HB1225_CPSR_FAV_ECM_21Feb2025.pdf
Uploaded by: Alfred Bartlett, MD
Position: FAV

Committee: Economic Matters
Testimony on: HB1225 "Public Utilities – Electric Distribution System Plans – Establishment (Affordable Grid Act)"
Position: Favorable
Hearing Date: February 21, 2025

The Chesapeake Chapter of Physicians for Social Responsibility (CPSR) submits this testimony in support of HB1225, which provides clear and specific requirements for the plans needed to modernize the state's electricity utilities' distribution systems and meet our clean energy and greenhouse gas reduction goals.

Since 2021, CPSR has been an active member of the Public Service Commission (PSC) Work Group on Distribution System Planning. We entered that role in part because since 2015 we had been active members of the PSC Work Group that developed the regulations and monitored implementation of the state's Community Solar Pilot Program. That program brought into sharp focus the limitations of the existing distribution system: many projects found that potentially suitable sites did not have the grid capacity to connect. As the program expanded, distribution grid capacity, along with siting restrictions, became the major limiting factors.

The need to confront climate disruption by moving from fossil fuel-generated electricity to clean renewable energy has paralleled the need for increasing electrification of transportation, homes, and businesses. This has made the limitations of our distribution grid increasingly obvious.

The basic structure of our existing grid was established almost 100 years ago – it's designed to move electricity in one direction, from a small number of large power plants to homes and business customers. Large scale bulk power is carried through high voltage transmission lines. The distribution system is where that power begins to be distributed - the substations and the lines and poles and transformers that we see connecting to our homes and businesses.

The distribution system we have can't support the modern electricity system we are trying to build. It was not designed to –

- Support the extra demand from things like electric vehicles (EVs) and building electrification,
- Allow community or rooftop solar, or EVs, or batteries, to put substantial amounts of power back onto the system, or
- Manage the complex interaction of customer offtake of electricity and the production of electricity by Distributed Energy Resources (DERs) like solar, batteries, and EV-to-grid.

The 21st century grid that we need will respond to these requirements. It will –

- Use technologies like sensors, smart meters, and two-way communication to monitor and manage electricity flow in real-time;
- Optimize efficiency and reliability by adapting to changing energy demands and integrating multiple renewable sources seamlessly;
- Manage increasing or shifting peak demand without adding costly infrastructure; and,
- Provide the capacity and technology to allow all customers to connect clean and cost-saving technologies like EVs, heat pumps, batteries, and rooftop solar to the grid.

- Doing this will mean the end of customers' inability to add such technologies because the circuits in their neighborhood are already saturated.

A 21st century grid will offer substantial benefits to our electricity system. Combining expansion of Distributed Energy Resources (DERS) like solar and batteries with modern distribution grid planning and technologies actually strengthens and enhances the system in many ways, including[1] –

- Improved reliability - Reducing outage duration and frequency through communication and control elements that sense circuit status, isolate faults, and restore service, including by employing DERs.
- Improved security and safety - Reducing vulnerability to terrorist attack and natural disasters through intelligent networking of DERs like solar and batteries, and data acquisition capacity to detect security challenges and initiate corrective steps.
- Improved economics – Through market efficiencies, reducing or mitigating the price of energy and capacity, and increasing access to buyers and sellers of electricity.
- Improved efficiency - Incorporating Demand Response and technologies like DER Management Systems for more efficient operation and improved grid management at lower cost.
- New options for market participation – Opening up more robust electricity markets that will create new options and revenue opportunities and enable new load management, distributed generation, energy storage, and demand response options.
  - Allowing owners of batteries, EVs, and small solar to put power back onto the grid allows them to gain compensation through aggregation under FERC Order 2222 or participation in a Virtual Power Plant, lowering their own energy cost.

Good Distribution System planning will save money and lower costs. Modernizing the grid will have payoffs, but also cost – good planning will minimize the costs and maximize the benefits.

- It will minimize the costs by –
  - Requiring cost-effectiveness and cost-benefit analysis;
  - Using modern forecasting tools to plan for increases in load and new distributed generation.
  - Using technologies that increase capacity and reliability without investing in expensive infrastructure, like using battery storage instead of building a new substation.
- It will maximize grid benefits by –
  - Increasing reliability and reducing outages through modern system control and communication technologies.
  - Identifying locations where investment in capacity for increased solar or battery storage will add greatest value.
  - Determining where system constraints are limiting uptake of things like EVs.
  - Helping energy developers identify the best places to connect to the grid.
  - Allowing the expanded clean renewable energy that's consistent with our goals.
- Distribution System modernization will also have direct payoffs for customers, by –
  - Allowing more homes and businesses to have their own solar, which saves them money.
  - Allowing more families who can't have solar to get Community Solar, which costs less than standard utility service.
  - Allowing more rooftop solar, battery owners, and EV owners to put power back onto the grid, reducing their cost.
  - Allowing large numbers of households to participate in the energy economy by participating in a Virtual Power Plant or aggregated marketing.

We need good planning to get the 21st century distribution system we require. The need to remodel the grid to achieve these benefits was first identified by the PSC in its 2016 Public Conference

[1] U.S. Department of Energy, National Energy Technology Laboratory; *Modern Grid Benefits*

44 (PC44) on "*Transforming Maryland's Electric Distribution Systems*." PC44 identified many of the areas where modern improvements were required, including expanding solar and other Distributed Energy Resources, Energy Storage, connection to the grid, better planning of grid investments, and considering impact on limited-income households.

The Maryland utilities were part of PC44; in fact, it was part of the Exelon-Pepco merger approval. However, in the intervening almost 9 years, the utilities have made very little progress in actual grid modernization.

In 2021 the PSC launched a Distribution System Planning (DSP) Work Group to develop regulations for utilities' distribution system planning processes. The state's major electricity utilities and electricity cooperatives have been constant participants, along with a limited number of non-utility stakeholders including the Office of People's Counsel.

Using a state DS planning framework developed (with Maryland PSC input) by a national body of regulatory agencies,[2] the DSP Work Group has spent almost three years of biweekly meetings having in-depth technical discussions of key elements of modern distribution system planning. To support this process, the Commission held a DS Planning Technical Conference in January of 2024, with participation of state-of-the-art technical experts from organizations including Lawrence Berkeley Laboratory. The Work Group also received a consultant firm's detailed analysis of DSP Best Practices being implemented by other states for each of the plan components under consideration.

The Work Group facilitator filed a "Final Report" on April 30, 2024. However, in its following Order (Order 91256, July 30, 2024) the Commission noted that there were many key areas where "consensus" had not been reached, and directed the Work Group to continue deliberations. In that Order, the Commission did note that "*Those areas followed a pattern: Non-utility stakeholders pressed for more utility DSP process and technical capability improvements in addition to enhanced metrics reporting and transparency. The utilities, in many cases, opposed or desired to slow or modify these proposals*…" After five more months of deliberation, the Work Group filed a supplementary report containing some additional areas of consensus, but many remaining non-consensus areas.

In response, the Commission has issued an Order (Order 91490) and draft regulations. However, both the Order and the draft regulations are quite general in their requirements. They essentially reflect only the level and content of requirement on which there was "consensus," meaning only those requirements to which all participants – including the utilities – agreed. They do not reflect the level of detail that the Work Group reached in its deliberations, nor the Best Practices that had been presented to it. *This is a shortcoming of the consensus-based process, because the regulated entities actually determine the rate and content of the regulations that govern them*.

These draft regulations will not provide the structure that we need to develop a modern distribution system and realize the advancements and benefits it would provide.

HB1225 provides the requirements needed to plan and develop a 21st century distribution system. It uses the same NARUC-NASEO framework that the state has identified for distribution system planning. Within that framework, it provides clear specifications for key components of that planning, drawing on state-of-the-art experience and Best Practices, including –

- Detailed forecasting of rapidly evolving load requirements;

[2] National Association of Regulatory Utility Commissioners/National Association of State Energy Officials (NARUC-NASEO), Task Force on Comprehensive Electricity Planning; *Blueprint for State Action*; February, 2021

- Detailed forecasting of EVs, building electrification, battery storage, and distributed generation;
- Expanding "hosting capacity" to connect new distributed energy sources and provide information to help developers plan their investments;
- Cost-effectiveness analysis to identify effective grid improvements that use technology and "non-wires" investments instead of more expensive infrastructure or equipment;
- Coordination of gas and electric system planning to avoid duplicative investment in energy capacity; and,
- Use of defined metrics to monitor, evaluate, and report on progress.

HB1225 also establishes robust requirements for transparency and for active participation and input by non-utility stakeholders.

Most importantly, HB1225 requires actual review and approval of distribution system plans by the PSC and establishes criteria for such approval. Approval plus required reporting will assure accountability of the grid modernization process as it is implemented.

HB1225 is consistent with grid modernization requirements in other progressive states.[3]

- Hawaii, New York, Colorado, Minnesota, Nevada, and Vermont require forecasts to include new load from building electrification and EV charging; Vermont includes new load from heat pumps and other "fuel-switching technologies."
- Hawaii, Colorado, California, Nevada and Vermont require system forecasting for demand response, energy storage, distributed generation, demand flexibility (CO), and/or managed EV charging.
- The District of Columbia and 16 states include analysis of non-capital ("non-wires") investments in plan requirements.
- California, Hawaii, Massachusetts, Minnesota, New York, and Michigan require their Public Utility Commissions to approve electric utilities' distribution system plans.

In summary, we need HB1225 to move forward. Setting out with a weaker set of regulations will only cost us more time than we have already lost since 2016. Through actions like the Climate Solutions Now Act and the 2024 DRIVE the legislature has proven that it can help focus regulatory action. We need to do that now to plan the system that will speed our movement toward the clean energy future we've envisioned.

We therefore respectfully request a favorable report on HB1225.

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[3] L. Schwartz et al, State Requirements for Electric Distribution System Planning; Berkeley Lab and Pacific Northwest National Laboratory, December 2024

_Testimony_HB1225_CCAN_Baker.pdf
Uploaded by: Brittany Baker
Position: FAV

HB1225- ELECTRIC DISTRIBUTION SYSTEM PLANS- ESTABLISHMENT (AFFORDABLE GRID ACT)

TESTIMONY OF BRITTANY BAKER, MARYLAND POLICY DIRECTOR AT THE CHESAPEAKE CLIMATE ACTION NETWORK

Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee,

The Affordable Grid Act would require the Public Service Commission to adopt regulations to require electric companies to develop an electric distribution system plan that would help lower costs and help the state reach its climate and clean energy goals. The plan would need approval from the Commission and would be redeveloped every three years to keep the plan up to date with the latest information and technology.

The Public Service Commission would require electric companies to implement policies for improvements that help the state reach its targets for the expansion of solar energy, building electrification, energy storage capacity, and reduction of greenhouse gas emissions. The implementation of clean energy sources will be beneficial to lowering ratepayers' utility bills, as households will use less energy and therefore pay less each month[1]. Furthermore, HB1225 dictates that the Commission be responsible for updating and creating metrics to assess the electric distribution system's reliability and management of peak-load reduction programs, dynamic pricing programs, and hosting capacity status and expansion.

Another critical component of the Affordable Grid Act is its element of transparency. The bill requires the establishment of an information sharing network for the exchange of data between electric companies, gas companies, electricity suppliers and the public during the planning process.

As Maryland begins to shift toward clean energy goals, it is imperative that electric distribution system plans incorporate climate smart technology and energy sources, while also keeping in mind the cost to ratepayers. HB1225 seeks to make sure that both the environment and ratepayers are considered and protected in the process of developing electric distribution system plans.

I respectfully request a favorable report on HB1225.

[1] https://www.americanprogress.org/article/clean-energy-will-lower-household-energy-costs/

HB 1225 Public Utilities - Electric Distribution S

Uploaded by: Cait Kerr

Position: FAV

The Nature Conservancy
Protecting nature. Preserving life.

