



Maryland

Energy Administration

TO: Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee
FROM: MEA
SUBJECT: HB 829 - Public Utilities - Transmission Lines - Advanced Transmission Technologies
DATE: February 20, 2025

MEA Position: FAVORABLE WITH AMENDMENTS

House Bill 829 seeks to modernize Maryland’s approach to transmission line development by integrating Advanced Transmission Technologies (ATTs) into the regulatory process governing Certificates of Public Convenience and Necessity (CPCN).

While MEA supports the intent of this bill, we recommend targeted amendments to enhance clarify, and ensure effective implementation:

1. **Definition of Advanced Transmission Technologies (ATTs):** The Bill introduces a definition of ATTs in Section 7-207, listing specific technologies such as grid-enhancing technologies, high performance conductors, and storage used as a transmission asset. MEA recommends:
 - a. Changing ‘includes’ to ‘including’ to allow for future technological advancements without requiring further statutory amendments.
 - b. Incorporating additional ATTs enumerated in FERC Order No. 1920¹:
 - i. Dynamic line ratings
 - ii. Advanced power flow control devices
 - iii. Advanced conductors
 - iv. Transmission switching
 - c. Amending ‘storage used as a transmission asset’ to ‘storage “classified” as a transmission asset, including dual-use assets.’ This ensures that emerging storage technologies, which may provide both market and reliability services, are not unintentionally excluded.
2. **Analysis of Transmission Alternatives:** The bill mandates CPCN applicants to include an analysis of transmission alternatives. However, Maryland regulations (Md. Code Regs. 20.79.04.03) already require a description of alternative routes. To avoid redundancy, MEA suggests:
 - a. Striking (iv)(1)(B) ALTERNATIVE ROUTINGS from the bill.
 - b. Clarifying the intent and applicability of provisions (E) and (F) regarding resource adequacy and eliminating energy efficiency and demand response considerations. Transmission-owning utilities do not serve retail customers and cannot institute energy efficiency or demand response programs, making these provisions impractical.

3. **Considerations in the PSC’s CPCN Process:** MEA supports incorporating ATTs into the CPCN process but recommends:
 - a. Allowing the Public Service Commission (PSC) discretion to screen out infeasible alternatives, such as extensive undergrounding of new overhead high-voltage transmission lines. Underground transmission is significantly costlier—approximately \$2 million per mile compared to \$390,000 per mile for overhead lines—potentially burdening ratepayers with unnecessary expenses.
4. **Cost and Congestion Analysis Requirements:** The bill requires utilities to report on congestion levels and the feasibility of ATTs. To ensure efficiency, MEA recommends:
 - a. Establishing a threshold for congestion levels, so that analyses focus on heavily congested lines rather than all transmission lines. The 2023 National Transmission Needs Study (NTNS) could serve as a reference for identifying significant congestion areas.
5. **Cost Recovery and Incentives for ATTs:** MEA supports providing reasonable cost recovery for ATTs but recommends:
 - a. Establishing efficacy standards to prevent ratepayers from subsidizing marginally effective technologies. Montana’s model, which offers an ROI "adder" for utilities selecting conductors that reduce electrical resistance by 10% or more, could serve as a precedent.
 - b. Structuring Section (D) of HB 879 as a temporary authorization rather than a permanent feature of the CPCN process. A sunset provision extending through 2040, aligned with PJM’s long-term transmission planning process, would ensure regulatory certainty while allowing reassessment as market conditions evolve.

MEA urges the committee to issue a **favorable report**, with the adoption of these amendments.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy manager, at megan.outten@maryland.gov or 443.842.1780.

¹ FERC Order No. 1920: <https://www.ferc.gov/media/e-1-rm-21-17-001>