **SUPPORT** of **Senate Bill 525**, which would establish a Distribution System Planning Workgroup and complement the Public Service Commission's current Distribution System Planning Process.

Distributed energy resources (DERs), such as solar power, play an important role providing power and grid services where they are needed most. However, to meet Maryland's climate goals, distribution grid planning must evolve from a largely closed process (a "black box") to one which allows transparency into system needs, plans for distributed energy resources growth, and ensures that the capabilities of distributed energy resources are fully utilized.

This bill attempts to improve this process by ensuring representative engagement in the distribution grid planning processes. Additionally, this bill directs one-time federal infrastructure funding to support grid improvements, which works in tandem with grant funding from the Department of Energy to support grid modernization.

On behalf of CHESSA, thank you for your support of Maryland's solar industry and we recommend a favorable report on Senate Bill 525.

Submitted by:

Isaac Meyer, Compass Government Relations Partners on behalf of CHESSA

# **SB 525 Public Utilities Energy Distribution Planni**

Uploaded by: Jeffry Guido

Position: FAV



## Maryland Senate Finance Committee

**Chair: Delores G. Kelley**

**Vice Chair: Brian J. Feldman**

### **Senate Bill 525 Public Utilities – Energy Distribution Planning and Required Labor Standards**

#### **Position: Support**

The Baltimore DC Metro Building Trades Council supports SB 525. The establishment of labor Labor standards on renewable energy and the upgrading of the power grid is crucial for Maryland's energy future. Maryland has four major utility suppliers, BG & E, PEPCO, Potomac Edison and Delmarva Power. Currently hydroelectric, solar, wind and biomass account for about 11% of renewable energy with another 75% being imported into MD. A 2018 Abel Foundation report showed that 97% of end users with 3<sup>rd</sup> party suppliers pay more than the standard service offer of the big four. As Maryland moves forward with improvements to the distribution grid, it is imperative that this work is done with contractors and subcontractors who will:

1. Pay the area prevailing wage standard for each trade, including the wages and fringe benefits per trade, and be subject to all state reporting and compliance requirements.
2. Participate in an apprenticeship program registered with the State of Maryland for each trade employed on the project.
3. Have been compliant with federal and state wage and hour laws in the previous three years.
4. Establish and execute a plan for outreach, recruitment, and retention of Maryland residents to perform work on the project—including residents who are returning citizens, women, minority individuals, and veterans—with an aspirational goal of 25 percent of total work hours performed by Maryland residents, including individuals in one or more of the groups identified.

**Value on Display... Everyday.**



Electrical Workers  
Insulators  
Boilermakers  
United Association  
Plumbers & Gas Fitters  
Sprinkler Fitters  
Steam Fitters  
Roofers  
Cement Masons  
Teamsters  
Laborers  
Bricklayers  
Ironworkers  
Sheet Metal Workers  
Elevator Constructors  
Painters  
Operating Engineers  
Carpenters

5. Offer health care and retirement benefits to the employees working on the project.
  6. Maintain appropriate license requirements and are in good standing to perform the work.
- c. Exempts the prevailing wage requirement if construction of the renewable energy project is covered by a project labor agreement.

We ask the committee for a favorable vote. Thank you.

Respectfully,

Jeffry Guido

Baltimore-DC Metro Building Trades Council



Value on Display... Everyday.



# **BaltimoreCounty\_FAV\_SB0525.pdf**

Uploaded by: Joel Beller

Position: FAV



JOHN A. OLSZEWSKI, JR.  
*County Executive*

JOEL N. BELLER  
*Acting Director of Government Affairs*

JOSHUA M. GREENBERG  
*Associate Director of Government Affairs*

MIA R. GOGEL  
*Associate Director of Government Affairs*

**BILL NO.: Senate Bill 525**

**TITLE: Public Utilities - Energy Distribution Planning and Required Labor Standards**

**SPONSOR: Senator Feldman**

**COMMITTEE: Finance**

**POSITION: SUPPORT**

**DATE: February 15, 2022**

Baltimore County **SUPPORTS** Senate Bill 525 – Public Utilities - Energy Distribution Planning and Required Labor Standards. This legislation would establish labor standards for contractors and subcontractors working within energy projects and help ensure that Maryland’s electrical distribution system can support clean, efficient and reliable sources of energy.

The need for sustainable sources of energy is urgent. Maryland has lead this initiative mandating ambitious renewable energy goals, supporting the growth of solar energy, and approving Offshore Renewable Energy Credits for the creation of four wind projects. The rapid growth in the clean energy market has created a need for local supporting facilities and subsequently, a new demand for a workforce to stand up these projects. Some of these facilities are poised to come to Baltimore County which will create new opportunities for local skilled workers. It a priority for the County that all those working on emerging energy projects housed locally and throughout the State are protected by strict labor standards.

Senate Bill 525 ensures the protection of workers by mandating that electric and gas companies require project contractors or subcontractors to pay a prevailing wage and offer health insurance. The legislation also requires that those contractors working on energy projects plan for the recruitment of residents with special consideration for veterans, women, minority individuals, and returning citizens. The goals describe in this bill are complimentary to the plans of Baltimore County as it works to increase its use of renewable energy, ramp up electrical vehicle infrastructure, and see the further electrification of residential and commercial equipment.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 525. For more information, please contact Joel Beller, Acting Director of Government Affairs at [jbeller@baltimorecountymd.gov](mailto:jbeller@baltimorecountymd.gov).

# **SB 525\_CBF SUPPORT.pdf**

Uploaded by: Joshua Kurtz

Position: FAV



# CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration  
Environmental Education*

## Senate Bill 525

Public Utilities – Energy Distribution Planning and Required Labor Standards

Date: February 15, 2022  
To: Finance Committee

Position: **Support**  
From: Josh Kurtz, MD Executive Director

Chesapeake Bay Foundation (CBF) **SUPPORTS** Senate Bill 525, which builds on the Public Service Commission's Distribution System Planning process by providing valuable guidelines to meet greenhouse gas reduction goals, planning for increased renewable energy distribution, supporting inclusive stakeholder engagement, and directing federal infrastructure funding to support this important work.

**This bill requires the planning needed to overcome grid capacity issues and advance clean energy projects.**

CBF's Clagett farm, a 285-acre vegetable and livestock operation in Upper Marlboro, has been working to develop a solar array to pioneer compatible grazing practices. CBF has been working with farmers for over 40 years to demonstrate the efficacy of innovative practices for regenerative agriculture. One area where there is growing interest is the implementation of small-scale solar facilities that can be enrolled in community solar programs or sold to utilities that fit within normal farm operations. At CBF, we identified multiple marginal pasture areas where we graze sheep that could be compatible with solar panels. We worked with a developer to implement the project, but we have been stymied due to grid congestion. We have heard from other farmers that this is hurdle that have impacted their ability to participate in renewable energy deployment and the associated mitigation of greenhouse gases. A proactive planning process will help to identify and eventually alleviate congestion areas where there is high demand for deployment.

**Considerable work has been done around solar siting in Maryland, but grid congestion often remains a hurdle to solar siting.**

For the past several years stakeholder groups, legislative work groups and advocacy organizations have hosted symposiums around challenges related to solar siting. There are concerns from advocates around the loss of the green space and productive agricultural areas for solar development when there are thousands of acres of marginalized lands, including 9,500 acres of abandoned mines<sup>1</sup>. Many of these conversations led to numerous land classifications that had wide stakeholder support for re-development. HB 88's planning process would require proactive grid planning to access these widely accepted areas for distributed renewable energy without negative impacts to Maryland's natural resources.

**CBF urges the Committee's FAVORABLE report on SB 525.** For more information, please contact Robin Jessica Clark, Maryland Staff Attorney, at [rclark@cbf.org](mailto:rclark@cbf.org) and 443.995.8753

<sup>1</sup> Maryland Department of Environment, [Abandoned Mine Lands and Acid Drainage](#).