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Friday, February 21, 2025

TO: C.T. Wilson, Chair of the House Economic Matters Committee; and Committee Members
FROM: Cait Kerr, The Nature Conservancy, State Policy Manager; and Michelle Dietz, The Nature Conservancy, Director of Government Relations
POSITION: Support HB 1225 Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act)

The Nature Conservancy (TNC) supports HB 1225 offered by Delegates Qi, Charkoudian, and Fraser-Hidalgo. HB 1225 seeks to prevent the overbuilding or underbuilding of distribution infrastructure and increase the adoption of lower-cost noncapital and non-wires solutions relative to traditional distribution infrastructure. Maryland is expected to see a spike in energy demand in the near future. It is imperative that utilities upgrade our grid as efficiently, cost-effectively, and as rapidly as possible. We must ensure the grid is ready to meet growing energy demands, and incorporate new technologies that ratepayers are already purchasing and installing, which enhance the grid's efficiency in delivering energy. This is where accurate, adequate, data-driven Distribution System Planning (DSP) comes in.

We need to act now to ensure that our grid is capable of distributing energy to meet increasing demand from the generation source to consumers as efficiently and cost-effectively as possible. There is also a concurrent need to modernize our grid, in order to take advantage of new and emerging technologies that can reduce costs to ratepayers by balancing supply and demand. Many of these technologies, including distributed rooftop solar, battery storage, bidirectional electric vehicle charging, and Virtual Power Plant agreements, are already being added to homes and businesses. These technologies can put more energy back on the grid that doesn't rely on utility-scale generation sources. There are also recent technologies that utilities can add to their distribution grid, including non-wires solutions. One type of non-wires solution is software programs that manage load can increase the grid's stability and reliability at a lower cost than building new poles and wires. Most, if not all, of these modern technologies that reduce demand from utility-scale generation can be added to the grid more quickly than additional utility-scale generation.

When DSP is done ineffectively, utilities run the risk of either significantly overbuilding or significantly underbuilding. Overbuilding takes longer to make upgrades, which delays grid readiness to meet increased energy supply and demand. It also costs more, and these costs get passed on to ratepayers. If utilities underbuild, infrastructure will require replacement earlier than expected. This takes even more time than overbuilding, and costs ratepayers even more in the long run. Underbuilding leads to new customer-sited technologies, such as solar panels and electric vehicle charging equipment, facing delays in becoming interconnected. Neither approach is conducive to optimizing ratepayer dollars.

HB 1225 aims to prevent both overbuilding and underbuilding. This bill's goals are to: (1) advance only necessary capital expenditure spending by utilities, which will minimize increases to electricity delivery impacts on ratepayers' energy bills, (2) upgrade the grid faster, which will help us meet increased energy and supply and demand more quickly, as well as reach our clean energy goals more quickly, (3) reduce power outages, (4) accelerate restoration times from power outages when they do occur, (5) increase the grid's ability to withstand extreme weather events, and (6) minimized voltage fluctuations and harmonics.

Six states already require utilities to include building electrification and electric vehicle charging in load forecasts. Five states require utilities to forecast the potential utilization and benefit of energy-saving tools including demand response, energy storage, distributed generation, demand flexibility, and/or managed electric vehicle charging. Sixteen states and The District of Columbia include analysis of non-capital, non-wires, investments in plan requirements. Six states require their Public Utility Commissions to approve electric utilities' distribution system plans. HB 1225 allows Maryland to catch our grid up to current and future energy demands and brings us up to speed with other states already taking action to tackle this issue. TNC commends Delegates Qi, Charkoudian, and Fraser-Hidalgo for introducing this bill to advance affordable, efficient, reliable energy distribution in our state.

Therefore, we urge a favorable report on HB 1225.

HB1225_Affordable_Grid_Act_MLC_FAV.pdf
Uploaded by: Cecilia Plante
Position: FAV

TESTIMONY FOR HB1225
Public Utilities – Electric Distribution System Plans – Establishment (Affordable Grid Act)

Bill Sponsor: Delegate Qi
Committee: Economic Matters
Organization Submitting: Maryland Legislative Coalition
Person Submitting: Cecilia Plante, co-chair
Position: FAVORABLE

I am submitting this testimony in strong support of HB1225 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Our members feel like what is happening with our electric grid is reactionary. There does not seem to be much planning involved. Given that our requirements for power are growing exponentially, it makes sense to inject some forward planning into the process.

This bill will require electric companies to submit distribution system plans to the Public Service Commission every three years utilizing bottom-up forecasting of projected load requirements and that incorporates increases in vehicle and building electrification and the goals of state and local decarbonization policies. It will also ensure electric companies develop investment plans to modernize and upgrade their assets to meet their forecasted needs and maximize energy efficiency upgrades.

Finally, it will mandate comprehensive planning that considers grid capacity, and prioritizes overburdened communities. This is something we should be doing, but clearly need a push to make sure it happens.

We strongly support this bill and recommend a **FAVORABLE** report in committee.

Testimony HB1225 Affordable Grid Act.pdf
Uploaded by: Debbie Cohn
Position: FAV

Committee: **Economic Matters**
Testimony on: **HB1225 – Public Utilities – Electric Distribution System Plans – Establishment (Affordable Grid Act)**
Submitting: **Deborah A. Cohn**
Position: **Favorable**
Hearing Date: **February 21, 2025**

Dear Chair Wilson and Committee Members:

Thank you for allowing my testimony today in support of HB1225. As a Maryland since 1986, I am writing to underscore that we need to invest prudently in our distribution grid to ensure its planned growth in the most cost effective manner.

While much attention is being paid to developing affordable and reliable renewable energy supplies, we need to be able to access those supplies efficiently and affordably while facilitating decarbonization of our buildings and transportation sectors. We need prudent investment in the electrical grid. HB829 addresses using advanced transmission technologies in the CPCN process; HB1225/SB908 addresses requirements and evaluation criteria that will enable the PSC to ensure prudent build-out of the distribution grid.

The existing distribution system is quite old and as a result, is designed to take electrons in one direction: from big power plants to consumers. A modern grid needs to be a bidirectional grid that takes advantage of digital technologies like sensors, smart meters, demand management, demand flexibility and two-way communications between utilities and end-users. It also needs to take advantage of new technologies, such as grid enhancing technologies[1], to increase grid efficiency and reliability at the lowest cost.

A bidirectional grid can also facilitate growth of community and residential solar, EV charging and related battery storage that can serve as virtual power plants (VPPs). California successfully used VPPs during heat waves in 2020 and 2022 to reduce blackouts.[2] In New England VPPs are used to shave peak demand to avoid reliance on peaker plants.[3] Currently, when local circuits are saturated, the next customer on that circuit who wants to connect a new heat pump, EV

[1] Grid enhancing technologies (GETs) include several technologies. Dynamic line rating (DLR), the real time monitoring of wind, humidity, temperature and other factors that impact the amount of electricity that can flow safely through an existing transmission or distribution line, can increase line capacity by an average of 10-30 percent, take three to six months to deploy and cost less than five percent of the price of building new transmission lines. Advanced power flow control devices act like air traffic controllers. They enable the redistribution of power from congested lines to lines with available capacity, increasing capacity by 10-25 percent. Topology optimization addresses congestion in a manner similar to the rerouting of trains along different tracks through controlling switches in the tracks. Topology optimization uses software models of the grid network and real time conditions to trigger high voltage circuit breakers to redistribute power flow more efficiently through the existing grid. https://ceepr.mit.edu/wp-content/uploads/2024/09/MIT-CEEPR-RC-2024-06.pdf.
[2] https://rmi.org/clean-energy-101-virtual-power-plants/
[3] https://www.wbur.org/news/2024/08/28/virtual-power-plants-eversource-massachusetts-batteries-ev-chargers

charging station or rooftop solar facility is forced to pay the entire cost (roughly $10,000) of a new circuit. The cost of other utility investments are socialized. To increase reliability at the lowest cost through EV charging stations in residential buildings of all sizes, rooftop solar, smart meters and other resources that can serve as VPPs, investing in new circuit breakers needs to be socialized as well.

Modernizing our distribution grid requires the collaboration of utilities, the Public Service Commission (PSC), technology developers and a well-trained installer workforce**.** Existing law does not require the PSC review and approve a utility's distribution plan. Utilities earn a rate of return on infrastructure investments. Lacking muscular oversight, transparency and accountability, this approach risks reliance on unnecessarily costly infrastructure improvements rather more cost effective methods. Importantly, **HB1225 calls for the PSC to require utilities to submit distribution system plans that the PSC must review and approve.**

HB1225 draws on best practices for grid planning, drawing on distribution system planning methodologies developed by the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Energy Officials and consultation with the Maryland Public Service Commission (PSC). Many of these best practices are already being used effectively by other states and utilities.

Distribution System Planning: HB1225 requires utilities every three years to submit a distribution system plan for the PSC's approval. The Plan must include:

- Data-sharing between electricity and gas utilities (i) to prevent electricity and gas demand from being double-counted and (ii) to coordinate on decarbonization and electrification planning.
- Forecasts and scenarios for predicted load growth (including from DERs and building electrification) and electricity generation capacity
- Analysis of system constraints that impede the incorporation of new technologies and capacity, thereby pinpointing where investment in capacity will facilitate the uptake of DERs.
- Preferred solutions for upgrading the grid and explanations for those decisions, including a cost-benefit analysis comparing solutions requiring capital expenditure with non-capital, or reduced capital solutions.
- Incorporation of technology innovations that will modernize the grid and improve its reliability and resilience.
- Coordination of transmission and distribution.
- Use of funds and incentives to encourage private investment in VPP components and technology
- Identification of sites having greatest value for decarbonization.

- Management of capacity to incorporate Distributed Energy Resources ("hosting capacity")
- Analyses and targets using PSC developed metrics to better enable the PSC to monitor, evaluate and report on progress.

Transparency and Accountability: HB1225 requires the PSC to review and approve (and implicitly reject or require changes to) each utility's plan. It specifies certain criteria for approval or rejection. It specifically allows the PSC to reject a plan if it is not cost effective or doesn't minimize cost to ratepayers without compromising grid performance. And it requires utilities to provide annual progress reports on implementation of their three-year plans.

- Increases reliability of the grid at lower costs by facilitating development and use of distributed energy resources
- Socialize the cost of construction of new capacity where system constraints limit uptake of rooftop solar and battery storage
- Help energy developers identify the best places to connect to the grid.

Conclusion: HB1225 is a well thought through method for ensuring grid distribution planning that (i) minimizes the risk of unnecessarily costly investments, grid congestion requiring emergency improvements or results in delays in interconnection and (ii) improves distribution grid reliability in a cost-effective manner. For these reasons I urge this Committee to issue a favorable report on HB1225.

HB 1225 - Electric System Distribution Plans.pdf
Uploaded by: Elizabeth Law
Position: FAV

BILL NUMBER:	**HOUSE BILL 1225** **Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act)**
COMMITTEE:	**Economic Matters**
HEARING DATE:	**February 21, 2025**
SPONSOR:	**Delegates Qi, Charkoudian, and Fraser-Hidalgo**
POSITION:	**Favorable**

Chair C. T. Wilson, Vice Chair Brian M. Crosby and Members of the Committee,

As a resident of Maryland and a professional electric power engineer I ask for a favorable report.

HB 1225 - Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act) requires the PSC to adopt regulations for electric companies to develop an electric distribution plan. Utilities would further report periodically at specific time frames on their progress achieving the goals of these plans.

The electric system has been compared to the most complicated machine ever invented. The transmission system has received a good deal of news coverage and local consternation with the pressure of datacenter energy demands. But equally important is the distribution system. This is the electricity at below 100 megawatt levels that is stepped down by transformers at local substations to levels suitable for homes and businesses. Proper management of the distribution system is just as important in maintaining reliability and affordable electricity.

