



Maryland

Energy Administration

TO: Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and Environment Committee

FROM: MEA

SUBJECT: SB 386 - Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

DATE: February 24, 2026

MEA Position: FAVORABLE

As Maryland continues to navigate rising energy costs, infrastructure investments, and a rapidly revolving electric grid, it is increasingly important that the State take action. The *Lower Bills and Local Power Act of 2026* (SB 386) does this by addressing several energy challenges head on.

Most central to the Maryland Energy Administration (MEA) mission is the bill's creation of a Solar and Energy Storage Market Stabilization Program within MEA. The purpose of this program is to provide funding to stabilize the solar and energy storage development markets in the State that face financial uncertainty due to the loss of federal tax incentives. The federal One Big Beautiful Bill Act of 2025 significantly rolled back renewable energy incentives, including the Investment Tax Credit (ITC), putting projects under development in jeopardy due to financial uncertainty.

Under SB 386, MEA will be able to leverage existing revenue to help offset the loss of the ITC. MEA believes that a bid system of grantmaking will allow MEA to deploy funds very quickly and efficiently, making it a viable option to bring in-State generation online as soon as possible. It is especially important for the State to act quickly in offsetting the loss of the ITC, in order to maintain the viability of projects that are already in the interconnection queue. These projects are the fastest and cheapest way to add generation to the grid. It is crucial to get these projects on the grid quickly to lower energy burdens for Maryland ratepayers. This is why the Solar and Energy Storage Market Stabilization Program will prioritize the most shovel-ready projects.

The bill also addresses the State's need for enhanced adoption of Advanced Transmission Technologies (ATTs). ATTs are a suite of hardware and software solutions that increase the capacity, efficiency, and resilience of existing electrical grids without requiring new, long-term line construction. They enable more power flow by optimizing existing infrastructure that has already been paid for, improving grid stability, and reducing congestion. This leads to lower ratepayer costs in the long term. By maximizing the capabilities of existing infrastructure, Marylanders can avoid or delay the costs associated with building new transmission lines in the State.

Further addressing the challenges with the siting of electricity grid assets, the bill requires the Secretary of Transportation to develop a model framework to lease Department-controlled lands for the purpose of siting transmission, distribution, or energy storage assets. To accomplish this, the Department will conduct a study to determine which existing rights-of-way are appropriate for the siting of electric transmission, distribution, and energy storage. The siting of energy assets is often a litigious and drawn-out process; utilizing existing rights-of-way can greatly reduce the public backlash - and the time - associated with the siting of energy assets.

For the foregoing reasons, MEA urges the committee to issue a **favorable report**. Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, at landon.fahrig@maryland.gov or 410.913.1537.