Maryland Office • Philip Merrill Environmental Center • 6 Herndon Avenue • Annapolis • Maryland • 21403  
Phone (410) 268-8816 • Fax (410) 280-3513

# **SB525-GRID Act-Finance-CJW-fav.pdf**

Uploaded by: Laurie McGilvray

Position: FAV



**Committee: Finance**

**Testimony on: SB525 - Public Utilities - Energy Distribution Planning and Required Labor Standards**

**Organization: Climate Justice Wing of the Maryland Legislative Coalition**

**Submitting: Laurie McGilvray, Co-Chair**

**Position: Favorable**

**Hearing Date: February 15, 2022**

Dear Chair and Committee Members:

Thank you for allowing our testimony today in support of SB525. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably on SB525.

SB525 complements the Public Service Commission's (PSC's) existing Distribution System Planning process. The bill will establish a Distribution System Planning Workgroup to study issues related to energy distribution planning and implementation. In addition, it will require the PSC to adopt regulations related to energy distribution planning and implementation; require the PSC and the Maryland Energy Administration to coordinate with utilities regarding federal infrastructure grid improvement funding; and establish labor standards for contractors and subcontractors in grid modernization projects.

This time is now for Maryland to speed up the pace of its grid modernization, because it is a critical part of the state's strategy to transition to renewable energy, electrify the building and transportation sectors, and to be resilient in the face of a changing climate. Furthermore, workers involved in distribution grid upgrade projects must also reap the benefits of the transition through family-sustaining wages, health and retirement benefits, and apprenticeship programs. The bill includes these provisions, as well as plans to recruit and retain state residents, including returning citizens, women, minority individuals, and veterans, in these important jobs.

SB525 will help Maryland undertake the improvements needed to have a resilient electricity grid that supports rapid electrification, a clean-energy economy, and workers for the future. We support this bill and recommend a **FAVORABLE** report in committee.

# **GRID ACT Senate 2022.pdf**

Uploaded by: nanci Wilkinson

Position: FAV



**Committee: Senate Finance Committee**

**Legislation: SB 0525/HB 0088 Energy Distribution Planning and Required Labor Standards Establishing the Distribution System Planning Workgroup to study issues related to energy distribution planning and implementation; requiring the Public Service Commission to adopt regulations on or before January 1, 2024, related to energy distribution planning and implementation; requiring the Commission and the Maryland Energy Administration to coordinate efforts with utilities to apply for certain federal funds; and establishing labor standards for contractors and subcontractors participating in certain projects.**

**Organization: Environmental Justice Ministry Cedar Lane Unitarian Universalist Church**

**Position: Favorable**

**Hearing Date: February 15, 2022**

Dear Committee Chair and Committee Members,

A favorable vote for SB 0525 known as the Grid Reliability and Inclusive Distribution Act is essential to address the huge demand for electricity from our fragile GRID that will be forthcoming as the state of Maryland and the world tries to decarbonize and reduce greenhouse gases to 1.5 degrees centigrade to stabilize the earth's climate. This legislation will help Maryland reach its statewide goals of 40% emissions reduction by 2030 and net zero by 2045. The Environmental Justice Ministry of the Cedar Lane Unitarian Universalist Church, as a people of faith, holds in its Second Principle that the inherent worth and dignity of every person requires a safe and clean environment for all with equal access to a resilient energy system.

The Public Service Commission's Distribution System Planning process will be enhanced in this GRID Act by:

- Requiring the planning process to support state goals of decarbonization, greenhouse gas reductions, renewable energy, equity, family-sustaining employment, energy Resiliency and reliability, and cost effectiveness.
  - Require the PSC to form and staff a Distribution System Planning workgroup with energy stakeholders including residential customers, low-income communities, environmental advocacy groups, labor unions, and industry experts in electric vehicles, distributed energy resources and distribution planning.
  - Require an annual report from the workgroup about the Distribution Planning Process
- and adopt appropriate regulations for implementation.
- Require all Distribution GRID projects to support family sustaining jobs.

Please vote favorable for this critical legislation to ensure Marylanders have an Energy GRID for a sustainable future.

Nanci Wilkinson

Environmental Justice Ministry Team

Cedar Lane Unitarian Universalist Church



# **SB0525-FAV-DTMG-2-15-22.pdf**

Uploaded by: Olivia Bartlett

Position: FAV



**Olivia Bartlett, DoTheMostGood**

**Committee:** Finance

**Testimony on:** SB0525 – Public Utilities - Energy Distribution Planning and Required Labor Standards

**Position:** Favorable

**Hearing Date:** February 15, 2022

**Bill Contact:** Senator Brian Feldman

DoTheMostGood (DTMG) is a progressive grass-roots organization with more than 3000 members across all districts in Montgomery County as well as a number of nearby jurisdictions. DTMG supports legislation and activities that keep residents healthy and safe in a clean environment and which promote equity across all our diverse communities. DTMG strongly supports SB0525 because it will help Maryland undertake the improvements needed to have a resilient electricity grid that supports the clean-energy economy and workers of the future.

Modernizing Maryland's electricity grid is a high priority – it's a key tool in fighting climate change and is critical for the state's ability to transition to renewable energy, electrify our building and transportation sectors, and be resilient in the face of climate change. With federal infrastructure funds coming to Maryland, we have a once-in-a-generation opportunity for grid investments that will help us meet our state goals.

The Distribution System is the part of the energy grid that the state regulates through the Public Service Commission (PSC). How the Distribution Grid is planned and maintained will not only determine how reliable and resilient our energy system is but also whether we can reach our clean energy and greenhouse gas reduction goals.

The PSC is beginning a Distribution System Planning. SB0525 aims to ensure the Distribution System Planning process is done in an equitable way and will produce the grid we need to have for the reliable, just, future-oriented energy system that we want. SB0525 complements the PSC's existing Distribution System Planning process by:

- explicitly defining that state goals of decarbonization, greenhouse gas reductions, renewable energy, equity, family-sustaining employment, energy resiliency and reliability, and cost-effectiveness be met by the planning process.
- harnessing federal funding to support grid investments needed to meet our goals.
- ensuring transparency and engagement by establishing a broadly based and inclusive stakeholder workgroup to study issues related to energy distribution planning and implementation.
- directing investments in the grid to create family-sustaining jobs.

In addition, SB0525 will create transparency by requiring an annual report from the workgroup about the distribution planning process; will require the PSC to adopt regulations related to energy

distribution planning and implementation; and will require the PSC and the Maryland Energy Administration to coordinate with utilities regarding federal infrastructure grid improvement funding.

Importantly, SB0525 will establish labor standards for contractors and subcontractors in grid modernization projects. Workers involved in distribution grid upgrade projects also must reap the benefits of the transition through family-sustaining wages, health and retirement benefits, and apprenticeship programs. SB0525 includes these provisions, as well as plans to recruit and retain state residents, including returning citizens, women, minority individuals, and veterans.

As states increase renewable energy goals, adjust to climate threats, and plan for a future with more electricity needs, grid modernization is a high priority. Many states have mandated that distribution planning processes directly support state energy, equity, and economic goals. Illinois, New York, and California have all used legislation to set clear parameters for the distribution planning process. By passing SB0525, we can ensure that we build a grid ready for the future.

Therefore, DTMG strongly supports SB0525 and urges a **FAVORABLE** report on this bill.

Respectfully submitted,

Olivia Bartlett  
Co-Lead, DoTheMostGood Maryland Team  
oliviabartlett@verizon.net  
240-751-5599

# **SB525\_IndivisibleHoCoMD\_FAV\_RichardDeutschmann.pdf**

Uploaded by: Richard Deutschmann

Position: FAV



## **SB525 – Public Utilities - Energy Distribution Planning and Required Labor Standards**

**Testimony before**

**Senate Finance Committee**

**February 15, 2022**

**Position: Favorable**

Madame Chair, Mr. Vice Chair and members of the committee, my name is Richard Deutschmann, and I represent the 750+ members of Indivisible Howard County. We are providing written testimony today in support of SB525, which would bring equity and climate-focus to our electrical distribution planning process. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We appreciate the leadership of Vice Chair Feldman in sponsoring this important legislation.

