

**Committee:** Economic Matters  
**Testimony on:** HB1256 Electricity – Tariffs Distributed Energy Resources, and Electric Distribution Systems Support Services (Distributed Renewable Integration and Vehicle Electrification – DRIVE Act)  
**Submitting:** Deborah A. Cohn  
**Position:** Favorable  
**Hearing Date:** March 7, 2024

Dear Chair Wilson and Committee Members:

Thank you for allowing my testimony today in support of HB1256.

**Problem:** With more frequent disruptions in the jet stream, intense winter storms, like Winter Storm Elliot, can destabilize the electric grid. Virtual power plants (VPPs) [significantly helped](#) the PJM system manage disruptions to the power grid during that storm. VPPs comprised of participating by Maryland would be wise to encourage and enable consumers, through time of use rates and an open-access platform for aggregating and, importantly, compensating distributed energy resources as virtual power plants. The mechanisms provided for in the DRIVE Act would allow customers to assist utilities in managing the grid during peak load periods.

**Solutions:** When I moved to Maryland in 1986 I asked PEPCO for time-of-use (TOU) rates, appreciating from my prior work at the FERC the benefit of that rate structure to curb use of expensive, typically older, inefficient and more polluting peaker power plants. I did not realize TOU rates were unusual. TOU rates will help consumers control electric utility bills, particularly as more business and residential customers electrify space and water heating and other appliances. Even though during the TOU pilot consumers across all income groups moved *some* discretionary uses to lower TOU rate periods, the current pricing differentials among the three TOU periods are not sufficient to induce most consumers to switch *significant* amounts of discretionary electricity use to the off-peak periods. Some switching will occur at all income groups, but a greater price differential, including options, as more space heating demand is electrified, to curb winter peak loads, would be helpful.

VPPs are also critical to increase the reliability of power supplies and serve as an efficient, non-polluting peaker plant. VPPs involve aggregation of controllable customer devices, such as EVs and residential solar when combined with battery storage, to inject power into the grid during peak load periods. Importantly, the DRIVE Act would ensure that DERs are compensated for these services. The DRIVE Act would require the Public Service Commission to streamline the process for bi-directional EV charging, and for net metered solar customers, compensation for these grid services would be in addition to compensation through net-metering.

Harnessing the power of community participation in curbing peak loads and increasing grid reliability will increase energy resilience during extreme weather.

For these reasons I urge a favorable report on HB1256, the DRIVE Act in Committee.

Thank you.