

THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

Testimony in Support of SB909/HB1037 - Energy Resource Adequacy and Planning Act

February 28, 2025

Chairman Feldman, Chairman Wilson, and members of the Education, Energy, and the Environment and Economic Matters Committee:

Thank you for your consideration of Senate Bill 909/House Bill 1037, the Energy Resource Adequacy and Planning Act. This bill is a crucial step toward securing Maryland's energy future by establishing an Integrated Resource Planning Office to develop a Comprehensive State Energy and Integrated Resource Plan; a long-overdue, data-driven strategy to ensure reliable, affordable, and sustainable energy infrastructure while advancing Maryland's clean energy goals.

As technology evolves, so must our approach to energy production and consumption. What was once theoretical is now reality, and Maryland must proactively plan for future energy demands. Unlike neighboring deregulated Mid-Atlantic states such as New Jersey, which has implemented a statewide energy strategy, Maryland lacks a coordinated, data-driven approach to anticipate future energy needs and ensure grid stability. Without proactive planning, we face:

- Grid instability, jeopardizing reliability and security;
- Rising energy costs, disproportionately affecting ratepayers; and
- Falling behind on our clean energy commitments, stalling Maryland's progress.

These risks are no longer hypothetical. Just last summer, PJM's capacity auction revealed an alarming 800% increase in capacity demand, translating to nearly \$15 billion in additional costs for consumers across PJM's 15-state region between June 1, 2025, to May 31, 2026.¹ We are all hearing from our constituents that their utility bills are just getting higher and higher. Without strategic planning, these price spikes and reliability concerns will only worsen.

¹ "Bill and Rate Impacts of PJM's 2025/2026 Capacity Market Results & Reliability Must-Run Units in Maryland," Office of People's Council, August 2024, https://opc.maryland.gov/Portals/0/Files/Publications/RMR%20Bill%20and%20Rates%20Impact%20Report_2024-08-14%20Final.pdf?ver=V9hZfyTmjLeNVt2Dg3cTgw%3d%3d

To secure Maryland's long-term clean energy future, we must develop a user-friendly, transparent statewide planning model to guide policy and administrative decisions. SB909/HB1037 accomplishes this by establishing an office to enact a long-term, data-driven approach to energy planning that enhances transparency, strengthens grid stability, and protects consumers. Specifically, this legislation will:

1) Establish an Integrated Resource Planning Office (IRPO)

- a) The IRPO will be an independent office housed within the PSC, designed to provide reliable and accurate information to inform the General Assembly's energy policy development.
- b) The IRPO will collaborate with key agencies, including the Maryland Energy Administration, the Public Service Commission, the Power Plant Research Program, the Maryland Clean Energy Center, and the Department of the Environment.

2) Require the IRPO to Develop and Maintain an Energy Modeling System

- a) The IRPO will develop an energy model to analyze electricity prices, resource mix, and commercialization timelines for emerging technologies. This model will provide locational value planning, assess grid reliability, strengthen transmission and distribution systems, and run annual policy scenarios to guide decision-making for the legislature. It will be updated regularly to reflect evolving energy strategies.

3) Direct the IRPO to Develop a 25-Year Comprehensive Energy Forecast

- a) Utilizing the model, the IRPO will develop a 25-year Comprehensive Energy Forecast, analyzing energy demand scenarios and policy options to ensure that Maryland's electric distribution system remains reliable and cost-effective in the long term.
- b) The purpose of the forecast is to analyze energy scenarios and policy options for meeting the state's energy needs and greenhouse gas emission reduction goals while ensuring electric distribution system reliability and cost-effectiveness consistent with the long-term energy needs of the State. The bill outlines many items to be included in the forecast, including a ratepayer impact analysis, locational value estimations, an analysis of technologies, load flexibility, and much more.

4) Direct the IRPO to Conduct Complementary Energy Studies

- a) Simultaneously, we need specific studies conducted to answer the larger questions that the forecast is addressing. These studies will assess Maryland's current energy infrastructure and explore strategies to reduce future energy demand and grid constraints, including reconductoring, energy storage viability, exploring broadening the state's power purchase authority, and more.

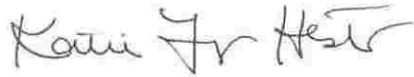
5) Require Electric Companies to Submit Resource Plans

- a) The PSC will work with the IRPO to develop and enforce regulations requiring electric companies to submit integrated resource plans, ensuring utilities align their strategies with Maryland's long-term energy goals.
- b) This will enhance transparency and consumer protection, minimizing ratepayer impacts while ensuring a resilient energy system.

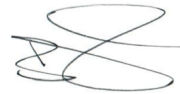
SB909/HB1037 is not just about establishing another office, it is about getting all of the best minds on energy in our state together to modernize Maryland's energy infrastructure, lower costs for Marylanders, and ensure long-term grid reliability. By passing this legislation, Maryland will take control of its energy future with a proactive and strategic approach.

For these reasons, I respectfully request a favorable report on SB909/HB 1037.

Sincerely,



Senator Katie Fry Hester
Howard and Montgomery Counties



Delegate Brian Crosby
St. Mary's County