This carefully crafted bill empowers the PSC to oversee utility efforts to strengthen and expand the distribution system. I ask for a favorable report.

Thank you,

Elizabeth Law, P.E.

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ECA testimony on HB1225 Affordable Grid Act.pdf
Uploaded by: Frances Stewart
Position: FAV

HB1225 - SUPPORT
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HB1225, the Affordable Grid Act

Meeting of the Economic Matters Committee

February 21, 2025

Dear Chair Wilson, Vice Chair Crosby, and Members of the Committee, on behalf of Elders Climate Action Maryland, I urge a favorable report on HB1225, the Affordable Grid Act.

Elders Climate Action is a nationwide organization devoted to ensuring that our children, grandchildren, and future generations have a world in which they can thrive. The Maryland Chapter has members across the state.

Each day, we see the climate crisis more clearly. We know that Maryland is at risk for sea level rise, flooding from intense rainfall, heat waves, and other extreme weather events. Maryland can also be a leader in moving us to a safer, cleaner future where we all can thrive. The clean energy transition is an essential part of that future.

Our electric grid has had the same basic structure for almost 100 years. It was designed to carry power from large power plants to homes and businesses. In many ways, it has been a marvel, but it is now woefully outdated and inadequate for our current and future energy needs.

The grid is composed of two major parts, the transmission grid and the distribution gird. The transmission grid carries bulk power through the state and from other states on large towers. Modernizing the transmission gird is essential and is being addressed in other legislation such as HB0829, the Advanced Transmission Technologies Act, and in Federal Energy Regulatory Commission regulations.

This bill deals with the distribution grid which connects our homes and businesses to the electricity system. We need to move for an antiquated 20th Century grid to a 21st Century smart grid. A smart grid is designed to make optimal use of distributed energy resources like rooftop solar, community solar, and batteries while managing the increasing demands from electric vehicles, building electrification, data centers, and more. It is one of the indispensable keys to the clean energy future we need for our environment, our health, and our prosperity.

Modernizing the grid will have direct financial benefits to utility customers. It will allow more homes and businesses to save money by adding solar to their roofs. It will also make it easier for families who can't add solar to take advantage of the cost savings from community solar. It will allow customers to manage when they use the most electricity to save on their bills while also benefiting the grid. Many of those customers may choose to save even more by becoming part of a virtual power plant.

In addition to those benefits, a smart grid provides better reliability, enhanced resilience, and improved power quality. The improvements in reliability and resilience are becoming more and more important as we face more frequent and severe extreme weather events. Improved power quality protects our ever-increasing collection of electrical equipment and electronic devices.

Of course, there will be costs in upgrading the distribution grid, but those costs can be minimized and benefits can be maximized with good planning. HB1225 draws on work already done by the state and mandates best practices for distribution system planning as developed by the National Association of Regulatory Utility Commissioners and the National Association of State Energy Officials. These requirements incorporate modern approaches and technologies that are cost-saving, cost-effective, and already in use by other states and utilities.

Each utility must submit a three-year distribution system plan for Public Service Commission approval after completing a public stakeholder engagement process. The plan must advance Maryland's climate and energy goals and adequately incorporate non-wires solutions and non-capital investments. The PSC may reject the plan if it is not cost-effective or does not minimize cost to ratepayers without compromising the grid's performance. Each utility must also submit an annual progress report to the PSC.

These steps have been incorporated into distribution planning in other states. For example, sixteen states and the District of Columbia require an analysis of noncapital investments in their plans. California and five other states require approval of utilities' distribution plans by their Public Service Commission.

HB1225 provides a clear path to the smart grid Maryland needs. We strongly urge a favorable report.

Thank you.

OPC Testimony HB1225.pdf
Uploaded by: Jacob Ouslander
Position: FAV

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BILL NO.:	House Bill 1225 – Electric Distribution System Plans – Establishment (Affordable Grid Act)
COMMITTEE:	Economic Matters
HEARING DATE:	February 21, 2025
SPONSOR:	Delegates Qi, Charkoudian, and Fraser-Hidalgo
POSITION:	Favorable

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The Office of People's Counsel ("OPC") strongly supports House Bill 1225, the Affordable Grid Act**,** which would reform the distribution system planning ("DSP") process used by Maryland's electric utilities.

In 2021, the Public Service Commission ("PSC") initiated a work group, with direction to undertake a comprehensive examination of distribution system planning in Maryland.[1] In 2022, the General Assembly charged the PSC with adopting regulations or issuing orders by July 1, 2025 to implement specific policies for DSP and promote State policy goals.[2] Over the last three years, OPC has actively participated in the work group facilitated by the PSC. Following the submission of recommendations by the work group, the PSC issued an order last summer resolving many of the key issues necessary to move forward with regulations.[3] HB 1225 seeks to resolve outstanding issues of non-consensus, not previously decided by the PSC, and address certain decisions of the PSC that limit meaningful stakeholder involvement and utility accountability.

DSP processes are currently structured to build a system capable of distributing power generated from distant generation to end users. Maryland's current process lacks the precision, transparency, and accountability needed to efficiently integrate distributed energy resources ("DERs") and non-wires solutions ("NWS") at potentially lower costs than traditional utility investments. In particular, utilities currently plan and build their distribution systems without direct PSC oversight or stakeholder participation—as a utility's infrastructure spending is only reviewed for prudency in a rate case after the

[1] Md. PSC Order No. 89865 (June 23, 2021).
[2] Md. Code Ann., Pub. Util. Art. §§ 7-802, 7-804.
[3] Md. PSC Order No. 91256 (July 30, 2024).

investments have already been made. This leads to unnecessary costs and missed opportunities to enhance grid resilience and reliability by facilitating the deployment and use of DERs. These shortcomings also hinder Maryland's ability to cost-effectively reduce greenhouse gas emissions and ensure that vulnerable communities are included in the energy transition.

Key shortcomings of current electric utility DSP processes include:

- **Lack of meaningful stakeholder participation and utility accountability** – Utilities self-govern their DSP processes, deciding unilaterally if, when, and how investments are made.
- **Weak forecasting** – Utilities lack granular, long-term load and DER forecasts that accurately model electrification trends.
- **Inadequate hosting capacity analysis** – Current methodologies fail to reflect how grid capacity changes over time, limiting DER deployment.

HB 1225 would address these shortcomings and establish a structured, transparent, and participatory DSP process by requiring:

- **Mandatory, three-year DSP plans that are subject to approval by the PSC** – Utilities would be required to submit comprehensive DSP plans to the PSC for approval every three years instead of relying on voluntary, discretionary improvements to existing utility DSP processes.
- **Robust performance metrics** – The PSC would adopt specific benchmarks for grid reliability, DER integration, and clean energy expansion.
- **Transparent stakeholder engagement** – Utilities would be required to provide public comment opportunities and respond to feedback.
- **A data-driven planning framework** – Utilities would have to improve forecasting accuracy, hosting capacity analysis, and consideration of non-wires solutions.
- **Coordination with gas distribution system planning** – Both electric and gas utilities would be required to coordinate their planning to achieve the State's policy goals.

Without these reforms, utilities will continue to plan the grid on their own terms, without meaningful accountability or sufficient consideration of cost-effective, clean energy solutions. HB 1225 ensures Maryland ratepayers get a modernized, efficient, and affordable electricity system—one that controls costs while aligning with the state's climate goals.

Recommendation: OPC requests a favorable Committee report on House Bill 1225.

Office of People's Counsel • 410-767-8150 / 800-207-4055 • opc@maryland.gov

Testimony for Affordable Grid Act.pdf
Uploaded by: Jamie DeMarco
Position: FAV

Favorable Testimony for

The Affordable Grid Act

HB1225
Economic Matters Committee
2/21/2025

Jamie DeMarco
Chesapeake Climate Action Network Action Fund
Lobbyist

On behalf of the Chesapeake Climate Action Network Action Fund, I urge a favorable amendments report on HB1225. The Affordable Grid Act will help ensure that utilities are adopting best in class technologies that provide the greatest benefit to the system at the least cost. This legislation marks an important step forward in improving the PSC's existing processes for regulating the deployment of grid technologies.

CONTACT
Jamie DeMarco, Lobbyist
jamie@demarcoavocacy.com, 443-845-5601

Letter to House 02.19.25 HB1225_favorable.pdf
Uploaded by: Janet Galloway
Position: FAV

Janet Earp Galloway
21602 N. Ruhl Road
Freeland, MD 20153
marshja@earthlink.net
443-798-4331

February 19, 2025

Re: HB1225 - Affordable Grid Act – In FAVOR

Dear Committee Members:

As a Baltimore County, Maryland resident for over 47 years, the cost of my utilities has become unbelievably high with BGE's rate increases. This will only get worse. Electric companies need to submit detailed Electric Distribution System Plans (EDSPs) every three years and prioritizing non-wires solutions. I am in favor of HB1225 requiring a more **transparent, accountable, and localized approach to grid planning**—one that values efficiency over costly and disruptive infrastructure projects.

Seizing private land for high-voltage lines should be the very last resort to increasing energy. Electric utilities must prioritize affordability and minimize capital investment for the ratepayer to afford this basic need.

Instead of wasting billions on new power lines, utilities need to focus on optimizing existing infrastructure.

Vote in favor of HB1225 for smarter, more responsible grid planning—one that protects farmland, property rights, and local communities from unjustified transmission expansion. Let us change how Maryland plans and regulates its electric distribution system.

Regards,

Janet Earp Galloway

Ceres Testimony HB1225 Affordable Grid Act (1).pdf
Uploaded by: Jeff Mauk
Position: FAV

HB1225 – SUPPORT
Jeff Mauk
Ceres
jmauk@ceres.org

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 companies with operations and business interests 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 challenges, but also unprecedented opportunities. HB1225 creates a framework that balances business interests, consumer protection, and goals to reduce carbon emissions 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
Director, State Policy, Eastern Region, Ceres

Ceres Testimony HB1225 Affordable Grid Act.pdf
Uploaded by: Jeff Mauk
Position: FAV

HB1225 – SUPPORT
Jeff Mauk
Ceres
jmauk@ceres.org

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

House Economic Matters Committee
February 21st, 2025

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I urge a favorable report on House Bill 1225.

Respectfully submitted,

Jeff Mauk
Director, State Policy, Eastern Region, Ceres

HB1225_MDSierraClub_fav_21February2025.pdf
Uploaded by: Josh Tulkin
Position: FAV

SIERRA CLUB
MARYLAND CHAPTER

P.O. Box 278
Riverdale, MD 20738

Committee: **Economic Matters**

Testimony on: **HB 1225, Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act)**

Position: **Support**

Hearing Date: **February 21, 2025**

The Maryland Chapter of the Sierra Club strongly supports HB 1225, the Affordable Grid Act. The Act will require the Public Service Commission (Commission or PSC) to develop rules and regulations to create a rigorous and effective distribution system planning processes in Maryland. The need for an effective distribution planning system that incorporates all resources with specificity and requires Commission approval is critical as the Maryland electric industry transitions to clean energy and as Maryland's transportation and building sectors significantly electrify. Without the enactment of the Affordable Grid Act, the distribution system planning process currently under development in Maryland will not meaningfully update existing distribution planning processes.

