



HB1225 – SUPPORT

Jeff Mauk

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**TESTIMONY SUPPORTING HB1225:
Public Utilities - Electric Distribution System Plans - Establishment
(Affordable Grid Act)**

House Economic Matters Committee

February 21st, 2025

Dear Chair Wilson, Vice Chair Crosby, and members of the Economic Matters Committee,

I write today on behalf of Ceres to urge a favorable report from the Committee on HB1225, the Affordable Grid Act. Ceres works with investors, companies, and financial leaders to promote sustainability solutions. Through our Business for Innovative Climate and Energy Policy Network (BICEP), we mobilize over 85 major employers, including several businesses doing business in Maryland, to advocate for more effective climate and clean energy policies.

As Maryland transitions to a cleaner energy future, the electric distribution system faces unprecedented challenges and opportunities. HB1225 creates a framework that balances business interests, consumer protection, and environmental goals by requiring utilities to develop comprehensive distribution system plans every three years.

Economic Benefits

- **Reduced Infrastructure Costs:** By requiring utilities to evaluate non-wires alternatives and conduct benefit-cost analyses, HB1225 will help avoid unnecessary capital expenditures. The systematic planning approach mandated by this legislation promotes more efficient grid investments rather than reactive, piecemeal upgrades.
- **Regulatory Certainty:** The three-year planning cycle provides businesses with greater predictability for investment decisions. Companies developing distributed energy resources, electric vehicle charging infrastructure, and grid modernization technologies will benefit from transparent utility planning processes.

- **Market Development:** The bill's information-sharing framework will create a more competitive marketplace for innovative grid services. When developers have access to hosting capacity and constraint information, they can target investments where they provide the most value.

Cost-Effectiveness for Ratepayers

Maryland businesses of all sizes depend on affordable, reliable electricity. This legislation explicitly prioritizes cost-effectiveness by:

- Requiring utilities to minimize capital infrastructure investments to the greatest extent possible
- Mandating evaluation of non-wires alternatives that are often more cost-effective
- Promoting load flexibility and demand management to reduce peak demand costs
- Ensuring consideration of federal funding and incentives to minimize ratepayer impacts

Grid Reliability and Resilience

Business operations depend on reliable power. The bill strengthens reliability by:

- Requiring scenario planning for various future load conditions
- Promoting technologies like microgrids, energy storage, and virtual power plants
- Ensuring adequate hosting capacity for distributed energy resources
- Coordinating gas and electric planning for areas transitioning to electrification

Supporting Economic Growth

The Affordable Grid Act positions Maryland as a leader in grid modernization, which will:

- Attract businesses seeking reliable, clean energy
- Create jobs in energy technology, construction, and infrastructure
- Support Maryland's growing clean energy industry
- Reduce long-term energy costs through more efficient planning

Conclusion

Businesses support HB1225 because it strikes the right balance between infrastructure investment, innovation, and cost control. This legislation provides the planning framework needed to modernize the grid while protecting ratepayers and advancing Maryland's environmental goals.

I urge a favorable report on House Bill 1225.

Respectfully submitted,

Jeff Mauk
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