The State of Maryland is about to embark on a Distribution System Planning process. And we need to make sure that this process promotes equity, good paying jobs for those that need them the most, and a clear focus on decarbonizing the state while moving towards renewable sources of energy. SB525 does just that. It puts representatives of low-income communities, environmental and clean energy groups and labor unions at the table where this planning process is happening. The bill ensures that as we plan for the future of our electrical distribution system, we are doing this with clear goals to reduce greenhouse gas emissions, while providing for good paying jobs and family-supporting benefits.

Other states have shown us the way. Illinois, New York, California and others have set up similar parameters to their distribution planning process, and are reaping the benefits of a strong climate action plan, expansion of their electrified transportation and building sectors, and steps towards economic equity in places that have been left behind. For these reasons, we support SB525.

Thank you for your consideration of this important legislation.

**We respectfully urge a favorable report.**

Richard Deutschmann  
Columbia, MD 21045

# **SB525\_Energy Distribution Planning and Required La**

Uploaded by: Ruth White

Position: FAV





**HoCoClimateAction.org**  
Howard County, Maryland

**Testimony for SB525 - Public Utilities - .org**

**Hearing Date: February 15, 2022**

**Bill Sponsor: Senator Feldman**

**Committee: Senate Finance**

**Submitting: Ruth White for Howard County Climate Action**

**Position: Favorable with amendments**

[HoCo Climate Action](#) is a [350.org](#) local chapter and a grassroots organization representing more than 1,450 subscribers, and a member of the Howard County Climate Collaboration.

On behalf of Howard County Climate Action, I urge a favorable report from the committee on SB525 - Public Utilities - Energy Distribution Planning and Required Labor Standards

As we learned in the IPCC conference in Glasgow, it is critical that all (especially we in Maryland, who are so vulnerable to climate disruption and sea-level rise) do more to reach our current greenhouse gas reductions goals. To do this we must increase renewable energy in Maryland. We have long advocated for increased wind and solar energy. We must assure that federal funds, as well as state resources, are devoted to increasing the current limited grid distribution capacity. Specifically, as a start, Maryland needs to use federal funds from the federal infrastructure bill which allocates funds for updating the electrical grid.

This bill works along with the Public Service Commission's Distribution System Planning process by providing valuable guidelines, supporting inclusive stakeholder engagement, and directing federal infrastructure funding to support this important work. We know there are limits now on the number of community solar projects in certain areas. And one member of our group in Howard County hit BGE limits in expanding electrification in his home.

Distributed renewable energy resources will benefit all by allowing shifts away from polluting fossil fuel plants. We must have a process for making these important decisions about the grid that involve residential and business customers, vulnerable overburdened and low-income communities, climate activists as well as labor and industry experts, a broad table of those impacted.

Thank you for your consideration of SB525. For all the reasons stated above, I urge a favorable vote from the committee.

HoCo Climate Action

[HoCoClimateAction@gmail.com](mailto:HoCoClimateAction@gmail.com) -

Submitted by Ruth White, Steering and Advocacy Committee, Columbia MD

[www.HoCoClimateAction.org](http://www.HoCoClimateAction.org)

# **Earthjustice Support Letter SB 525.pdf**

Uploaded by: Susan Miller

Position: FAV



February 15, 2022

Chair Delores G. Kelley  
Members of the Senate Finance Committee

Re: Earthjustice **Support** of SB 525: Public Utilities – Energy Distribution Planning and Required Labor Standards

Earthjustice<sup>1</sup> strongly supports the passage of SB 525. To support Maryland's clean energy future, we must upgrade and modernize Maryland's electricity distribution grid. With federal infrastructure funds coming to Maryland, we have a once-in-a-generation opportunity for grid investments that will help us meet our state goals and build an energy grid ready for the future.

The Public Service Commission (PSC) has begun this process by creating the Distribution System Planning Work Group. SB 525 will support and guide the PSC's grid improvement planning process and will help Maryland build an updated, resilient electricity grid that will support the clean-energy economy of the future. Planning for how to upgrade the grid is beginning, and the General Assembly should take the opportunity to guide this process to ensure Maryland has the infrastructure to meet Maryland's climate goals, while promoting equity and good jobs.

Among other things, SB 525:

- Defines how Maryland will meet state climate goals, including reducing greenhouse gas emissions, expanding our use of renewable energy, promoting equity, supporting family sustaining employment, and ensuring energy resiliency and cost-effectiveness.
- Directs one-time federal infrastructure funding to support grid improvements. This works in tandem with grant funding from the Department of Energy to support grid modernization.
- Ensures more robust stakeholder engagement in the distribution planning process.

The electric utility industry is undergoing a fundamental transformation. After a century of large, centralized, capital-intensive, and highly-polluting utility system development, the industry is poised for change. Today, the least-cost, most environmentally benign options are renewable and, increasingly, distributed electric energy. At the customer level, on-site and community-sited distributed generation that is tailored to customer needs and storage

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<sup>1</sup> Earthjustice is a non-profit public interest environmental law organization that represents other non-profits free of charge. Earthjustice uses the power of law and the strength of partnerships to advance clean energy, combat climate change, protect people's health and preserve magnificent places and wildlife.

technologies are just a few of the increasingly economic options available. But our twentieth century grid lacks the capability to take full advantage of these and other options.

The net economic, environmental, and societal benefits of increased reliance on an integrated and diverse portfolio of distributed energy resources justify a thorough reexamination of the distribution system. Utilities must be empowered, encouraged, and ordered to foster the development of such portfolios. This new electricity sector will feature many more interactions between utilities, third party service and technology providers, and customers. The traditional top-down production, transmission, and delivery business model must increasingly give way to a structure of interactions in which utilities and customers are sometimes consumers, sometimes producers, and increasingly both.

In guiding and managing this transformation in Maryland, the PSC has an opportunity and even an obligation to ensure that the resulting system is more economically efficient, more environmentally benign, and more socially equitable. The General Assembly should provide guidance to the PSC through SB 525 to ensure that these goals are achieved.

Customer engagement in the utility distribution planning process and the development of distributed energy resources markets is essential. A customer engagement strategy designed to address and overcome barriers to full stakeholder participation in the process is a vital component of the planning process. Bringing customer representatives, distributed energy resource providers, environmental groups, business interests, and others into the work group to participate in electricity system planning should lead to a more robust, holistic consideration of options. It is vital to integrate the perspectives from traditionally underrepresented stakeholders into the planning process.

The Jade Cohort Roadmap from the NARUC-NASEO Task Force on Comprehensive Electricity Planning, which the PSC is relying on in its current distribution planning proceeding, expressly envisions departures from traditional planning practices. The Roadmap's recommended innovations include transparency in distribution planning and the potential for multiple stakeholder engagement opportunities. Stakeholders should be involved in each and every step of the planning process, where their input and engagement are most needed to support good planning outcomes. The Jade Cohort also recognizes that the goals and objectives of the planning process, as well as any stakeholder involvement requirements, may come from legislative mandates.

While the PSC has made efforts to be inclusive with regard to the distribution planning work group, notifications of proceedings, including the notice concerning the distribution planning work group, tend to go to those individuals and organizations who have participated in past PSC proceedings. SB 525 requires this pool of participants to be expanded to ensure that a wider range of voices are heard and wider range of options are considered.

With regard to the federal funding mentioned above, the bi-partisan Infrastructure Bill includes \$5 billion to support "grid hardening grants"; \$6 billion in grants for innovative approaches to transmission, storage, and distribution infrastructure to harden and enhance system reliability and resilience; and \$3 billion expansion of the Smart Grid Matching grant program for

enhancing grid flexibility, including investments in distribution systems, microgrids, and vehicle-to-grid technologies.

Moreover, on December 21, 2021, the U.S. Department of Energy announced that the Maryland PSC, along with twenty other utility commissions, will receive technical assistance from the National Laboratories to help state regulators make decisions and develop innovative solutions to improve grid reliability and resiliency, enable the adoption of 2 new technologies, promote energy and environmental justice, and develop strategies to decarbonize their electric grids. This initiative offers state regulators the opportunity to leverage the expertise and world-class modeling capabilities of Lawrence Berkeley National Laboratory, Pacific Northwest National Laboratory, the National Renewable Energy Laboratory, Argonne National Laboratory, and Oak Ridge National Laboratory. These projects will include 1-2 years of technical assistance focusing on critical emerging and existing topics, including equity and justice, distributed energy adoption and integration, grid planning, and energy resilience.