Maryland is at a crossroads. The state has set goals of producing clean, affordable, and reliable energy, but rapidly increasing electric demand and the need for new resources are challenging these goals. While most of the attention goes to how power is produced, the electric grid itself plays a huge role. Maryland's electrical grid was designed over 100 years ago when the system needs were simple: produce and distribute electricity to end users. Much of our distribution system infrastructure – the lines and poles – has essentially been in place since the 1940s. Today, the demands on our grid are more complex, onboarding electricity from thousands of sources, and both receiving energy from and providing energy to battery storage systems and electric vehicles. There are also new grid technologies that can help us get more energy, use it more efficiently, and reduce costs. Creating a 21st century grid that addresses all these needs and incorporates new grid technologies is not a simple process, and requires collaboration across utilities, regulators, and other stakeholders, including technology developers and installers. To achieve this change quickly, the state must ensure that Maryland's goals and objectives are incorporated into the utilities' planning process, and that there is transparency and accountability.

It is essential that utilities' distribution system planning processes be calibrated to meet the needs of Maryland's clean energy future. This is a pivotal moment, with hundreds of millions of federal dollars pouring in to install fast chargers along Maryland's highways, and to build charging infrastructure for medium- and heavy-duty electric fleets throughout the state. Maryland has also adopted Building Energy Performance Standards and is developing policies to reduce emissions from fossil combustion in buildings. These policies will require significant additional capacity from the grid. It is essential that utilities adequately "energize" the grid, ensuring they build enough new wires, cables, transformers, and other infrastructure at the scale and timeline to meet Maryland's increased power needs as soon as those needs arise. This Act will require utilities' planning processes to comply with the Climate Solutions Now Act and other relevant state policies that will increase the demand for a modern, upgraded electric system.

A comprehensive 21st century distribution system planning process will bring multiple benefits to Maryland: improved reliability and resilience; cost efficiency; integration of renewable energy, including the seamless addition of distributed generation sources like battery storage, bidirectional electric vehicle charging, and solar; and improved power quality (e.g., reduced voltage variability and better frequency control).

To create a 21st century grid, the Commission has conducted a grid modernization proceeding since 2016. Nearly four years ago, in June 2021, the Commission in Order No. 89865 established the Distribution System Planning Work Group and tasked it with beginning a comprehensive examination of distribution system planning in Maryland. The Work Group has deliberated for over three years on the design of a distribution system planning process. The Commission in Order No. 91490 ordered the Work Group to file proposed regulations by May 1, 2025. While the Sierra Club acknowledges the draft regulations under consideration by the Work Group, the Club believes that core principles of proper electric system planning, especially accountability, are being left out of these regulations.

The Affordable Grid Act establishes "Best Practice" system planning requirements to address these deficiencies in the draft regulations. The Act applies the step-by-step framework that Maryland has established for Distribution System Planning, developed by the National Association of Regulatory Utility Commissioners and the National Association of State Energy Officials, with PSC input. The Act's requirements incorporate the modern approaches and technologies for grid development that are cost-saving, cost-effective, and already being used by other states or utilities. The Attachment summarizes the core provisions within the Act.

The Sierra Club fully supports all of the provisions in the Affordable Grid Act, including:

- Commission review and approval of each utility's proposed plan.
- Annual electric utility progress reports on implementation of their three-year distribution system plans.
- Data-sharing between electricity and gas utilities for the purpose of preventing electricity and gas demand from being double-counted, and to coordinate on decarbonization and electrification planning, including protocols that follow cybersecurity standards.
- Forecasts and scenarios for predicted load and electricity generation capacity.
- An analysis of system constraints that impede the incorporation of new technologies and capacity.
- Incorporation of technology innovations that will modernize the grid and improve its reliability and resilience.
- Coordination of transmission and distribution system planning.
- Management of hosting capacity to incorporate Distributed Energy Resources.
- Analyses and targets using metrics that will be developed by the Commission.

Other states are moving faster than Maryland in transforming their distribution grids. For example, Colorado, Hawaii, Minnesota, New York, Nevada, and Vermont require load forecasts to include the energization needs stemming from building electrification and EV charging. Vermont includes new load from heat pumps and other "fuel-switching technologies" in load forecasts. California, Colorado, Hawaii, Nevada and Vermont require utilities to forecast the potential utilization – and benefit – of tools including energy storage, distributed generation,

demand response or flexibility, and managed EV charging. California, Hawaii, Massachusetts, Minnesota, New York, and Michigan require their public utility commissions to approve electric utilities' distribution system plans.

In summary, the Maryland Chapter of the Sierra Club urges the passage of HB 1225, the Affordable Grid Act. Maryland needs comprehensive and accountable electric utility distribution planning, especially in light of its economy-wide electrification and emission reduction goals.

David Kathan
Clean Energy Legislative Team
dkathan@gmail.com

Josh Tulkin
Chapter Director
Josh.Tulkin@MDSierra.org

ATTACHMENT A
SUMMARY OF CORE PROVISIONS OF HB1225

Section A of the Act provides definitions.

Section B sets forth requirements for PSC regulations that include review for approval of distribution system plans. Commission approval of utility distribution system plans will be essential to ensure that Maryland electric utilities take appropriate actions to improve their distribution system planning processes and investment. Direct inquiry, input, direction and approval from the Commission will ensure that the utility plans are thoroughly vetted, and will allow the Commission the opportunity to steer utility plans to meet Maryland clean energy goals.

Section C sets forth appropriate goals for uniform treatment of regulated parties by the PSC regulations while allowing for differences across types of providers and other considerations.

Section D includes required contents for Distribution System Plans. The Act contains multiple required elements of a distribution system plan that are intended to modernize and improve plans. In particular, the Act calls for improved hosting capacity analysis. Hosting capacity refers to the amount of capacity on distribution networks to accommodate distributed energy resources. Detailed analysis of this capacity needs to consider customer load patterns, patterns of use of key resources (such as electric vehicles), and the ability of demand response and distributed energy resources to free up capacity. Among other requirements, the Act also directs coordination of distribution system plans with transmission and PJM plans, and for coordination with gas utilities. These coordination efforts will help ensure that Maryland utility distribution plans reflect broader factors that may impact planning.

Section D also requires detailed forecasts of distributed energy resources and loads. The preparation of detailed load forecasts of individual distributed energy resources and how specific technologies may impact load forecasts is essential for effective planning. For example, electric vehicles will be both new and large loads on distribution networks and an important supply of future power. Good forecasts of the amount and impact of these resources will be essential in designing the right level of infrastructure and not overbuilding. Maryland electric utilities currently offer insufficient assurances that their forecasting will be modernized. Modern, detailed forecasting techniques should be required.

Sections E, F, and G address public input and Commission approval.

Section H of the Act addresses Information Sharing. It calls for secure information sharing between electric and gas companies. Cybersecure sharing of information on the location, specific conditions, and type of gas and electric equipment should result in better and coordinated operation and investments. This information sharing will be particularly important as electrification accelerates in Maryland.

2025_HB 1225_Affordable GRID Act_Advanced Energy U

Uploaded by: Katie Mettle

Position: FAV

February 21, 2025
Economic Matters Committee

HB 1225
Public Utilities - Electric Distribution System Plans - Establishment
(Affordable Grid Act)
Sponsor: Delegate Lily Qi

Katie Mettle
Policy Principal, Advanced Energy United

FAVORABLE

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

In anticipation of increased energy demand, and in recognition of the need to modernize the grid to accommodate newer technologies that can manage supply and demand on the grid (such as distributed rooftop solar, battery storage, bidirectional EV charging, and Virtual Power Plant agreements), the Public Service Commission (PSC) first expressed the need to study the Distribution System Planning (DSP) process in some form in 2015. Since 2021, the Distribution System Planning Work Group (DSPWG) has been doing this work, further guided by direction the Maryland General Assembly provided in 2022 (via the Climate Solutions Now Act) and in 2024 (via HB 1393).

Proper DSP is important to ensure we have a reliable and resilient grid, and to ensure that modern technologies like Distributed Energy Resources (which customers are already purchasing for their homes and businesses) can interconnect in a timely fashion.

It is important to note that utilities have the ability to rate base their investments in distribution system infrastructure, and that modern grid technologies are often cheaper and faster to build than older pole-and-wire technology.

When DSP is done ineffectively, utilities run the risk of either significantly overbuilding or significantly underbuilding their distribution system infrastructure.

When utilities overbuild, it takes longer to make upgrades, which delays grid readiness. It also costs more money, which will get passed onto ratepayers.

When utilities underbuild, the infrastructure will need to be replaced earlier than expected. This ultimately wastes even more time than overbuilding, and in the long run costs ratepayers even more money than overbuilding. Underbuilding also results in new customer-sited technologies (such as solar panels and EV chargers) facing delays getting interconnected.

Proper DSP is the most cost-efficient option for ratepayers. With proper DSP, the rate based cost of capital expenses is minimized to only what is necessary to have a reliable, resilient, modern, efficient grid – and to build it as quickly as is feasible.

The DSPWG released their latest iteration of their draft regulations on January 21, 2025. Advanced Energy United is of the opinion that the regulations need to be taken a step further than the latest draft in order to ensure the distribution system is upgraded and built out as efficiently as possible.

This is highly unlikely to happen within the scope of the current DSPWG process, which has a deadline of December 31, 2025. Advanced Energy United anticipates that the final regulations will not require the level of data collection or analysis, nor have the strength of enforcement necessary, to complete this distribution system work as efficiently as possible. Therefore, we believe it is necessary for the General Assembly to weigh in on the DSPWG again.

According to a Berkeley Lab report published in December 2024, several states take a more comprehensive approach to DSP than Maryland currently does:

- Six states require utilities to include building electrification and electric vehicle charging in load forecasts.
- Five states require utilities to forecast the potential utilization and benefit of energy-saving tools including demand response, energy storage, distributed generation, demand flexibility, and/or managed EV charging.
- The District of Columbia and 16 states include analysis of non-capital ("non-wires") investments in plan requirements.
- California, Hawaii, Massachusetts, Minnesota, New York, and Michigan require their Public Utility Commissions to approve electric utilities' distribution system plans.

More comprehensive DSP and a modernized grid will lead to:

- Lower capital expenditure spending by utilities, which will save ratepayers money on electricity delivery costs.
- Modernizing the grid more quickly, which will help us meet increased energy and supply and demand more quickly, as well as reach our clean energy goals faster.
- Fewer power outages, and faster restoration times from power outages.
- Increased ability for the grid to withstand extreme weather events.

The following is a high-level summary of the bill and how it differs from the draft regulations:

1. Every three years, an electric company must submit a Distribution System Plan (DS) for the PSC's approval. In contrast, the draft regulations explicitly state that the PSC's goal is not to develop a formal approval process.

2. The PSC has the authority to stagger when the electric companies submit their DSPs.

3. The bill spells out everything that must be included in the DSP. This includes:

    a. Forecasts for both Distributed Energy Resources and load, for at least three time horizons.

b. A proposed portfolio of investments each for at least two scenarios, that minimizes capital infrastructure investments to the greatest extent possible. At least one scenario shall reflect the investments required to meet the State's existing clean energy and greenhouse gas emissions goals, and at least one scenario shall reflect a demand for electricity that is beyond what we are anticipating.

   In contrast, the draft regulations calls for one of the two required scenarios to be a baseline scenario that uses current trends, and which doesn't account for achieving the State's goals. Neither scenario accounts for anticipating future energy demand beyond what was foreseen in the Climate Solutions Now Act.

c. Analyses of the hosting capacity and load-serving capacity for Distributed Energy Resources (DERs), where DER expansion will provide the greatest value, and of existing constraints on the ability to expand DERs, meet anticipated load, and achieve our State's relevant goals. The bill language is more exacting than the draft regulations, which are more vague.

d. A cost-benefit analysis of the possible solutions to the constraints identified above.

e. A list of chosen solutions for upgrading the grid, and explanations for those decisions.

f. A description of the electric company's plan to incorporate innovations in technology that will modernize the grid and improve its reliability and resilience.

g. Description of how the electric company will coordinate on transmission and distribution in a manner that is most cost-effective to ratepayers.

h. Description of how the electric company will use Federal, state, and local resources and incentives to minimize costs to ratepayers.

i. Identified locations for decarbonization.

j. Description of electric company's efforts to coordinate with gas companies to identify locations for decarbonization, to facilitate electrification, and to make sure demand by shared customers is not double-counted. The draft regulations do not require this coordination.

k. Description of how the electric company will manage its DER hosting capacity. Includes upgraded specific directions on what to include in hosting capacity analysis, including DER specific assessments and DER and load forecasts. In contrast, the draft regulations only require the hosting capacity analysis reflect what currently exists in regulations.

l. Description of how the DSP contributes to achieving the State's relevant goals. The draft regulations only reference (PUA) § 7-801 and § 7-802. In addition to those two sections, the bill also requires consideration of other green policies, including future policies.

m. Analysis using the metrics to be developed by the PSC.

n. Compilation of official comments received, and responses to those comments.

