



Montgomery County

Office of Intergovernmental Relations

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HB 1393

DATE: February 27, 2024

SPONSOR: Delegate Crosby

ASSIGNED TO: Economic Matters Committee

CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)

POSITION: Favorable (Department of Environmental Protection)

Electric System Planning - Scope and Funding

The Maryland Public Service Commission (PSC) plays a critical role, in coordination with other agencies, utilities, and organizations such as PJM Interconnection (PJM), in helping to plan, evolve and maintain the electric system serving Maryland. The PSC plays a lead role in distribution system planning, while PJM plays a lead role in transmission system planning.

This legislation makes several adjustments within the Public Utilities Article to clarify State goals, encourage more integrated electric system planning, and ensure that Maryland utilities are pursuing federal funding to lower the cost of grid modernization to ratepayers.

First, the bill would clarify that the State's policy goals related to greenhouse gas reduction, renewable energy, reducing dependence on imported energy, and achieving system resiliency, efficiency, and reliability apply to the electric system broadly, not just the distribution portion of the electric system. This expanded goal definition would inform future planning and implementation reporting by the PSC to the General Assembly. This is a reasonable change that should encourage the PSC to reflect and report on transmission system impacts of decisions within its purview, with the caveat that the PSC is not responsible for transmission planning and will have limited information in this area.

The bill also directs the PSC and the Maryland Energy Administration to support electric companies in applying for federal funding to improve Maryland's electric system generally, not only in the context of distribution system projects.

The bill would also require the PSC to require investment in demand-side methods and technology to improve reliability and efficiency, including virtual power plants. These are important strategies that should be pursued alongside energy efficiency programs to support ongoing electric grid reliability and affordability for ratepayers.

We respectfully request that the Economic Matters Committee issue a favorable report on House Bill 1393.