These federal funds for the grid upgrades and modernization will result in savings to Maryland ratepayers who will avoid having to pay for this modernization through rates. It is vital that the General Assembly ensure both that Maryland receive its fair share of this funding and that the funding is directed to where it is most needed.

To effectively respond to the urgent threat that climate change poses to the health and livelihoods of all Marylanders, Maryland needs to prepare for a clean-energy future that is built with family-supporting jobs. The General Assembly must act to support the PSC in its efforts to modernize and upgrade Maryland's distribution system in order to meet key climate policy goals.

Finally, Earthjustice thanks Senator Feldman for his leadership on this important issue. .

Earthjustice strongly urges a favorable report for SB 525.

Thank you in advance for your support. Should you have any questions, please contact me at [smiller@earthjustice.org](mailto:smiller@earthjustice.org).

Respectfully submitted,

A handwritten signature in blue ink that reads "Susan Stevens Miller".

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Susan Stevens Miller  
Senior Attorney, Clean Energy Program  
Earthjustice  
[smiller@earthjustice.org](mailto:smiller@earthjustice.org)

***On Behalf of the Solar Democracy and Equity  
Collaborative***

# **SB525-GRID Act-Finance-Potyraj-fav.pdf**

Uploaded by: Thomas Potyraj

Position: FAV

**Committee: Finance**

**Testimony on: SB525**

**Public Utilities - Energy Distribution Planning and Required Labor Standards**

**Organization: (self)**

**Submitting: Thomas Potyraj**

**Position: Favorable**

**Hearing Date: February 15, 2022**

Chairmen Kelley and Members of the Committee:

Thank you for allowing my testimony today in support of SB525. Maryland's energy grid can be a key tool in fighting climate change. This bill would allow planning for Maryland's energy distribution grid to support the state's goals of green-house gas reduction and decarbonization, while increasing energy distribution resiliency, reliability, and cost-effectiveness.

The bill will also require the Public Service Commission (PSC) and the Maryland Energy Administration to coordinate with utilities regarding federal infrastructure grid improvement funding. With federal infrastructure funds coming to Maryland, we have a once-in-a-generation opportunity for grid investments that will help us meet our state goals. Modernization of Maryland's energy distribution grid could facilitate transition to renewable energy and electrification of building/transportation sectors.

States nationwide are prioritizing grid modernization while increasing renewable energy goals, adjusting to climate threats, and planning for a future with increasing electricity needs. An increasing number of state legislatures are requiring their public service commissions, in the utility planning processes, to support state climate goals, expansion of distributed energy resources (solar, storage, wind), a public participatory process, transparency of data, local labor, safety and reliability. Illinois, New York, Colorado, California, and Nevada, among others, have all used legislation to set clear parameters for a distribution planning process<sup>1</sup>.

SB525 will help Maryland undertake the improvements needed to have a resilient electricity grid that supports rapid electrification, a clean-energy economy, and workers for the future. I support this bill and recommend a FAVORABLE report in committee.

Thomas Potyraj  
116 Glenrae Drive  
Baltimore, MD 21228

<sup>1</sup> Sources cited by <https://www.sierraclub.org/sites/www.sierraclub.org/files/sce/maryland-chapter/GRID%20Act-%20Partners%20factsheet%202022-SC.pdf>

# **Testimony in Support of SB 525.pdf**

Uploaded by: Tom Clark

Position: FAV





# International Brotherhood of Electrical Workers

GEORGE C. HOGAN: Business Manager • THOMAS C. MYERS: President • RICHARD D. WILKINSON: Vice President  
JOSEPH F. DABBS: Financial Secretary • RICHARD G. MURPHY: Recording Secretary • PAULO C. HENRIQUES: Treasurer



## TESTIMONY IN SUPPORT OF SB 525 Public Utilities Energy Distribution Planning and Required Labor Standards February 15, 2022

TO: Hon. Delores G. Kelley, Chair, Mr. Brian J. Feldman, Vice Chair, and members of the Senate Finance Committee  
FROM: Tom Clark, Political Director, IBEW Local 26

Madam Chair and members of the Finance Committee, I ask that you **support SB 525**, a bill written and designed to help the Public Utilities as well as the citizens of Maryland. It's a win, win for all.

SB 525 is not necessarily geared towards public utilities as much as it is geared towards the working families in Maryland. It provides the working class in Maryland a "seat at the table" as well as wages and working conditions that you seek for your constituents. Working families of the state would like to be heard in a Workgroup, not just today but twenty and thirty years from now. The word "Public" in Public Utilities includes the rate payers of Maryland, the men and women that pay the bills, consume the energy and seek fair labor standards for their neighbors. As we transition to cleaner energy, the International Brotherhood of Electrical Workers are leading the way, just as the General Assembly expects of us. A bill designed to encourage collective bargaining, prevailing wages, and local hiring is what we expect from the General Assembly. These Labor standards are what the citizens of the Freestate seek for themselves and their children. Because of the pandemic and stagnant wages in previous years, there is now a skilled labor shortage. 2022 is the "Year of the Worker", or the 2020's could be the "Decade of the Worker". Wages, benefits, quality of life and their voices, will increase and hopefully Maryland can lead the way.

You will notice throughout this legislative session; Labor standards will be attached to quite a few bills. This focus is because that's what our membership wants, that what the workers want, that's what Marylanders want. Please join working families and give them a seat at the table and a voice. Please join the "Year of the Worker" and **vote favorably on SB 525**. Thank you



# **LS22, SB525, CCAN Venable FAV testimony (1).pdf**

Uploaded by: Victoria Venable

Position: FAV

## **SB0525 - Public Utilities - Energy Distribution Planning and Required Labor Standards**

**Date: February 15, 2022**

**Committee: Senate Finance Committee**

**Position: Favorable**

**Victoria Venable, Maryland Director - Chesapeake Climate Action Network Action Fund**

On behalf of the Chesapeake Climate Action Network Action Fund, I urge a favorable report from the committee on **SB0525 - Public Utilities - Energy Distribution Planning and Required Labor Standards**.

The CCAN Action Fund is the advocacy arm of Chesapeake Climate Action Network, a grassroots organization dedicated to climate action in the Chesapeake region of Maryland, Virginia, and Washington, DC. We have been strong advocates for clean energy expansion and the electrification of our highest greenhouse gas emitting sectors. We believe that SB0525 is a crucial piece of legislation to ensure that our electricity grid can meet the needs of our energy transition and withstand imminent climate stressors such as severe weather and higher energy demands.

2022 is a critical year for both climate action and infrastructure investment. The Intergovernmental Panel on Climate Change (IPCC) – the world’s leading scientific authority on climate science – reports that the 2020s are the decisive decade to make meaningful changes to emissions and avoid a climate crisis.<sup>1</sup> Meanwhile, in November of 2021, Congress passed the Infrastructure Investment and Jobs Act (HR 3684) (the “IIJA”), sending an influx of federal funding to states through grant programs. The IIJA represents one of the largest investments in energy infrastructure in U.S. history. This makes 2022 a year of climate urgency AND opportunity.

However, funds from the IIJA are not guaranteed to reach Maryland if the General Assembly does not adequately position our state agencies to receive them. Many funding streams from the IIJA are competitive, merit-based grants that require states to demonstrate commitments to carbon reductions, renewable energy deployment, and labor standards. Without further guidelines to the distribution planning process, Maryland may not be eligible for funding opportunities created by the IIJA.


SB0525, what we call the Grid Reliability and Inclusive Distribution Act, will ensure that our state is prepared to take on the challenges and opportunities of climate action, particularly in this period of increased investments and support from Washington. Most importantly, the GRID Act:

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<sup>1</sup> ["What Does '12 Years to Act on Climate Change' \(Now 11 Years\) Really Mean?", Inside Climate News, Aug, 27, 2019.](#)

- Defines how we will meet state climate goals, including reducing greenhouse gas emissions, expanding our use of renewable energy, promoting energy equity, and ensuring energy resiliency and cost-effectiveness.
- Positions Maryland to accept and harness federal infrastructure funding to support grid improvements.
- Ensures representative and inclusive engagement in the distribution grid planning processes.
- Supports family-sustaining jobs in distribution grid upgrade projects.