4. The DSP must be then made available for public comment and stakeholder vetting.

5. The electric company must share relevant data to facilitate stakeholder participation in this process.

6. The bill lists the criteria for the PSC to determine whether to approve or reject a DSP.

    a. The electric company must complete the public stakeholder engagement process, and if applicable, provide evidence-based reasons for not incorporating stakeholder input. The draft regulations only require stakeholder input. However, the bill provides specific direction on how to conduct that stakeholder input.

b. The DSP must advance our State's relevant climate and energy goals.

c. The DSP must adequately incorporate non-wires solutions and non-capital investments.

d. The PSC may reject the plan if it is not cost-effective, and/or doesn't minimize cost to ratepayers without compromising the grid's performance.

7. An electric company must submit annual progress reports on fulfilling their approved DSP, and the bill spells out what must be included in that progress report.

8. The bill also tasks the PSC with creating regulations with respect to:

    a. Determining the metrics that electric companies must use in their reporting and analysis;

    b. Determining a framework for data-sharing (with appropriate cybersecurity measures in place) between gas and electric utilities for the purpose of not double-counting customers, and for decarbonization and electrification planning. The bill is more specific than the draft regulations.

    c. Determining whether and how to custom-tailor this bill's requirements for different types of utilities (such as investor-owned, municipal, and co-operative), based on their unique needs.

A note on possible amendments: Advanced Energy United is open to an amendment that would require the PSC to complete this work with existing resources. We are also open to an amendment that would exempt utility cooperatives from this bill entirely.

We respectfully request the Committee issue a favorable report. Thank you for your time.

Best Regards,

Katie Mettle, Policy Principal
Advanced Energy United
kmettle@advancedenergyunited.org

202.380.1950 x3197

HB1225_Affordable Grid Act_ECM_CJW FAV.pdf
Uploaded by: Laurie McGilvray
Position: FAV

Committee: **Economic Matters**
Testimony on: **HB1225 – Affordable Grid Act**
Organization: **Maryland Legislative Coalition Climate Justice Wing**
Submitting: **Laurie McGilvray, Co-Chair**
Position: **Favorable**
Hearing Date: **February 21, 2024**

Dear Chair and Committee Members:

Thank you for allowing our testimony today on HB1225. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations urges you to vote favorably on HB1225.

The Climate Justice Wing has supported and continues to support bills to promote renewable energy and electrify buildings and the transportation system to move Maryland toward our greenhouse gas reduction goals in a way that is affordable for ratepayers. We also have come to understand the role a modern and efficient grid plays in these achieving these goals. Unfortunately, much of Maryland's distribution system is old and unable to meet present demands. The good news is that there are cost-effective advanced technologies that can help us get more out of our existing distribution grid while seamlessly integrating renewable sources back into the grid (e.g., small residential solar, batteries, and EVs).

HB1225 represents a comprehensive approach to modernizing Maryland's electric grid using best practices for distribution system planning and modern approaches and technologies that are cost-effective and currently employed by other states or utilities. The bill requires utilities to submit a Distribution System Plan to the Public Service Commission (PSC) for approval every three years. Plans must be available for public comment and utilities must share relevant data to aid stakeholder participation. A Distribution System Plan must include:

- data-sharing between electric and gas utilities to prevent double-counting electricity and gas demand, and to coordinate decarbonization and electrification planning;
- forecasts and scenarios for predicted load and electricity generation capacity;
- an analysis of system constraints that impede incorporation of new technologies and capacity;
- a list of preferred solutions for upgrading the grid and the rationale for those decisions including the use of funds and incentives;
- use of technology innovations to modernize the grid and improve its reliability and resilience;
- a process for coordinating transmission and distribution systems;
- identification of sites having greatest locational value for decarbonization;

- management of capacity to incorporate Distributed Energy Resources ("hosting capacity"); and
- analyses and targets using metrics that will be developed by the PSC.

HB1225 also requires the PSC to review and approve each utilities' plan, and the PSC can reject a plan if it is not cost-effective, and/or does not minimize costs to ratepayers without compromising distribution grid performance.

Maryland is facing considerable energy challenges and must have a grid for the future. The deployment of advanced technologies and modern grid management practices are critical and the distribution system planning required in HB1225 will create the road map for the future. For these reasons, the MLC Climate Justice Wing respectfully urges a **FAVORABLE** report in Committee.

350MoCo
Adat Shalom Climate Action
Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Climate Parents of Prince George's
Climate Reality Project
ClimateXChange – Rebuild Maryland Coalition
Coming Clean Network, Union of Concerned Scientists
DoTheMostGood Montgomery County
Echotopia
Elders Climate Action
Fix Maryland Rail
Glen Echo Heights Mobilization
Greenbelt Climate Action Network
HoCoClimateAction
IndivisibleHoCoMD
Maryland Legislative Coalition
Mobilize Frederick
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Mountain Maryland Movement
Nuclear Information & Resource Service
Progressive Maryland
Safe & Healthy Playing Fields
Takoma Park Mobilization Environment Committee
The Climate Mobilization MoCo Chapter
Unitarian Universalist Legislative Ministry of Maryland
WISE

Case 9665 DSP Phase 11A Status Report Verchinski.p

Uploaded by: Paul Verchinski

Position: FAV

November 24, 2024
Via Electronic Filing

Andrew S. Johnston, Executive Secretary
Public Service Commission of Maryland
William Donald Schaefer Tower
6 Saint Paul Street
Baltimore, Maryland 21202-6806

Re: Case No.9665 - Distribution Systems Planning (DSP) II A Status Report (Report) , Comments

Dear Mr. Johnston.
In June 2021, the Commission directed that a DSP be developed in Maryland for all the utilities considering the Jade Cohort Map. I participated in that DSP Work Group until resigning in mid 2024. The major issue that I had as a professional planner was and still is the following from the Report:

"G. Metrics Define and Use Consistent Metrics Block52
No Action Recommended
During Phase II, the WG agreed on the need for metrics for various DSP-related areas and there was some initial agreement on ideas for metrics in several areas. However, given the short timeframe of this phase of the WG, we were unable to have meaningful discussions on the development of metrics. Therefore, the WG will need to address metrics at a later stage, either during or after the development of regulation. "

Metrics have been a continuing topic since 2021 and extensively discussed in Phase II. Discussions in the Work Group have centered on who provides the Metrics, where they come from, and how or if they should be included in a DSP. Basic to planning is the use of Metrics to establish a base line and subsequent measurement toward progress (or not) to Goals established in the Climate Solutions Now Act (CSNA). The utilities have consistently blocked any consideration of metrics in the DSP. FOR THAT MAJOR REASON, I RESIGNED FROM THE DSP WG. Any subsequent Rulemaking (scheduled for 2025) that does not include Metrics will, in my professional opinion, be doomed to successful implementation of the CSNA by 2031. It also precludes the Public Service Commission from a comprehensive view of measures being considered in the short, medium, and long term with their associated costs to reach 60% Green House Gas Reduction in Maryland by 2031.

The following is my resignation email dated August 16:

I reluctantly have decided to state the following from my perspective as a planner, consumer of both gas and electricity in MD, and as a former regulator of transportation planning at the Federal level. It appears that with over 150+ recipients (which keeps being added to) receiving information to this WG that it has become a spectator sport and reality TV. I see that same 5 + individuals at each meeting.

My observation is that both the playing field and goal posts have been moved by the Commission in Order 91256. After 3 years we have" The Commission will not opine on every area of consensus and non-consensus raised by stakeholders at this time." Consequential issues were raised in the April 30 Report and now we are back to square one for all intents and purposes. (We are now being asked to review again areas of non-consensus). Existing utility planning is opaque and continues to be siloed with no opportunity for utility customers to participate. PC44, Transforming the MD Grid, has been going on now for 8 years with little transformation done by the utilities. For example, the latest MRP proposed by BGE sought $200M as their contribution to the CSNA by planting trees and electrifying their work truck fleet. It was rightly denied.

MD recently complained about the lack of information provided from PJM about the potential closing of Brandon Shores Generator in their plans and the knock on effects of up to a 25% increase in KWH rates for BGE customers. . FERC has taken note and now requires a 15 year horizon for all RTO Plans. Meanwhile, we accept 10 year plans from MD utilities.

As a volunteer, I am no longer willing to spend time with few decisions made on utility planning processes other than the acceptance of utilities saying "trust us, we know what we are doing" their Strawman. Our last meeting pointed up the continuing reactive nature of the utilities with their representatives not prepared to make decisions, "The utilities are going to look into/further consider the inclusion of item C (some type of metrics....)". I have heard this response too many times. Three years is a long time to debate issues and I am reminded of my 30 years in the Federal Government where issues kept being run around in circles with little resolution. The utilities after 100 years have the game down pat and they hold the on going trump card as a monopoly. The PSC as the Maryland regulator needs to make the tough decisions on utility planning components which in some cases will be criticized. However, they do have their Policy direction in the 2022 CSNA and they are utility regulators for Maryland.

We have a saying in the planning profession; With out a plan, any road will get you there, but it will not be pretty and it will be costly.

The PSC Chief Engineer has stated numerous times that DSP is crucial for progress to implement the Climate Solutions Now Act to reach 60X31. We are 2 years into reaching 60X31 with little progress due to a lack of a public and understandable utility planning framework with associated metrics to measure progress and outcomes. I expect based on the past DSP WG discussions that we will only see marginal changes in what may be required of the utilities.

I've met some talented individuals in this Work Group, but I am unwilling to continue to rehash issues that then do not get resolved. It is not worth my continued time investment. I therefore wish you all well.

Best,
Paul Verchinski, Retired Director of Planning for the USDOT, Federal Transit Administratio

Very truly yours,
/S/
Paul Verchinski, Zero Emissions Electric Vehicle Infrastructure Council representing the Public

Case 9665 DSP UtilityReports Verchinski.pdf
Uploaded by: Paul Verchinski
Position: FAV

November 26, 2024
Via Electronic Filing

Andrew S. Johnston, Executive Secretary
Public Service Commission of Maryland
William Donald Schaefer Tower
6 Saint Paul Street
Baltimore, Maryland 21202-6806

Re: Case No.9665 - Distribution Systems Planning (DSP) , Utility Reports (Reports) dated November 15, 2024 , Comments

Dear Mr. Johnston.

The enabling legislation for the DSP is included in the Climate Solutions Now Act of 2022 (CSNA). Specific to the CSNA is Subtitle 8 Electric Distribution System Planning under which Section 7-802 requires the Commission to provide Reports by December 1 starting in 2024.

I have reviewed these Reports and am concerned that Section 7-801 was not addressed as part of the Reports. Section 7-801 provides the context for the Reports by providing Overarching Goals "that the electric distribution system support". It can not be ignored. The utilities have addressed the Specific Goals in Section 7-802 **solely by listing projects** with out any discussion of how they relate to the Overarching Goals in the plain language of Subtitle 8, Section 7-801.

