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BILL NO.:	House Bill 1079 – Public Service Commission - Study on the Electric Transmission and Distribution System
COMMITTEE:	Economic Matters
HEARING DATE:	March 11, 2025
SPONSOR:	Delegates Fraser-Hidalgo and Wilson
POSITION:	Favorable

The Office of People's Counsel ("OPC") supports HB 1079 – Public Service Commission - Study on the Electric Transmission and Distribution System. HB 1079 would direct the Public Service Commission ("PSC") to study and identify, among other things, (1) present and reasonably foreseeable future inadequacies in Maryland's electric transmission system, and (2) potential application of alternatives to building transmission lines, including grid-enhancing technologies ("GETs"). OPC strongly supports these steps, which will enable the State to determine what—if any—transmission needs exist and to explore least cost alternatives to building new transmission lines. Both steps have the potential to prevent costly and potentially unnecessary investments in the transmission system, ultimately saving customers money.

GETs encompass a host of technologies that squeeze more performance out of existing transmission assets. HB 1079 specifically defines GETs as including, but not limited to, dynamic line rating, power flow controllers, topology optimization, and other hardware of software designed to reduce congestion or enhance the flexibility of the electric transmission system.

GETs can increase the useful life of existing transmission assets, decrease congestion costs, allow new generation to interconnect more quickly and more cheaply, defer expensive transmission upgrades, and enable transmission system expansion with less disturbance of previously unused land.

Some generation and storage projects drop out of the PJM interconnection queue because once they are studied, they are required to pay for significant transmission

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system upgrades that will take years to construct. By enabling cheaper and more rapid transmission system upgrades, GETs support generation interconnection at lower cost and more quickly. One recent study found that use of GETs in five PJM states could allow an additional 6 gigawatts of new capacity to come online within the next three years.¹

GETs can also decrease land use concerns. Storage as a transmission asset can "pre-flow" energy over existing lines so that the line can functionally deliver more energy than the maximum line rating at times of peak demand. While current PJM rules do not allow storage to act as a transmission asset, such a framework has been approved by the Federal Energy Regulatory Commission ("FERC") in other regions and the policy has been studied by PJM.² Similarly, advanced conductors unlock the possibility that lines with higher ratings can use existing transmission line routes and towers, or allow new transmission builds to have smaller footprints, thus limiting the need to build on new land.

The potential cost savings of the bill are difficult to estimate, given that the efficacy of GETs varies based on the specific needs of a transmission line. Still, evaluations of GETs deployed in the Southwest Power Pool—another regional transmission organization that stretches from North Dakota to Oklahoma—found that GETs increased the utilization level of certain high voltage transmission lines by 16 percent.³

It is also worth noting that there are limits to how much the PSC—or the legislature—can ultimately require deployment of GETs. For transmission lines regulated by FERC, the PSC would likely be preempted from requiring the installation of GETs unless the use of GETs directly impacts siting concerns. Likewise, for lines with FERC-regulated transmission charges, the PSC is likely preempted from allowing cost recovery for GETs. The study directed by HB 1079, however, is an important step toward understanding the need for and potential of these technologies, maximizing the utility of existing transmission infrastructure in Maryland, and preventing unnecessary investments in new infrastructure that could prove costly to ratepayers.

Recommendation: OPC requests a favorable Committee report on HB 1079.

¹ Katie Mulvaney et. al., *GETting Interconnected in PJM* (2024) available at <u>https://rmi.org/wp-content/uploads/dlm_uploads/2024/02/GETs_insight_brief_v3.pdf</u>.

² See Storage as a transmission asset issue charge, <u>https://www.pjm.com/committees-and-groups/issue-tracking-details.aspx?Issue=%7BB435C39B-D4BB-4C3C-ADA9-8EFBC0E52246%7D</u>.

³ Brattle Group, *Building a Better Grid*, at 5 (2003) *available* at <u>https://www.brattle.com/wp-content/uploads/2023/04/Building-a-Better-Grid-How-Grid-Enhancing-Technologies-Complement-Transmission-Buildouts.pdf</u>.