

OPPOSE
Economic Matters
2/21/2025

**House Bill 1225 – Public Utilities - Electric Distribution System Plans - Establishment
(Affordable Grid Act)**

Baltimore Gas and Electric Company (BGE) opposes *House Bill 1225 – Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act)*. This bill mandates the Public Service Commission (PSC) to adopt regulations or issue orders by December 31, 2025, requiring electric companies every three years to develop an electric system distribution plan and submit annual progress reports to the PSC.

BGE acknowledges the importance of a transparent distribution system planning process that aligns with the State's policy goals. House Bill 1225, however, would micromanage the distribution planning process in a way that strips the PSC of administrative discretion, and that would dictate that multiple statutory criteria be addressed in an administratively bogged down process that threatens to impede the ability of the transmission planning process to provide timely support to the State's ambitious climate goals. The Bill also fails to recognize the ongoing efforts by the Commission to address distribution planning, in accordance with Maryland Public Utilities Article §7-801. In particular, this bill undermines the progress of existing initiatives and could hinder rather than support efficient progress toward developing distribution planning processes that align with the State's overall goals.

For the past three years, the PSC's Distribution System Planning Working Group (DSPWG), which includes active participation from BGE and other utilities, the Office of People's Counsel, PSC Staff, environmental groups and other interested stakeholders, have expended considerable time and resources, and made considerable progress on developing a distribution planning process that is transparent and inclusive in terms of stakeholder input and participation and that enables distribution planning to support the State's climate goals. The work that has been accomplished thus far strikes an appropriate balance between process and action. HB 1225 threatens to undue the progress that has been accomplished, and to add additional requirements and approvals that will delay, rather than support, the transformation of distribution planning to a process that supports the State's climate goals. Stakeholders in the DSP Working Group have already addressed many of the issues

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addressed in this bill. The group is currently drafting regulations scheduled to be submitted to the Commission on December 1, 2025, well before the date mandated by this legislation. The Commission's Order 91490, issued on January 21, 2025, comprehensively covers these issues and sets the date for final regulation adoption.

If passed, this legislation would conflict with ongoing Commission activities with regard to distribution system planning. *House Bill 1225* requires definitions under 7-804, which are being developed by technical work groups at the Commission and should reflect the input of those work groups if included at all. The bill also mandates the Commission to adopt regulations regarding utility DSPs and their support for CSNA goals by December 1, 2025, as part of the DSP Work Group process. There is already a plan for submitting utility DSPs every three years, and metrics are being further developed. The specific metrics suggested in the bill are not useful. For instance, utilities do not plan for “aggregate peak load”—that’s a PJM function or are already part of other work groups and reporting to the Commission (e.g., time of use and EV charging). The use of non-wires solutions (NWS) is also part of the DSP reporting and general utility planning. Information exchange with DSP stakeholders is currently under discussion subject to legal limitations regarding customer information and critical energy infrastructure.

Furthermore, *House Bill 1225* mandates the development of distributed energy resource (DER) forecasting. Forecasting over short, medium, and long terms has been extensively covered, which the Commission has already made a determination on January 22 (Order 91490). The Commission has also directed utilities to report on the development of the locational value of DERs (BGE is currently developing a demonstration project). Integration with DERs and PJM planning and gas distribution planning are already part of the Commission's order on “Integrated System Planning”. Hosting capacity expansion is under extensive discussion in the Interconnection Work Group, which has already developed the “Maryland Cost Allocation Method” for socializing costs for DER interconnections. None of the changes to load forecasting suggested in the bill are already or being addressed with existing utility planning.

BGE opposes language requiring Commission approval of the utility distribution system plans (DSPs), which is unprecedented in any jurisdiction. This issue has already been extensively debated in the standing DSP Workgroup and before the Commission, which has rejected the notion of approval of Utility DSP plans at this point, noting that final decisions and risks regarding DSPs lie with the utilities. Requiring Commission approval of DSPs would

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result in utilities' plans being continuously litigated rather than acted upon, to the detriment of our systems and customers—a concern highlighted by National Lab subject matter experts at the DSP Technical Conference held by the Commission last year.

We believe the current Commission's DSPWG should continue its work in developing regulations on the distribution planning process that address the concerns of all stakeholders throughout the State.

For these reasons, BGE requests an unfavorable Committee *report* on *House Bill 1225*.

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