Very general assertions are made such as by BGE on page 1 of their report " The CSNA Report provides a comprehensive overview of these initiatives and their expected impacts on achieving a more sustainable environment" I would submit that only reporting on projects with no context per Section 7-801 is not a DSP and is not comprehensive. Where are the metrics for the Reports project impact on: "Greenhouse Gas Reduction, Renewable Energy, Decreasing dependence on electricity imported from other states, and achieving energy distribution resiliency, efficiency, and reliability and for the more specific goals under Section 7-802? There are none.

Further the plain language of Section 7-802 directs that "information regarding the electric distribution system evolution, including information on electric distribution system planning processes ....." be provided to the Maryland General Assembly. No DSP information has been provided in my opinion that deals with evolution in the Reports. What is the current baseline that each utility currently follows? My understanding based on the 10 year utility plans submitted to the Public Service Commission is an approach that deals with annual Summer and Winter Peak Loading and its mitigation using traditional mitigation measures.

Two years have passed since adoption of the CSNA to produce these Reports with little evolution. PC 44 was initiated in 2016 to transform the distribution grid , 8 years ago

with little evolution in DSP. This DSP Business As Usual needs to be highlighted in any commission report under Subtitle 8. This lack of substantive progress in DSP does a disservice to customers since we need a speeded up transition to transportation and building electrification that requires a new DSP planning paradigm beyond just listing projects.

Very truly yours,
/S/
Paul Verchinski, Zero Emissions Electric Vehicle Infrastructure Council representing the Public

HB1225 affordable Grid Favorable.pdf
Uploaded by: Paul Verchinski
Position: FAV

FAVORABLE – House Bill 1225
HB1225 – Public Utilities – Electric Distribution System Plans – Establishment (Affordable Grid Act)
Economic Matters Committee
Friday, February 28, 2025

Greetings Chairman C.T. Wilson, Vice Chairman Brian Crosby and members of the Economic Matters Committee

My name is Paul Verchinski. I hope that you take the time to read this. I participated in the Distribution System Planning Work Group (DSP) established by the Public Service Commission (PSC) for 3 years and ultimately resigned (See attachment). I was interested in participating as a volunteer since I was formerly the Director of Planning for the Federal Transit Administration and had developed transportation planning courses at the National Transit Institute at Rutgers University. These planning courses were presented to transit operators and Metropolitan Planning organizations in the United States. I know what plans need to incorporate to be effective.

The first year of the DSP was a disaster. A consultant was hired under a utility contract and the ultimate report ratified the Business As Usual approach of the utilities. Stakeholder input was marginalized in the report. We started a do over in light of the requirements of the Climate Solutions Now Act (CSNA) . Our charge was to develop with utility participation a DSP for each of the 5 Maryland utilities and to adopt a Rule in 2025. The participation by the utilities was limited to their constant answer of unless we are required to do X by legislation, we have no intention of offering up ideas to fulfill the CSNA. It is therefore incumbent on the legislature to provide explicit requirements for Utility DSPs through the Affordable Grid Act.

Unfortunately, Phase 2 of the DSP has not gone well and this legislation would address the shortcomings of the DSP. Current utility DSP is siloed and is not Comprehensive, Continuing, and Coordinated. As you know, 3 utilties are owned by Exelon, an Investor Owned Utility (IOU). Over the 3 years, I repeatedly asked the IOU utility representatives about metrics to gauge their progress toward the goals of the CSNA. No metrics were ever offered up nor are there any in current utility DSPs . I commented on this to the PSC and other issues after the Utilities filed their Utility Plans dated November 15, 2024. (See attachment). The Affordable Grid Act would substantially address the shortcomings of utility DSPs.
I ask that the committee report out the bill Favorably.

Paul Verchinski
5475 Sleeping
Dog Lane
Columbia, MD
21045
Attachments (2)

HB 1225 - MDLCV Support - Affordable Grid Act.pdf
Uploaded by: Rebecca Rehr
Position: FAV

MARYLAND LEAGUE OF CONSERVATION VOTERS

February 21, 2025

Support HB 1225 - The Affordable Grid Act

Mr. Chair and Members of the Committee:

Maryland LCV supports HB 1225, The Affordable Grid Act, and thanks Delegate Qi for introducing this important bill.

Maryland is anticipating an increase in energy demand in the coming years. We have an opportunity now to make sure the distribution grid is ready, resilient, and able to deliver electricity to people's homes, businesses, and our public buildings as efficiently and cost-effectively as possible.

There is also a need to modernize the grid to take advantage of new technologies that can save ratepayers money by managing supply and demand, which include distributed rooftop solar, battery storage, bidirectional EV charging, and Virtual Power Plant agreements. There are also technologies that utilities can add to their distribution grid, including non-wires solutions such as software programs that manage load that can increase the stability and reliability of the grid at a lower cost than building new poles and wires. And most, if not all, of these modern technologies that reduce demand from utility-scale generation can be added to the grid more quickly than additional utility-scale generation.

We recognize that the Public Service Commission (PSC) has an active working group addressing the Distribution Planning System, but the consensus items of the workgroup have not gone far enough or fast enough to contribute to the 21st century grid that we need. HB 1225, The Affordable Grid Act, recommends several important initiatives that the workgroup has discussed, but haven't reached consensus. A consensus-driven process is important for the complex and multidimensional issues the PSC addresses, but it also means that any one member participating in the workgroup can vote "no" and halt the advancement of the recommendations.

The Affordable Grid Act establishes "Best Practice" system planning requirements, accountability, and assures the protection of critical grid information. As we invest in and deploy more clean energy and battery storage, we must be building a 21st century grid.

Maryland LCV urges a favorable report on HB 1225, the Affordable Grid Act.

Testimony in support of HB1225 - Public Utilities

Uploaded by: Richard KAP Kaplowitz

Position: FAV

HB1225_RichardKaplowitz_FAV
02/21/2025

Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON HB#/1225 – FAVORABLE

Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act)

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

FROM: Richard Keith Kaplowitz

My name is Richard K. Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of HB#1225, Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act)

This bill is submitted to create a framework under which electric companies will need to use integrated distribution system planning and reporting to both government and public bodies the results expected from those plans. It puts in place a process for approval by the PSC that can approve as is or force modifications to plans as submitted.

> An Integrated Distribution System Planning (IDSP) process provides a decision framework for developing holistic infrastructure investment strategies for local electricity grids. The planning process involves the determination of grid system requirements that are needed to achieve reliability, resilience, safety, affordability, and other objectives. The process includes the development of a technology roadmap to modernize the grid and enable the integration, utilization, and orchestration of grid-edge technologies like storage, microgrids, and electric vehicles. Given the increasing complexity of demands on grid performance, IDSP provides a platform for holistic decision-making and the formulation of staged investment strategies. [1]

This bill will require the Public Service Commission to adopt regulations or issue orders on or before December 31, 2025, that require electric companies to, every 3 years, develop an electric system distribution plan to be approved by the Commission and provide the Commission with annual progress reports. These reports will mandate the development of analysis metrics for actions to be taken. It will then require the Commission to adopt regulations or issue orders adopting certain metrics to monitor and assess electric distribution system plans. The bill expands the public's ability to hear about and testify for or against the plans of the electric companies. This will occur by requiring an electric company to provide certain public comment opportunities.

I respectfully urge this committee to return a favorable report on HB#1225.

[1] https://www.energy.gov/oe/integrated-distribution-system-planning

CHESSA - MD - ECM Favorable HB1225 Affordable Grid

Uploaded by: Robin Dutta

Position: FAV

21 February 2025

Delegate C.T. Wilson, Chair
Economic Matters Committee
Room 231
House Office Building
Annapolis, Maryland 21401

Oral and Written Testimony
HB1225: Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act)
Position: Favorable

Chair Wilson, Vice Chair Crosby, Members of the Economic Matters Committee, thank you for the opportunity to testify on House Bill 1225, Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act).

I am Robin Dutta, the Executive Director of the Chesapeake Solar and Storage Association (CHESSA). Our association advocates for our over 100 member companies in all market segments across the solar and energy storage industries. Many members are Maryland-based. Others are regional and national companies with an interest and/or business footprint in the state. Our purpose is to promote the mainstream adoption of local solar, large-scale solar, and battery storage throughout the electric grid to realize a stable and affordable grid for all consumers.

I am here to provide favorable testimony on HB1225, Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act).

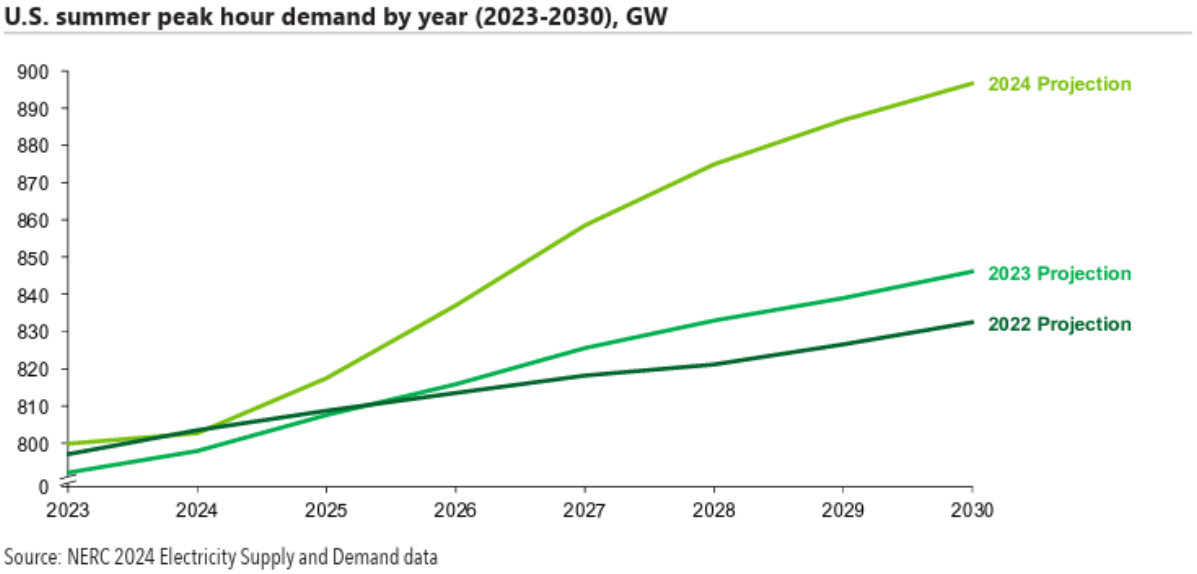
The Affordable Grid Act is designed to update the Public Service Commission dockets, processes, and considerations to include all advanced energy technologies and options. Maryland's widening energy gap, and the increasing competition for electricity in PJM, mean that all options must be on the table. The energy question in Maryland is not about choosing between fossil fuels or renewables. It is about modernizing and reinforcing an electric grid system so that it is affordable, reliable, and resilient in a world of extreme weather where Marylanders are increasingly reliant on that system.

The Problem: Maryland's Widening Energy Gap

Marylanders are becoming much more sensitive to grid disruptions and electric price spikes. The state is on the path to seeing increasing electric demand over the long term. And, there is already straining in its electric system. Maryland only generates about 60 percent of the electric

generation it demands[1]. But, importing electricity isn't an automatic solution. Nine of the 13 states in the PJM Interconnection (where Maryland resides) also must import electricity to serve their electric demand. And the Maryland Energy Administration (MEA) is projecting load growth, potentially as much as 2 percent per year[2]. There's growing demand and competition for an energy supply that needs to increase.

