

KUMAR P. BARVE
CHAIR



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BONNIE A. SUCHMAN
ODOGWU OBI LINTON
RYAN C. MCLEAN

PUBLIC SERVICE COMMISSION

Chair Brian Feldman
Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, MD 21401

RE: SB 386 - Favorable w/Amendments – Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

Dear Chair Feldman and Committee Members:

The Public Service Commission (the “Commission”) recommends a favorable report for SB 386 with consideration of the amendments included below. The bill expands Commission responsibilities in transmission planning and affords opportunities for the Commission to encourage the deployment of advanced transmission technologies (ATTs) to improve our grid and make energy more affordable and reliable for Maryland customers.

The bill defines 'advanced transmission technology' to include 'grid-enhancing technologies' and 'high-performance conductors,' with additional definitions for constituent terms like dynamic line ratings, advanced power flow control, and topology optimization. The ATT definition does not expressly include energy storage as a transmission asset, but other parts of the bill address battery energy storage in the context of rights-of-way and market stabilization. The Commission recommends clarifying whether certain transmission-sited storage functions qualify as advanced transmission technologies in order to improve consistency in filings and reports. In order to further ensure uniform consideration of ATT alternatives across cases, the Commission recommends additional clarifications or amendments that would provide standardized benefit-cost and congestion metrics and alignment of ATT reporting and CPCN analyses with PJM planning inputs.

For CPCN applications involving reconductoring or installation of ATTs on existing lines, the bill requires the Commission to issue an order within 180 days after receipt of a complete application (subject to existing statutory exceptions). This is a large departure from current schedules and may require the Commission to deny an application if a complete review cannot be accomplished before the statutory deadline. An extension of this timeframe would allow the Commission more time to conduct a careful evaluation of the application without the need to add additional resources to manage an expedited case load.

SB 386 also expands CPCN application requirements for transmission lines. In order to avoid unintended circumvention of the bill’s intent, the Commission recommends clarifying that

certain projects that could be eligible for a CPCN waiver—including those that utilities characterize as repairs or modifications, or those that deploy ATTs without changing existing structures—must still perform and document an ATT screening.

In order to more accurately anticipate the cost to implement this legislation and the potential impact to ratepayers, the Commission recommends clarifying cost responsibility for third-party ATT Implementation Reports. SB 386 requires these reports to be filed by utilities and prepared by a third party selected by the Commission, but does not specify who pays or how costs are recovered. In either case, the Commission also recommends the inclusion of requirements for an independence attestation, conflict safeguards, and Commission access to workpapers and data to help ensure objectivity and auditability.

In addition to expanding the Commission’s transmission planning oversight, the bill adds a requirement that an electric company that owns or operates an overhead transmission line in the State must participate as a member of an RTO. An electric company is defined in the Public Utilities Article (PUA) as transmitting or distributing electricity to a retail customer in Maryland. However, the PUA allows a “person” other than an electric company to construct an overhead transmission line, and the selection process used by PJM allows non-Maryland electric companies to be selected to construct and operate overhead transmission lines in the State. If the intent of this section is to require all entities that own or operate transmission facilities within Maryland to be members of an RTO, the bill should make that specification.

The Commission also notes that the regulation of rates, terms and conditions for electric transmission facilities in interstate commerce is within FERC jurisdiction. The bill provides that the Commission may develop performance-based incentives for the deployment and operation of ATTs. To the extent incentives would affect interstate transmission rates, coordination with FERC will be necessary, and the scope and impact of incentives may be limited by federal jurisdiction.

The Commission appreciates the Committee’s consideration of this testimony requesting a favorable report with amendments on SB 386. Please contact Niki Wiggins, Director of Legislative Affairs, at irene.wiggins3@maryland.gov if you have any questions.

Sincerely,



Kumar P. Barve
Chair, Maryland Public Service Commission