Our state is on the brink of a clean energy revolution and to avoid the worst impacts of climate change, we must continue to invest in renewable energy, efficiency, and reliability. We cannot afford to miss this window of both great opportunity and intense urgency. We thank the sponsor for supporting this work and the committee for its consideration of SB0525. For all the reasons stated above, we urge a favorable vote from the committee.



**CONTACT:** Victoria Venable, Maryland Director  
[Victoria@chesapeakeclimate.org](mailto:Victoria@chesapeakeclimate.org) (301) 960-8824

# **SB525 (GRID Act) Testimony Sign on (1).pdf**

Uploaded by: Victoria Venable

Position: FAV



**SB0525 - Public Utilities - Energy Distribution Planning and Required Labor Standards (Grid Reliability and Inclusive Distribution Act)**

**Date: February 15, 2022**

**Committee: Senate Finance Committee**

**Position: Favorable**

The undersigned organizations express their strong support for **SB0525 - Public Utilities - Energy Distribution Planning and Required Labor Standards** and thank the sponsor, Delegate Lorig Charkoudian for introducing this important piece of legislation.

The environmental community and partners throughout Maryland have worked hard to set clean energy goals and climate commitments. This body and the Public Service Commission have played an integral role in those policies. To support Maryland's clean energy future, we must also invest in Maryland's electricity distribution grid. The Public Service Commission has begun this process by creating the Distribution System Planning Work Group. With federal infrastructure funds coming to Maryland, we have a once-in-a-generation opportunity for grid investments that will help us meet our state goals and build an energy grid ready for the future.

The GRID Act will support and guide the PSC in the grid improvement planning process.

The GRID Act:

- Defines how we will meet state climate goals, including reducing greenhouse gas emissions, expanding our use of renewable energy, promoting equity, supporting family-sustaining employment, and ensuring energy resiliency and cost-effectiveness.
- Directs one-time federal infrastructure funding to support grid improvements. This works in tandem with grant funding from the Department of Energy to support grid modernization.
- Ensures representative engagement in the distribution grid planning processes, including:
  - Residential and commercial energy customers
  - Low-income communities
  - Environmental advocacy groups
  - Labor unions
  - Industry experts in electric vehicles, distributed energy resources, and distribution planning
- Requires the PSC to issue an annual report about its progress.
- Supports family-sustaining jobs by requiring that all distribution grid upgrade projects:
  - Offer the area prevailing wage for each trade employed
  - Provide health and retirement benefits
  - Participate in apprenticeship programs registered with the state for the trade
  - Develop a plan to recruit and retain state residents, including returning citizens, women, minority individuals, and veterans

Modernizing our electricity grid is a critical step as our state does its part to respond to climate change and transition to clean energy. SB0525 will help Maryland build an updated, resilient electricity grid that will support the clean-energy economy of the future.

Thank you for your consideration of SB0525. For all the reasons stated above, we urge a favorable vote from the committee on SB0525.

Cedar Lane Environmental Justice Ministry  
Chesapeake Bay Foundation  
Chesapeake Climate Action Network Action Fund  
Chesapeake Physicians for Social Responsibility  
Clean Water Action  
Climate Justice Wing of the Maryland Legislative Coalition  
Climate Law & Policy Project  
Elders Climate Action DMV  
Greenbelt Climate Action Network  
HoCo Climate Action  
Indivisible Howard County MD  
Interfaith Power & Light (DC.MD.NoVA)  
Maryland League of Conservation Voters  
Maryland Legislative Coalition  
MD Campaign for Environmental Human Rights  
Sierra Club Maryland Chapter  
Sunrise Movement Baltimore  
Sunrise Movement Maryland  
The Nature Conservancy  
Unitarian Universalist Legislative Ministry of Maryland  
Maryland WISE

# **2022-SB525\_PHI Opp V3-FINAL.pdf**

Uploaded by: Dave Schatz

Position: UNF





February 15, 2022

112 West Street  
Annapolis, MD 21401

**OPPOSED - Senate Bill 525**  
**Public Utilities - Energy Distribution Planning and Required Labor Standards**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) oppose **Senate Bill 525 Public Utilities - Energy Distribution Planning and Required Labor Standards**. Distribution planning is an incredibly complex undertaking done by the utilities with oversight of the PSC. It requires the expertise of engineers, financial planners, regulatory support, and operations—virtually every business unit in our companies has input in our distribution system planning process to ensure that it meets reliability standards, brings the distribution grid into the future and meets customer affordability priorities, to name a few. While Senate Bill 525's stated goal of ensuring the distribution grid can support Maryland's clean energy goals is laudable, the bill creates a wide range of overly prescriptive requirements and leaves very little latitude for utilities or the Public Service Commission (PSC) to undertake well-informed distribution system planning processes. Senate Bill 525 also seeks to codify into statute a distribution system planning workgroup that is well underway at the direction of the PSC and requires the PSC to adopt extensive regulations regarding distribution system planning in only a two-year timeframe. The workgroup is designed to address many of the elements of Senate Bill 525's intent, and this legislation unnecessarily limits workgroup dialogue to drive consensus among the various stakeholders represented in that active, collaborative environment.

While Pepco and Delmarva Power strongly support efforts to decarbonize and combat climate change, Senate Bill 525's proposal to overprescribe distribution system planning processes and guidelines is not an appropriate or effective way to advance climate solutions for customers. As a company with significant assets and critical energy infrastructure in Maryland, we have a responsibility to address our own greenhouse gas footprint while working to provide customers with safe, reliable, affordable and sustainable energy through innovative and inclusive solutions. In 2021, we announced a major climate change commitment that works to align our operations, grid investments, and customer product offerings and services with Maryland's climate change and clean energy goals. Like other complex, integrated, and multi-faceted processes, distribution system planning is a highly technical discipline and the design and engineering of the distribution systems across the state varies significantly due to differences in geography and community needs. For this and many other reasons, there is no one-size-fits-all approach to distribution system planning, which is why it is important that legislation does not lead to prescriptive guidelines that could discourage or delay the consideration of new emerging technologies. As such, distribution system planning and its integration with other planning processes are best when aligning with the pace of industry and system changes, such as the rate of distributed energy resources (DER) adoption, evolving customer needs, and alignment with state policy goals.

In June of 2021 the PSC established a Distribution System Planning docket (PC44- Case No. 9665) and a Distribution System Planning Work Group (DSPWG) within that docket. The PSC has also conducted a series of Educational Sessions over the past five months to establish a baseline understanding of current distribution system planning practices and key considerations and priorities among the work group stakeholders. The DSPWG is tasked with reviewing the Jade Cohort Roadmap, which was developed by the joint National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Energy Officials (NASEO) Task Force on Comprehensive Electricity Planning, and recommend any changes or modifications to best align with Maryland's public policy goals and existing processes, including interactions with existing dockets concerning electric reliability, EmPOWER, and other PC44 activities. The PSC has adequately framed the DSPWG process to further explore increasing opportunities for early, meaningful stakeholder engagement through increased transparency and coordination and has established a framework for frequent feedback from the PSC to guide the DSPWG's focus areas and priorities. Additionally, the PSC is developing a Maryland-specific planning process, recognizing that this process will need flexibility to meet the needs and characteristics of Maryland's electric distribution grids.

The workgroup proposed in Senate Bill 525 is nearly identical to the PSC's existing DSPWG within PC44 on the same topic, and therefore, this legislative proposal is duplicative. There is already a workgroup under the PSC's oversight undertaking a comprehensive examination of Maryland's distribution system planning process. Pepco and Delmarva Power are actively participating and supporting efforts of the PSC's DSPWG. Moreover, the proposed workgroup in Senate Bill 525 would be required to study and make recommendations regarding an extensive, yet delineated list of items. This lists places undue burden on the workgroup and constrains constructive and collaborative dialogues around effective pathways to climate solutions, which the diverse members of the existing DSPWG can advance and discuss.