Contributing Problem: Higher Electric Demand Across the County



Source: NERC 2024 Electricity Supply and Demand data

The grid of the not-so-distant future will have the combined roles that today's electricity, natural gas system, and gas stations have. For the grid to serve those roles, it will need to look and act differently. It will have higher statewide electric loads, and greater electric demand in peak periods. And, the higher peak demand gets, the more expensive the electric grid becomes, due to expensive infrastructure expansion and higher peak energy pricing. By lowering peak demand, clean energy can lower the cost of the grid.

A January 2025 report from the U.S. Department of Energy shows that projected peak demand growth is only increasing, with electricity supply and demand data from the North American Energy Reliability Council showing the estimates being revised upwards each year since 2022.[3] If Maryland's electric future follows the projected national trend, it needs to step up the clean energy build-out throughout the state at the same time as handling fossil fuel retirements. That means scaling up statewide solar adoption of all kinds, as soon as possible.

Layering on the problem are the faults within the PJM Interconnection, both with their capacity markets and their interconnection processes. The recent PJM capacity auction could cause

[1] https://www.eia.gov/state/analysis.php?sid=MD
[2] Maryland Energy Administration. "Reaching 100 Percent Net Carbon-Free Electricity in Maryland". January 2025. p.19
[3] U.S. Department of Energy. "Pathways to Commercial Liftoff: Virtual Power Plants 2025 Update". January 2025. p.7

electric bills in Maryland to increase as much as 24 percent, according to an August 2024 report from the Maryland Office of People's Counsel. The MEA describes the Baltimore Gas & Electric service area as a "congested territory".[4] There are then certain generating units that must run and can drive up capacity prices, as it happened in the most recent PJM capacity auction. The way to relieve congestion and grid strain is to lower peak demand, offset consumer electric load, and build a lot of new local generating capacity.

Re-Thinking the Distribution Grid

It is essential that Maryland's distribution grid plans are approved at the lowest cost with the highest value. Not prioritizing such a path could burden already-burdened families with higher costs for electric grid projects that are unnecessary. That requires implementing a proactive strategy of deploying Distributed Energy Resources (DERs), such as distributed solar and storage, across all geographic areas and communities.

As illustrated in a 2023 study from the firm The Brattle Group, DERs can provide capacity resources to utilities at 40-60% of the cost of traditional utility methods. They can act as a "virtual power plant" as described and promoted by the U.S. Department of Energy. When there are more distributed clean energy systems in communities, there is greater potential for not only increased reliability and resiliency assets, but there are also key grid assets that can support local energy demand and help off-set peak demand. Coupled with a build-out of large-scale renewables in and near Maryland, the state can advance its clean energy future while prioritizing a stable and affordable electric grid.

A Better Process

Improving complex processes, such as regulatory proceedings, start by asking better questions and considering all relevant strategies. As current trends show, consumers in Maryland and the PJM region are using more electricity and becoming more reliant on the grid for digital communications, the internet, and everyday household tasks. That makes the goals of grid affordability, reliability, and resiliency even more important than it has historically been. Consumers are more sensitive to even small disruptions.

Distribution grid and utility plans all exist to serve the consumer/ratepayer. Any process for grid planning must first look at how and when consumers need energy. The Affordable Grid Act begins that way by requiring load growth forecasts and scenario planning. This must be the first question to start any grid planning process, including testing different assumptions and projections of load growth. That way, the Commission can essentially "stress test" the current grid, available resources, and grid services to determine what load can be served sustainably and then evaluate what additional infrastructure is needed to meet the state's anticipated needs.

[4] Maryland Energy Administration. "Reaching 100 Percent Net Carbon-Free Electricity in Maryland". January 2025. p.22

When evaluating different options, the Commission should have a docket that encourages a comprehensive analysis of the distribution grid and consumer needs. Often, regulatory dockets are narrowly focused. Individual dockets could deal only with electric vehicle charging infrastructure, the Renewable Portfolio Standard, distribution grid poles and wires, peak demand shaving, or any number of other topics. Creating a docket that allows for cross-cutting issues as it pertains to improving the distribution grid is extremely valuable to the ratepayer, without it becoming a full rate case. For example, in such a docket, the Commission could consider the range of benefits that distributed solar and storage resources can provide, in terms of local generation, grid services programs, and peak shaving. In a docket dealing only with the Renewable Portfolio Standard, the grid benefits of solar could easily be outside the scope. And then, all reasonable options should be considered when deciding what is in the best way to serve the ratepayer/consumer.

The concept of "load flexibility" which is defined in the Affordable Grid Act, is a perfect example what a cross-cutting docket can properly evaluate. Consumers can shape their energy consumption with the appliances they purchase, whether those are smart thermostats, rooftop solar, battery storage, electric vehicles, and more. Load flexibility potential can be harnessed and relied upon for the benefit of all ratepayers. It means that homeowners with a combination of advanced energy technologies (ie. solar, storage, smart thermostats) can reduce their demand from the grid, especially in peak grid strain events, without taking their homes offline. This is the same concept as industrial demand response, where manufacturing facilities with back-up power are asked to switch from grid power to backup power during critical events. Those facilities do not stop production when they move to backup generators but help the grid in those moments. Residential and commercial customer load flexibility, including community solar plus storage facilities, can provide that benefit across a wider geography and with more frequency. As the distribution grid's load curve flattens, fewer peak period power lines are needed. That is why virtual power plants are a viable option versus additional natural gas generation capacity. The Commission can better evaluate those strategies if the Affordable Grid Act is passed.

The Affordable Grid Act builds on legislation passed by the Economic Matters Committee, the General Assembly, and signed by the Governor: the DRIVE Act (HB1256 / SB959) and HB1393. The DRIVE Act establishes pilot programs for virtual power plants providing grid services and benefits to Marylanders. HB1393 requires the consideration of demand-side management strategies, such as virtual power plant deployment and enablement, for the benefit of the distribution grid.

Conclusion

Meeting resource adequacy needs and growing electric demand can be an expensive proposition for the ratepayer. Utility-centric solutions are fully funded by the ratepayer. Wholesale energy solutions do not address local resiliency and reliability needs. A better regulatory process, where the Commission can consider more information and better options for

modernizing the distribution grid, can unlock the means to create downward pressure on Maryland energy costs.

That includes creating strategies where private capital can be leveraged instead of directing ratepayers to foot the entire bill of a grid strategy.

CHESSA asks for a favorable report on HB1225. Please reach out with any questions on solar and storage policy. CHESSA is here to be a resource to the committee.

Sincerely,

Robin K. Dutta

Robin K. Dutta
Executive Director
Chesapeake Solar and Storage Association
robin@chessa.org

IMT_testimony_on_MarylandHB1225_2-21-2025.pdf
Uploaded by: Clifford Majersik
Position: FWA

Written Testimony in support of HB1225
Economic Matters Committee

Cliff Majersik - cliff@imt.org
Senior Advisor
The Institute for Market Transformation

February 19, 2025

Thank you, Chairman Wilson and members of the Committee, for the opportunity to testify in support of Maryland's Affordable Grid Act (HB1225). We request a favorable report from the Committee on HB1225.

My name is Cliff Majersik. I'm a Senior Advisor to the Institute for Market Transformation. IMT is a national, non-partisan, nonprofit organization. We partner with government, business, and community to improve the efficiency and performance of buildings for the people inside them and the communities around them. IMT advises all 14 states and localities in the United States that have adopted building performance standards as well as 34 others that have committed to do so. This includes advising the Maryland Department of Environment and Montgomery County on their building energy performance standards.

The Affordable Grid Act represents an important step toward modernizing Maryland's electric grid infrastructure while ensuring cost-effective planning that benefits ratepayers. While grid planning may not be IMT's primary focus, we recognize its critical importance to building decarbonization and electrification - key priorities for Maryland under the Climate Solutions Now Act.

Distribution system planning directly impacts building owners' ability to electrify their buildings and add distributed energy resources like solar and storage. The requirements in HB1225 for utilities to coordinate with gas companies on decarbonization planning and identify locations for electrification will help building owners make informed decisions about equipment upgrades and electrification investments.

Based on our experience working with other states on building decarbonization policies, we have observed that improved distribution system planning transparency can provide valuable data to inform building electrification efforts. However, we also note that the effectiveness of such planning requirements varies across jurisdictions. While increased transparency is valuable, strong oversight and enforcement mechanisms are essential to ensure utilities follow through on identified non-wires alternatives and grid modernization opportunities.

The bill's requirements for utilities to forecast distributed energy resources and identify constraints on DER expansion will help building owners and operators understand where and when they can most cost-effectively electrify their buildings and add clean energy technologies. The stakeholder engagement provisions will also ensure building owners' perspectives are considered in grid planning decisions that affect their properties.

We appreciate that the bill requires utilities to coordinate planning between gas and electric systems, which is critical for managing the transition of buildings away from fossil fuels. This coordination will help prevent both overbuilding and underbuilding of infrastructure as buildings electrify.

We support the overall goals and approach of HB1225 and encourage the Committee to ensure the final bill maintains strong requirements for:

1. Meaningful stakeholder engagement that gives building owners and operators a voice in planning decisions that affect their properties
2. Coordination between gas and electric utilities on electrification planning
3. Clear metrics and oversight to ensure utilities follow through on identified non-wires alternatives
4. Transparency in hosting capacity analysis to help building owners understand grid constraints

Thank you for the opportunity to provide input on this important legislation. We look forward to continuing to work with Maryland policymakers and stakeholders to advance building decarbonization and grid modernization in a way that benefits all Marylanders.

PHI - HB 1225 Public Utilities - Electric Distribu

Uploaded by: Allyson Black-Woodson

Position: UNF

February 21, 2025

112 West Street
Annapolis, MD 21401

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

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) respectfully oppose **House/Senate Bill Public Utilities – Electric Distribution System Plans – Establishment (Affordable Grid Act)**. House Bill 1225 requires the Public Service Commission (Commission) to adopt regulations or issue orders on or before December 31, 2025, that require electric companies to, every three years, develop an electric system distribution plan to be approved by the Commission and provide the Commission with annual progress reports. It also requires the Commission to adopt regulations or issue orders adopting metrics to monitor and assess electric distribution system plans.

Pepco and Delmarva Power oppose this legislation as it is duplicative to the existing thoughtful and inclusive distribution planning process currently active under the direction of the Commission. The Commission's Distribution System Planning (DSP) Work Group is charged with development of the state's DSP process for Maryland electric utilities. The Work Group process has proven to be transparent, inclusive, and considerate of Maryland state policy goals. Since June 2021, it has effectively brought together diverse stakeholders to work collaboratively to address distribution system planning topics such as distributed energy resources/electric vehicle integration, equitable access to clean energy, decarbonization, consideration of non-wires alternatives, demand response, and resiliency, among other topics.

In December 2024, the Work Group filed its latest report with the Commission describing the status of its efforts regarding development of the state's DSP process. On January 21, the Commission issued Order No. 91490, ruling on the remaining recommendations from the DSP Work Group and directed the Work Group to develop draft regulations by May 1, 2025. The Work Group is now actively working towards that May 1 date.

This legislation is not necessary as the current DSP Work Group process allows for diverse perspectives to come to the table and work collaboratively to ensure the state's distribution system planning is done responsibly and thoughtfully. Additionally, House Bill 1225 is overly prescriptive in ways that would potentially impose transition costs on ratepayers and limit utilities needed decision-making flexibility to maintain system reliability.

If enacted, House Bill 1225 would derail the inclusive process that has been underway since 2021. Furthermore, it would hamper the Commission and utilities' ability to respond to emerging concerns, opportunities, and technologies in the DSP process.

For these reasons, we respectfully request an unfavorable report for House Bill 1225.

