

Committee: Economic Matters
Testimony on: HB1393 – Electric System Planning – Scope and Function
Individual: Deborah Cohn
Submitting: Deborah Cohn
Position: Favorable
Hearing Date: February 29, 2024

Dear Chair and Committee Members:

Thank you for allowing my testimony today in support of HB1393.

Problem: Maryland is seeking to decarbonize its economy by 2045. To achieve that goal it will need to electrify many existing economic sectors, including transportation, building and industry. In some situations it can rely on geothermal energy to power certain appliances. But Maryland will also need to ensure a fossil fuel free electricity generation system. In other words, we will need to rely on hydro, nuclear, wind and solar electricity generation.

Wind and solar electricity generation systems often are highly distributed, with small systems located on residential and commercial building rooftops, on parking lot canopies and on brownfields or other compromised land. These distributed systems can often provide short term storage and serve as virtual power plants. But taking advantage of highly distributed solar energy generating systems also will require investment by electric utilities. Larger solar and wind generating systems also require significant storage capacity to ensure their ability to provide electricity when needed, not just when generated.

These generating systems and storage systems place demands on our electricity transmission systems. We need, in short, a thoughtful and cost-effective strategy for utilities to build out not only local distribution lines, but longer distance transmission lines to ensure system resiliency, efficiency and reliability as Maryland transitions to a greenhouse gas (GHG) free electricity supply. And, we need to ensure that the build-out of that transmission capacity, the electric grid, stays ahead of increases in electricity demand.

Solution. HB1393 requires the Public Service Commission (PSC), starting this year, to report on the status not only of the electric distribution system, but also of the electric transmission system. To fund the necessary build-out of the electric grid in a cost-effective manner for consumers, HB1393 urges utilities to seek out all available federal funds, including those under the Infrastructure Investment and Jobs Act and the Inflation Reduction Act. To ensure reliability and efficiency of the grid at the least cost, HB1393 also directs the PSC to issue orders and regulations that require electric companies to apply for these federal and other funds, ensure that the least-cost debt is used to finance the grid upgrades and to invest in demand-side mechanisms, including those needed to take advantage of virtual power plants.

For these reasons I strongly support HB1393 and urge a **FAVORABLE** report in Committee.

Thank you.

Deborah A. Cohn