Senate Bill 525 also includes requirements relating to cost benefit analyses. Pepco and Delmarva Power are public utilities and therefore have a "duty to serve". This means that we must provide service to any member of the public living within the utility's service area who has applied for service and is willing to pay for the service and comply with the utilities' rules and regulations. There are many situations in which performing a cost benefit analysis to demonstrate cost-effectiveness is inappropriate and can impede the provision of reliable service or produce outcomes that work against policy goals. For example, if we experience a weather-related outage and customers are out of power, it would be inappropriate to perform a cost-benefit analysis to decide whether we bring in generators to get the power back on while we are repairing the system or to restore the system based on the highest economic value to re-energize first. Further, it will be difficult to demonstrate how we meet policy goals in a "cost-effective manner" without a consensus methodology to quantify reliability, resilience, and equity. As part of our own analysis of grid needs and resources, we are already seeking ways to incorporate DER's, from electric vehicles to behind-the-meter solar and storage, while maintaining reliability, safety, and reasonable costs for customers. It has been Pepco and Delmarva Power's experience that the distribution system planning process will necessarily evolve to incorporate new customer trends, innovative technologies and changing policy priorities that help to address short- and long-term system needs.

Finally, SB 525 is not necessary to compel or authorize Pepco and Delmarva Power to seek federal funding via the Infrastructure Investment Jobs Act. Our companies have been engaged in that effort for months, identifying and prioritizing projects that will qualify for this funding and mapping out the processes to apply for and obtain funding, whether it be at the State or Federal level. Pepco and Delmarva Power have formed a steering committee oversight structure to ensure the folks' tasked with daily responsibility for this effort have the support and resources needed from leadership and the companies in order to successfully execute the application and implementation process.

For the above reasons Pepco and Delmarva Power respectfully request an unfavorable vote on Senate Bill 525.

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## **SB525\_JStanek\_Unf.pdf**

Uploaded by: Jason Stanek

Position: UNF

COMMISSIONERS

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STATE OF MARYLAND



PUBLIC SERVICE COMMISSION

February 15, 2022

Chair Delores G. Kelley  
Finance Committee  
Miller Senate Office Building, 3 East  
Annapolis, Maryland 21401

**RE: UNFAVORABLE – SB 525 – Public Utilities – Energy Distribution Planning and Required Labor Standards**

Dear Chair Kelley and Committee Members:

Senate Bill 525 requires the Maryland Public Service Commission to establish a workgroup to study electric distribution planning and implementation.<sup>1</sup> Specifically, the legislation requires three deliverables from the PSC: (1) a workgroup report to the Commission on January 1, 2023; (2) an annual report from the Commission to the Maryland General Assembly on the current status of electric grid “evolution,” due every December 1st; and (3) the adoption of regulations related to energy distribution planning and implementation, by January 1, 2024.

**SB 525 is Unnecessary Because the Commission Has Already Established a Workgroup to Explore Distribution System Planning**

SB 525 duplicates existing processes and presupposes specific outcomes of ongoing Commission work. Beginning in February 2019, the Commission joined a National Association of Regulatory Utility Commissioners (NARUC) and National Association of State Energy Officials (NASEO) taskforce on distribution system planning. Following a public conference in March 2021 on the results of that taskforce, the Commission issued Order No. 89865 to formally establish a Distribution System Planning docket in Case No. 9665. In that docket, the Commission established the Distribution System Planning Workgroup and, in addition to providing formal notice, sent notifications to members of existing grid modernization

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<sup>1</sup> The workgroup would include representatives from the Maryland Department of the Environment, the Office of People's Counsel, the Maryland Energy Administration, and each investor-owned electric company with Maryland customers. Additionally, representatives will be appointed by the Chairman of the Commission for residential and small commercial customers, low-income communities, minority communities, environmental advocacy groups, environmental justice groups, the Baltimore-DC Metro Buildings Trade Council, the Maryland State and District of Columbia AFL-CIO, the distributed energy resource industry, the electric vehicle industry, along with one representative with energy distribution planning experience, and any other individuals identified by the Commission.

workgroups. In addition, pursuant to a formal RFP process, the Commission secured the services of Silverpoint Consulting to lead and facilitate the workgroup process. As recently as January 18, 2022, the workgroup held a series of public educational sessions to discuss the basics of electric distribution systems, existing practices of Maryland's utilities and the goals of stakeholders. In addition, the workgroup, which is open to the public, represents a broad membership of over 80 individuals from state agencies, Maryland utilities, national policy experts and interest groups including the renewables industry and environmental groups.

At the outset, the Commission identified several overarching policies to frame the workgroup's activities. First, the Commission set the goal of developing a Maryland-specific distribution system planning process to increase opportunities for early, meaningful stakeholder engagement through increased transparency and coordination. Second, the Commission determined that the utilities should retain primary control of distribution system planning because the utilities bear ultimate responsibility for providing safe, reliable and affordable service. Finally, the workgroup has been directed to consider the interactions of existing public policy goals and ongoing Commission dockets such as electric reliability, energy efficiency (*i.e.*, EmPOWER), and other PC44 grid modernization activities (*e.g.*, Electric Vehicles, Battery Storage, Generator Interconnection, and Competitive Markets).

In launching the DSP workgroup, the Commission indicated its intention to develop Maryland-specific best practices or requirements for utility planning processes. These processes and any subsequent outcomes will require flexibility to meet the needs and characteristics of Maryland's distinct electric distribution utilities. While the Commission has established broad policy foundations for this exploration, it would be inappropriate to prejudge the outcomes or ultimate deliverables before allowing the expert stakeholders to fully explore this complex topic. While the existing workgroup may determine that distribution system planning regulations are appropriate to implement its recommendations, that is not a foregone conclusion. Furthermore, all of the specific provisions of SB 525 may not be appropriate for regulation.

If enacted, SB 525 would undermine the Commission's current progress by creating a separate and distinct workgroup with mandated membership and prescriptive topics of discussion. This has the potential to produce conflicting results and recommendations as compared to the existing distribution system planning workgroup.

### **SB 525 is Duplicative of a Number of Established Workgroups Which Have Been Assisting the Commission over a Number of Years**

The workgroup outlined in SB 525 is duplicative of multiple established workgroup processes and would divert resources from existing PSC workgroup activities. Many of the required topics of discussion included in SB 525 are already under consideration in existing workgroups, which will only increase the cost and resources that stakeholder representatives must spend to discuss these topics further. This redundancy would also impact the Commission Staff's ability to lead and participate in this new workgroup, creating the need for additional Staff resources.

### **SB 525 is Likely to Increase Costs to Ratepayers**

As drafted, the proposed legislation may impose higher utility costs on ratepayers. SB 525 sets forth several potentially conflicting policy priorities that will be difficult to achieve individually, nearly impossible to deliver all together, and may have unintended consequences. The regulations required by SB 525 could limit a utility's ability to determine the optimal and least cost course of action when undertaking distribution system design and operation. While utility decisions are presently disciplined by the rate case process; by imposing new and potentially competing policy directives, without knowledge of costs, the end results could be rushed and more costly to ratepayers. The Commission's existing workgroups and processes are well structured and integrated into the existing regulatory framework. Because SB 525 would result in a statutory change, it would supersede existing orders and regulations. Layering SB 525's broad requirements onto the current regulatory framework without deliberate study and consideration of the consequences could compromise other ongoing priorities.

### **Conclusion**

As outlined, the Commission's engagement with stakeholders regarding distribution system planning issues is extensive and ongoing. Since these efforts are likely to result in the identification of initial regulatory or legislative recommendations in the coming year, the Commission cannot endorse SB 525's specific requirements at this time. Without the benefit of the knowledge and experience to be gained from the distribution system planning process that is currently underway, legislative action in this area is premature. Accordingly, the Commission respectfully asks the Committee to wait one year to learn from the workgroup process that is underway.

For these reasons, the Commission opposes SB 525. Thank you for your consideration of this information. Please contact Lisa Smith, Director of Legislative Affairs, at (410) 336-6288 if you have any questions.