Valencia McClure | Anne Klase | Allyson Black-Woodson | Poetri Deal | 410 980 5347

BGE_OPP_HB1225.pdf
Uploaded by: Dytonia Reed
Position: UNF

Position Statement

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

Charles Washington| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

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

Charles Washington| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

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.*

Charles Washington| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

FirstEnergy UNFAV HB-1225 - Affordable Grid Act.pd

Uploaded by: Timothy Troxell

Position: UNF

Timothy R. Troxell, CEcD
Senior Advisor, Government Affairs
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10802 Bower Avenue
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OPPOSE – House Bill 1225
HB1225 – *Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act)*
Economic Matters Committee
Friday, February 21, 2025

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 285,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, New York, West Virginia, and Maryland.

Unfavorable

Potomac Edison / FirstEnergy appreciates the opportunity to submit this letter in opposition to House Bill 1225 - *Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act)*. While the company appreciates efforts to enhance electric grid planning and infrastructure development, we have several concerns regarding the bill's scope, feasibility, and potential impacts.

Potomac Edison / FirstEnergy requests an Unfavorable report on HB-1225 for the following reasons.

This legislation could disrupt the collaborative process of the Public Service Commissions (PSC) existing Distribution System Planning (DSP) Work Group. This group has been meeting for over a year, working on what is already in statute, as a result of the Climate Solutions Now Act of 2022. The DSP Work Group has been a collaborative effort between diverse stakeholders and is already making substantial progress towards ideas in this bill.

The complexity and volume of data required by HB-1225 would place a significant burden on utilities, without clear benefits. The be in full compliance, the reporting requirement to produce an Electric Distribution System (EDS) Plan every three years, would take nearly three years per cycle to complete -- meaning this becomes a continuous report. The bill's mandate for a circuit-by-circuit review of reserve capacity to develop capacity maps is another area of concern. This requirement is extremely difficult to implement, as hosting capacity analysis varies significantly by circuit, making the process overly complex and resource intensive.

In addition to the EDS Plan, there are separate annual performance updates we believe to be exceedingly burdensome and duplicative of existing work to be done by the PSC and the DSP Work Group. Factoring in the heavy lift of the engineering and forecasting provisions required, the internal labor costs of compliance would be significant, and explicit cost recovery language would be necessary. We assume additional labor costs would also need to be budgeted for the PSC to manage all this additional work.

Information security is also a concern for Potomac Edison / FirstEnergy, as this legislation requires detailed geographic information mapping of electric and gas infrastructure. Providing such data poses a security risk to critical infrastructure and increases vulnerabilities to potential threats. The information-sharing framework outlined in the bill does not include provisions for public access, raising concerns about the intended use and distribution of such data. This type of risk related to critical infrastructure is unacceptable.

We strongly oppose the requirement to include gas utility information in our electric system distribution plans. Relying on a competing industry's cooperation to comply with regulatory reporting requirements is problematic – and having the gas utility involved in our planning processes would likely yield minimal understanding or cooperation.

Given these significant concerns, we respectfully request an Unfavorable report on House Bill 1225. The legislation is overly prescriptive in ways that could impose unnecessary transition costs on ratepayers, while limiting the flexibility utilities require to make decisions to maintain system reliability. Potomac Edison / FirstEnergy looks forward to the General Assembly allowing the collaborative DSP Work Group to complete their work, and then propose further actions in the 2026 legislative session if necessary.

HB1225_Information_PSC.pdf
Uploaded by: Frederick Hoover
Position: INFO

STATE OF MARYLAND

PUBLIC SERVICE COMMISSION

Chair C.T. Wilson
Economic Matters Committee
230 House Office Building
Annapolis, MD 21401

RE: **HB1225 - Information - Electric Distribution System Plans - Establishment (Affordable Grid Act)**

Dear Chair Wilson and Committee Members:

During the 2022 Legislative session, the Maryland General Assembly passed the Climate Solutions Now Act of 2022 (SB0528), which requires the Public Service Commission (Commission) to establish distribution system planning (DSP) regulations by July 1, 2025, among other things. In the 2024 Legislative session, the Maryland General Assembly passed the Electric System Planning - Scope and Funding Act (HB1393) to make system planning requirements more broadly applicable to "electric system planning" instead of specific to "electric distribution system planning", among other things. In addition, the scope of a Commission annual DSP report due to the General Assembly under PUA §7-802 starting on December 1, 2024, was modified under HB1393 to now require information regarding projects designed to promote the goals of the section in addition to requiring investment in demand-side methods and technology to improve reliability and efficiency, including virtual power plants. Due to the additional requirements in HB1393, the statutory deadline to establish distribution system planning regulations was extended from July 1, 2025, to December 1, 2025.

However, the Commission's efforts to implement a transparent electric system planning process that provides new opportunities for stakeholder participation and feedback predates these legislative initiatives. In 2021, in considering the product of the NARUC/NASEO Taskforce on electric distribution planning and the work of the PC44[1] workgroups, the Commission issued Order No. 89865 and launched the DSP Workgroup. The DSP Workgroup was initially tasked to review existing utility processes and determine how they align with the NARUC/NASEO Taskforce recommendations and where there may be opportunities for early and meaningful stakeholder engagement. Commission workgroup proceedings are open to all participants who wish to join and are intended to develop consensus proposals for the Commission, where possible.

[1] *See* PC44 Docket, In the Matter of Transforming Maryland's Electric Distribution Systems to Ensure that Electric Service is Customer-Centered, Affordable, Reliable, and Environmentally Sustainable in Maryland

The DSP Workgroup scope has expanded over time to include the requirements from SB0528(2022) and HB1393(2024) in addition to several Commission Orders[2] providing direction in response to DSP Workgroup reports. The DSP Workgroup is currently **on-track** [*Emphasis Intentional*] to implement DSP regulations by December 1, 2025, as required by HB1393. The result will be an integrated DSP process[3] that ensures that the Commission and stakeholders have insight and input into the ongoing incremental investments necessary to ensure delivery of electricity in Maryland in support of state policy goals. This will be a significant milestone. While Maryland's electric utilities have always engaged in DSP planning resulting in system investments to provide safe, reliable, and affordable service, historically utility DSP processes have not been transparent and have provided suboptimal opportunities for consideration of stakeholder feedback in the plan development phase. Also, utility DSP plans will now be focused on specific state policy goals in addition to other requirements in SB0528(2022) and HB1393(2024).

HB1225 substantially expands the requirements being contemplated in the current Commission process. While many areas within HB1225 are already being addressed in the current DSP Workgroup, the general requirements of HB1225 are more extensive, requiring more metrics, reporting and meetings than is contemplated in the current DSP Workgroup direction. HB1225 would require the Commission to adopt regulations or issue orders on or before December 1, 2025, that require electric companies to develop an electric system distribution plan to be approved by the Commission, thereby requiring fully litigated DSP cases for each utility, and also provide the Commission with annual progress reports. HB1225 also requires the Commission to adopt certain metrics to monitor and assess electric distribution system plans; requires an electric company to provide certain public comment opportunities; requires the Commission to adopt regulations or issue orders adopting a certain information–sharing framework; and other requirements generally relating to electric distribution in the State.

While the Commission is aligned with the general intent of HB1225 to improve the DSP process in pursuit of state policy goals and to also provide more transparency and opportunities for stakeholder input into DSP plans, the Commission recommends several amendments. Specifically, the Commission seeks amendments to avoid the burden of fully litigated DSP cases which make up the bulk of the Commission's resource needs to implement HB1225. The Commission also seeks amendments that provide more flexibility for the Commission to address the pace of utility development of advanced forecasting and planning capabilities in pursuit of several of the HB1225 objectives. The amendments sought by the Commission do not seek to strike these items from HB1225 completely, but rather provide discretion to the Commission to consider DSP Workgroup recommendations in these areas and allow the Commission to make final determinations on the implementation details and the pace of improvements that consider the inherent differences, individual circumstances, rate impacts and available resources among investor-owned electric companies, electric cooperatives and municipal electric utilities. We are willing to work with the bill's sponsors on these amendments.

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[2] *See* Order No. 90777 on Recommendations of Distribution System Planning Work Group, August 2023, Order No. 91256 on Recommendations of Distribution System Planning Work Group. Case No. 9665 in July 2024 and Order No. 91490 on Recommendations of Distribution System Planning Work Group in January 2025.

[3] As described by the Regulatory Assistance Project, Integrated DSP "is a process that systematically develops plans for the future of a distribution grid using inputs supplied by the electric utility, the Commission, and interested stakeholders. The planning process is integrated in the sense that all possible solutions to distribution system needs are considered. The objective of the final plan is a distribution system that operates for the public good, meeting the objectives set out by stakeholders in a cost-effective manner." Unlike traditional siloed distribution planning, Integrated DSP will look to the interconnected relationships of the PUA §7-802 policy goals to lead to more effective grid investments.

Finally, the Commission seeks an amendment to modify the requirement for DSP regulations to become effective from December 1, 2025, to December 1, 2026. Since HB1225 as it currently exists modifies the intent and items to be covered by the regulations, the Commission believes that the existing December 1, 2025, deadline in PUA §7-804 needs to be extended by 12 months. It is important not to further delay DSP regulations which would further delay the benefits to the state and ratepayers of an integrated DSP process. If we can collaboratively work with the bill sponsors to introduce the amendments we seek, we may be able to mitigate rework and any associated delays in promulgating regulations and enforcing utility compliance for new DSP requirements. We are still in the early phases of this journey to implement new DSP processes. It's important to keep on-track to implement our current DSP Workgroup initiatives while retaining flexibility in implementing the objectives of the bill's sponsors in addition to any lessons learned once we start the new DSP process.

The Public Service Commission appreciates the opportunity to provide informational testimony on HB 1225. Please contact the Commission's Director of Legislative Affairs, Christina M. Ochoa, if you have any questions.

Sincerely,

Frederick H. Hoover, Chair
Maryland Public Service Commission

HB1225 (SB0908) - LOI - Public Utilities - Electri

Uploaded by: Landon Fahrig

Position: INFO

Maryland Energy Administration

TO: Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee
FROM: MEA
SUBJECT: HB 1225 -Public Utilities – Electric Distribution System Plans – Establishment (Affordable Grid Act)
DATE: February 21, 2025

MEA Position: LETTER OF INFORMATION

This bill requires the Public Service Commission (Commission) to alter the electric distribution system planning (DSP) process established in Md. Code, Pub. Util. Art. §7-804. The bill also requires extensive alterations in the regulations mandated by existing law, which are due in December 2025. These regulations are currently under review in the DSP Workgroup (PC44/Case No. 9665), within an internal due date of May 2025. The draft regulations are the product of numerous meetings and Commission orders to address consensus and non-consensus positions among stakeholders. The Commission filed a status report on the utilities' distribution system plans in December 2024.[1]

This bill differs from current Commission orders in several ways. For example, the bill requires utilities to submit distribution plans every three years for Commission approval, along with annual progress reports. The Commission, on the other hand, ordered annual technical conferences, not a litigated approval process. *See* Order No. 91256 on Recommendations of Distribution System Planning Work Group. Case No. 9665 and PC44, July 30, 2024. The bill also requires that gas utilities integrate their plans with the plans of electric distribution utilities, which is something that the Commission recently stated it would not require at this time but would address later. *See* Order No. 91490, PC 44, Case No. 9665, January 21, 2025. Broadly speaking, MEA supports both of these bill proposals.

There are, however, numerous other areas of overlap, omission, or discrepancy between the draft DSP regulations, Commission orders, stakeholder opinions, and the details in this bill. Just a few examples include: definitions of several key terms; time horizon beyond 10 years; forecast scenarios; granularity at the feeder level; and mention of resource retirement, modernizing forecasts, publishing hosting capacity maps, or the process for developing a locational value analysis. It is not clear that these nuances and discrepancies are best resolved in a legislative, rather than administrative, setting.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Joyce Lombardi, joyce.lombardi1@maryland.gov, 443-401-1081.

[1] https://www.psc.state.md.us/wp-content/uploads/Electric-System-Planning-Report.pdf