



WRITTEN TESTIMONY

BILL NO.: Senate Bill 952 – Certificate of Public Convenience and Necessity – Overhead Transmission Lines – Grid Enhancing Technologies

COMMITTEE: Senate Education, Energy, and the Environment Committee

HEARING DATE: March 6, 2025

SPONSORS: Senators West, Lewis Young, Ready, Hettleman, Brooks, and Watson

POSITION: Favorable

I submit this testimony in strong support of **Senate Bill 952 (SB 952)**, which ensures that **Grid Enhancing Technologies (GETs)** are fully considered before approving the construction of overhead transmission lines. This legislation promotes efficiency, reliability, and cost-effectiveness in Maryland's electric grid while protecting landowners and minimizing unnecessary infrastructure expansion.

The Problem: Inefficient Use of Existing Transmission Infrastructure

According to the **U.S. Department of Energy (DOE)**, the **current U.S. electric transmission system operates at only 50% capacity**. This means that existing lines can handle significantly more electricity than they currently carry, yet utilities often pursue costly new transmission projects rather than optimizing what is already in place.

Why Utility Companies Prefer to Build New Transmission

The preference for constructing new transmission lines over optimizing existing infrastructure is largely **driven by financial incentives**. Investor-owned utilities receive **guaranteed revenue and a guaranteed rate of return on capital expenditures (CapEx)**, which means they profit more from new infrastructure projects than from lower-cost operational improvements.

- **Capital Expenditures (CapEx)** refer to large-scale investments such as building new transmission lines. These are **included in the utility's rate base**, allowing the utility to earn a **guaranteed return** (often 9-11%) from ratepayers.
- **Operational Expenditures (OpEx)** include maintenance, efficiency upgrades, and Grid Enhancing Technologies. Unlike CapEx, these costs are generally not included in the rate base, meaning utilities do not earn a guaranteed return on them.

Because of this financial structure, utilities have **little incentive** to pursue cost-effective solutions like **high-performance conductors, dynamic line ratings, power flow controllers, and storage-as-transmission solutions**—all of which **SB 952 requires the Public Service Commission to consider before approving new transmission projects**.



SB 952: A Smart Solution for Maryland's Energy Future

By requiring the Public Service Commission (PSC) to **prioritize Grid Enhancing Technologies (GETs) before approving new transmission projects**, SB 952 ensures:

1. **Ratepayer Savings** – Modernizing and optimizing existing lines costs **significantly less** than building new transmission infrastructure, helping to keep electricity rates affordable for Maryland consumers.
2. **Land and Environmental Protection** – Avoiding new transmission projects prevents unnecessary use of farmland, conservation easements, and residential properties, preserving Maryland's natural and agricultural landscapes.
3. **Grid Reliability and Resilience** – Advanced transmission technologies increase system capacity and improve response times to grid congestion, ensuring more efficient electricity delivery and reducing the risk of blackouts.
4. **Fairer Utility Regulation** – Ensuring that utilities consider cost-effective solutions prevents them from **prioritizing profits over efficiency** at the expense of ratepayers.

Conclusion

SB 952 represents **smart, responsible energy policy** that leverages **existing transmission assets** rather than imposing unnecessary costs and burdens on Maryland's communities and environment. Given the DOE's findings that the grid is underutilized and that **utilities profit more from overbuilding than from optimizing**, it is critical that Maryland leads in **prioritizing technology-driven solutions over costly, disruptive expansion**.

For these reasons, I urge the committee to issue a **favorable report** on SB 952.

Thank you for your time and consideration.

Respectfully submitted,

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