Sincerely,



Jason M. Stanek  
Chairman

## **SB525\_LOO\_Public Utilities - Energy Distribution P**

Uploaded by: Kevin O'Keeffe

Position: UNF





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8751 Freestate Drive  
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February 15, 2022

To: Members of the Senate Finance Committee

From: Independent Electrical Contractors (IEC) Chesapeake

Re: Oppose Senate Bill 525 – Public Utilities – Energy Distribution Planning and Required Labor Standards

Independent Electrical Contractors (IEC) Chesapeake opposes Senate Bill (SB) 525 and asks for an unfavorable report.

Although, IEC Chesapeake supports efforts to promote and expand green energy in Maryland, as an organization representing merit shop contractors, we oppose SB525 in its current form for two reasons. The first issue is the language on Page 7 indicates that the jobs coming out of this legislation are earmarked for union contractors. The second issue is that the proposed Distribution System Planning Workgroup excludes representatives of merit shop contractors.

IEC Chesapeake requests that Senate Bill 525 be amended to provide merit shop contractors the opportunity to participate in the Distribution System Planning Workgroup as a member and are able to benefit from this legislation.

Thank you for your consideration. If you have any questions, please contact Grant Shmelzer, Executive Director of IEC Chesapeake, at 1-301-621-9545, extension 114 or at [gshmelzer@iec-chesapeake.com](mailto:gshmelzer@iec-chesapeake.com) or Kevin O’Keeffe at 410-382-7844 or at [kevin@kokeeffelaw.com](mailto:kevin@kokeeffelaw.com).

### **About Us**

Independent Electrical Contractors (IEC) Chesapeake represents members throughout Delaware, Maryland, Virginia, Pennsylvania, and Washington, D.C. Our headquarters are located in Laurel, Maryland. IEC Chesapeake has an extensive apprenticeship program for training electricians. In addition, IEC Chesapeake promotes green economic growth by providing education and working with contractor members, industry partners, government policy makers and inspectors to increase the use of renewable energy.



# **FINAL - Opposition Letter SB525[10].pdf**

Uploaded by: Kim Mayhew

Position: UNF

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**OPPOSE – Senate Bill 525**  
**SB 525 – Public Utilities – Energy Distribution Planning and Required Labor Standards**  
**Senate Finance Committee**  
**Thursday, February 15, 2022**

Potomac Edison opposes **Senate Bill 525 – Public Utilities – Energy Distribution Planning and Required Labor Standards**.

Senate Bill 525 would create a Distribution System Planning Workgroup regarding: energy distribution planning processes and implementation that promote decarbonization; distributed energy resources; electric vehicles; prioritize vulnerable communities in development of those technologies; energy efficiency and conservation; meeting increased load requirements; labor standards in all elements of electric grid modernization; grid resiliency and adaptation; peak load management; integration of electric vehicles and other bidirectional power flows from storage assets; effective use of demand response and other non-wire alternatives; and transparent stakeholder participation in ongoing distribution planning processes. SB 525 also includes certain restrictions and requirements for contractor and subcontractors.

**Unfavorable**

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 275,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington Counties). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, West Virginia, and Maryland.

**FirstEnergy requests an Unfavorable report on SB 525 for the following reasons.**

- The workgroup called for by SB 525 is redundant and unnecessary due to a current Maryland Public Service Commission (MD PSC) workgroup. Background on the MD PSC workgroup: A Task Force was formed by the National Association of Regulatory Utility Commissioners (NARUC) to bring together state regulatory and energy policy agencies to develop ways for states to both increase involvement in distribution system planning, and to further align planning processes with state goals and the proliferation of distributed energy resources. On February 11, 2021, the NARUC Task Force released its Report, titled the *Blueprint for State Action*. Having considered the Task Force's Report and the recommendations of Maryland stakeholders, including Potomac Edison, on June 23, 2021, the MD PSC ordered the formation of a Distribution System Planning Work Group (DSPWG) and directed the DSPWG to engage in an iterative process with frequent opportunities for feedback from the MD PSC. The DSPWG was directed to develop and propose any changes or modifications needed to best align with Maryland's public policy goals and existing processes, including interactions with existing dockets concerning electric reliability, EmPOWER, and other Maryland grid modernization initiative activities. The MD PSC identified several overarching policies for the DSPWG at the outset to frame this process. First, an important goal of exploring and developing a Maryland-specific Distribution System Planning process is to increase opportunities for early, meaningful stakeholder engagement through increased transparency and coordination. Second, the Commission agrees that the utilities should retain control of distribution system planning, as well as risk of cost recovery, because they bear responsibility for providing safe, reliable, and affordable service. Finally, while the Commission intends to develop and approve a standard Maryland-specific planning process, it recognizes that this process will need flexibility to meet the needs and characteristics of Maryland's electric distribution utilities.

- The requirements placed on a utility's usage of contractors / subcontractors in SB 525 is problematic and would likely drive-up cost to customers.
  - This language would limit the pool of potential contractors. This is particularly concerning given that Potomac Edison's Maryland territory adjoins Pennsylvania, West Virginia, and is very close to Virginia.
    - Creating a more limited pool of contractors could hinder Potomac Edison's efforts to fulfill its minority contractor ownership goals in Maryland.
    - The ultimate impact is the potential to drive up costs for our customers.
  - Proposed apprenticeship requirements would likely interfere with Potomac Edison's existing in-house Power Systems Institute programs.
  - Potomac Edison has historically met or exceeded the states diverse supplier commitments, but the requirements in this bill will make meeting those commitments more difficult.
  - The analytical burden to understand and track how contractors are complying with healthcare and retirement benefits, as well as tracking Apprenticeship program participation will be immense.

For the above reasons, Potomac Edison respectfully request an **Unfavorable** vote on Senate Bill 525.

# **BGE - SB 525 Public Utilities - Energy Distributio**

Uploaded by: Sandy Grace

Position: UNF

OPPOSE  
Senate Finance  
2/15/2021

## **Senate Bill 525 Public Utilities - Energy Distribution Planning and Required Labor Standards**

Baltimore Gas and Electric Company (BGE) opposes *Senate Bill 525: Public Utilities - Energy Distribution Planning and Required Labor Standards*. Senate Bill 525 would establish a Distribution System Planning Workgroup to study issues related to energy distribution planning and implementation; require the Public Service Commission to adopt regulations related to energy distribution planning and implementation; and establish labor standards for contractors and subcontractors. The requirements of the bill are overly prescriptive and unnecessarily duplicative. The legislation will unnecessarily delay the critical process of planning for the electric distribution system while diminishing the Public Service Commission's authority and discretion to manage a process that appropriately ensures statewide service reliability.

SB 525 outlines vague and potentially conflicting objectives for the distribution planning process. The listed goals in the proposed legislation include decarbonization and greenhouse gas reduction; renewable energy, equity, family sustaining employment; and achieving energy distribution system resiliency and reliability. While these are important policy concepts, they are not clear or measurable goals that the distribution planning process – which is highly technical and requires complex engineering – can be designed to achieve.

SB 525 also fails to recognize that a thoughtful and inclusive planning process is currently underway under the direction of the Public Service Commission. The PC44/Case No. 9665 Distribution System Planning (DSP) Work Group process has been active for nearly a year. BGE has had the opportunity to better understand the goals of the Work Group from the Technical Conference in March 2021 as well as various public educational sessions in the interim. The PSC is actively managing a DSP Work Group that is transparent, inclusive, and considerate of the MD state policy goals. Specifically, key topics such as (a) distributed energy resources/electric vehicle integration, (b) equitable access to clean energy, (c) decarbonization, (d) consideration of non-wires alternatives (e) demand response, and (f) resiliency (among other topics) were echoed in filed comments and verbal discussions.

