



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 1393: Electric System Planning - Scope and Funding

Position: FAV

March 21, 2024

Good afternoon, Mr. Chair, Madam Vice Chair, and members of the Senate Education, Energy, and the Environment Committee. I am Delegate Crosby, here to present to you HB 1393: Electric System Planning - Scope and Funding.

This bill will modify an existing requirement that the Public Service Commission submit an annual report. This report will be required to include the current status of projects designed to promote several extant goals, plus modifying a goal to provide additional capacity to accommodate increased distributed renewable electricity generation in connection with electric transmission and distribution system modernization.

The bill also states that the General Assembly strongly encourages electric companies to diligently pursue federal funds to meet our goals for the electric system, including funds made available under the Federal Inflation Reduction Act. It also requires the Maryland Energy Administration to identify funding sources that may be available to electric companies under the Federal Inflation Reduction Act. Companies will be required to report quarterly, and the Commission will be required to adopt regulations mandating that electric companies apply for funding, and in order to ensure that least-cost debt is used.

The regulations adopted will be required to provide consideration to the unique characteristics inherent to investor-owned electric companies, electric cooperatives, and municipal electric utilities. In addition, the Commission will have the authority to determine whether it is necessary to establish separate requirements for these three different types of electric utilities.

The Commission will also be required to adopt regulations mandating the investment in demand-side methods and technology to improve reliability and efficiency, including virtual power plants. Existing labor standards will also apply to projects that make use of Federal Inflation Reduction Act funds.

I would like to note that the MEA and OPC have offered what I consider to be a friendly amendment: On page 4, in line 25, after "**REQUIRE**" insert "**CONSIDERATION OF**", and in the same line, after "**IN**" insert "**OR PROCUREMENT OF COST EFFECTIVE**".

Thank you for your time and consideration of this bill. I respectfully request a favorable report.