If enacted, SB 525 would derail the inclusive process that has been underway for nearly a year. In fact, were the legislature to enact what is contemplated in the proposed legislature, it would delay, add confusion and undermine what is already a transparent and inclusive regulatory process that builds upon more than two years of work undertaken by the Task Force on Comprehensive Energy Planning. The Task Force, a collaboration of the National Association of Regulatory Utility Commissioners

and the National Association of State Energy Officials, was created to develop ways for states to both increase involvement in distribution system planning and to further align planning processes with state goals and the proliferation of distributed energy resources. Maryland was one of the participating states on the Task Force with representatives from both the Commission and the Maryland Energy Administration.

Finally, BGE would like to address an assertion that has been made by proponents of the bill. Specifically, it has been stated that this legislation is necessary to access funding under the Infrastructure Investment and Jobs Act ("IIJA.") Simply put, there is no correlation between this legislation and funding pursuant to the IIJA. This legislation, were it to be enacted, would not be in effect until October of 2022. Applications for some of the funding opportunities under the IIJA are due as early as May of 2022. BGE is already in the process of engaging state, local, and municipal entities for potential partnerships with request to seeking funding for infrastructure. Further, BGE has had a history of accessing grant funding, without the legislature prescribing the instances under which it does so. For example, BGE and partners have been awarded federal funding to support smart grid initiatives, electric vehicle community access programs, and programs to develop advanced electric vehicle charging management programs to support seamless grid operations. To suggest that BGE is not incentivized to seek grant funding because it does not earn a return on such funding does not recognize that such funding can be critical to help to manage overall costs to BGE's customers, to support affordability for all customers, and to drive necessary new technology development and deployment to better enable BGE's continued reliable service as our customers gain access to newer, more innovative products and services that rely on our grid.

For the reasons stated above, BGE opposes SB 525 and respectfully requests an unfavorable Committee report.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 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 leading competitive energy provider.

## **SB525 -- Public Utilities Energy DSP and Required**

Uploaded by: Tom Dennison

Position: UNF



February 15, 2022

**SB 525:** Public Utilities – Energy Distribution Planning and Required Labor Standards

**Committee:** Senate Finance

**Position:** Opposed

Southern Maryland Electric Cooperative (SMECO), a member-owned electric cooperative based in Hughesville that provides electricity to more than 169,000 member accounts in Charles, St. Mary's, Calvert and southern Prince George's County, opposes Senate Bill 525. The bill requires the Public Service Commission (PSC) to establish a workgroup to study electric distribution planning. SMECO believes SB 525 is unnecessary because it duplicates an effort already underway at the PSC, specifically the Distribution System Planning docket in Case No. 9665.

Within that docket, the PSC established a Distribution System Planning Work Group (DSPWG), issued an RFP and secured the services of Silverpoint Consulting to lead and facilitate the workgroup process. SMECO believes this workgroup and docket is the proper place for these discussions to take place and many of the matters presupposed in SB 525 will be covered during this process.

SB 525 proposes to create a new workgroup consisting of numerous state government agencies, labor groups and utilities. According to the PSC, the current DSPWG represents a broad group of more than 80 individuals from state agencies, Maryland utilities, interest groups, renewables industry and national policy experts. SMECO is concerned that the redundancy of the requirements in House Bill 88 will overburden an already complex topic and could produce conflicts that may alter recommendations from the PSC workgroup.

SMECO believes that Distribution System Planning is vitally important as we continually see the advent of new technologies in the renewable energy space. We must do this while maintaining a stable reliable electric delivery system that is affordable for our membership. We believe those topics

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For more information, contact: **Tom Dennison**, SMECO

*Government & Public Affairs Managing Director*

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are well underway at the PSC and layering on the additional requirements as prescribed in SB 525 is unnecessary. For that and the reasons explained above, SMECO urges the committee to give an unfavorable report to SB 525.

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For more information, contact: **Tom Dennison**, SMECO

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## **SB0525 (HB0088) - LOI - Public Utilities - Energy**

Uploaded by: Landon Fahrig

Position: INFO



**TO:** Members, Senate Finance Committee  
**FROM:** Mary Beth Tung – Director, MEA  
**SUBJECT:** SB 525 - Public Utilities - Energy Distribution Planning and Required Labor Standards  
**DATE:** February 15, 2022

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**MEA POSITION: Letter of Concern**

Senate Bill 525 would **duplicate an existing electric distribution planning process** that has been heavily invested in for more than two years, largely wasting time, effort, and expense that has already been invested. Additionally, there is an apparent contradiction in the bill and the **timeline set forth in the bill is impractical**.

**Duplicative Processes Fails to Recognize Existing Efforts**

This bill is a duplication of efforts. The Maryland Public Service Commission (Commission or PSC), in cooperation with the Maryland Energy Administration (MEA), has already taken significant steps toward a potential modification of the existing distribution planning process. Last year, the two agencies concluded their joint participation in a 2-year task force hosted by the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Energy Officials (NASEO). Maryland, along with 14 other states, worked with industry experts, engineers, utilities, and other planning experts to explore electricity planning approaches to more effectively meet ratepayers' needs and state policy goals. After the conclusion of the 2-year task force, the PSC opened a Distribution Planning docket, in which the Distribution System Planning Work Group (DSPWG) was established.

Furthermore, this docket and the DSPWG is an outgrowth of Public Conference 44 (PC44) at the PSC, which is an ongoing and well-established process to modernize Maryland's electricity grid dating back to 2016; under former Commission Chair Kevin Hughes. PC44 has already implemented various positive changes to the distribution grid, and consists of a thoughtful, thorough approach that manages this incredibly complex subject with the necessary detail and expertise while incorporating broad stakeholder input.

**DSPWG Financial Investment**

When the PSC approved the merger of Exelon and Pepco Holdings, Inc. (PHI), one condition of the merger required Exelon to fund up to \$500,000 for the PSC to retain a consultant to study opportunities to transform the electric distribution grid, including the incorporation of smart-grid technology, microgrids, renewable resources, and distributed generation; the same apparent goals of this legislation. A portion of these funds are being used to jumpstart the work of the DSPWG by providing the capital needed for a consultant with the requisite engineering and technical skills. **The workgroup proposed in SB 525 lacks the specialized engineering knowledge and expertise that is provided by the third-party consultant in the DSPWG; expertise that comes at a significant expense. SB 525 also**

**fails to include the several Commission engineers and experts that participate in PC44 and the DSPWG.**

MEA has no objection to any individual member of the proposed SB 525 workgroup joining the effort to improve Maryland's electrical distribution grid. However, the existing DSPWG and Commission proceedings are already available to them. Any one of the interested parties listed in 7-803(b) of SB 525 may, should they so choose, can simply request to be involved in the existing process. The Commission's first stated goal in establishing the DSPWG is "to increase opportunities for early, meaningful stakeholder engagement through increased transparency and coordination."

### **Workgroup Results Issue**

SB 525 creates a workgroup to "study and make recommendations regarding energy distribution planning..." However, the bill also specifies no less than 11 predetermined priorities (*See* 7-804(b)). Thereafter, regardless of the recommendations received, the Commission must adopt regulations that include those 11 mandated elements. If the PSC is limited in what regulations they can adopt under SB 525, it will be difficult - if not impossible - to meaningfully incorporate the advice of the workgroup; negating the expertise, hard work and contributions of the stakeholders.

### **Bill Timeline**

The prescribed timeline will likely limit stakeholder input. SB 525 would go into effect October 1, 2022. Only two months after the bill goes into effect, a Commission report on the "status of electrical distribution grid evolution" is due to the General Assembly. Additionally, only 3 months after the bill takes effect, the newly formed SB 525 workgroup is required to "report its findings and recommendations" to the PSC. The Commission must then draw up, publicly vet, and finalize new regulations within a year. The sheer volume of interested parties that would likely be filing comments, reply comments, and then participating in hearings would make this challenging, and the schedule for public input would be truncated. Furthermore, given that the electric grid is incredibly complex, this is not enough time to thoroughly explore and vet all the matters in the proposed legislation.

### **Conclusion**

MEA takes seriously the need to evaluate the distribution planning process in order to incorporate future changes to the electrical grid and individual utilization habits, both anticipated and unforeseen. Absent this bill, there have already been significant steps forward in making Maryland's distribution grids ready for what the future holds. MEA asks that the committee consider the forgoing when issuing its report.