



Position Statement

Favorable with Amendments
Education, Energy, and Environment
2/24/2026

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

Baltimore Gas and Electric Company (BGE) supports **Senate Bill 386 - Lower Bills and Local Power Act of 2026** with amendments. Senate Bill (SB) 386 introduces a new program to further incentivize the development of clean energy generation, which Maryland desperately needs, and ensures grid-enhancing technologies are being leveraged to modernize and maximize efficiency of the electric system. BGE respectfully requests amendments for other sections of the Bill, including mandated Regional Transmission Organization membership, high performance conductors, and State right-of-way use.

SB 386 requires electric companies in Maryland that own or operate a transmission line designed to carry a voltage in excess of 69,000 volts to be a member of a Regional Transmission Organization (RTO). BGE currently participates as a transmission owner member of PJM Interconnection, the RTO that coordinates the movement of wholesale electricity across 13 states and the District of Columbia. While a current participant, it is not in the State's best interest to require mandatory membership due to the financial, operational, and regulatory risks that transmission owners would face without guaranteed incentives. Transmission owners essentially transfer operational control of its assets and infrastructure to the RTO to benefit the region. RTOs can direct the owners to build new transmission facilities, even if the company believes the project is not in the best interest of its customers. Additionally, transmission owners must maintain full liability and responsibility for system failures and maintenance, even though its relinquished much of its day-to-day operations and long-term planning to the RTO. For these reasons, transmission owners receive incentives to mitigate risks of joining an RTO.

BGE fully supports use of high performance conductors, as we are already embracing this technology. "High performance conductors," or "advanced conductors," is already defined at the federal level and that definition has been adopted by the utility industry in practice. FERC Order No. 2023 defines "advanced conductors" as, "**advanced conductors are advanced relative to conventional aluminum conductor steel reinforced conductors [ACSR] and include, but are not limited to, superconducting cables, advanced composite conductors, high temperature low-sag conductors, fiber optic temperature sensing conductors, and advanced overhead conductors.**" As defined in HB 897, "high performance conductors" excludes ACSS (Aluminum Conductor, Steel Supported) conductors that provide performance capabilities above traditional

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

John Haysbert | Brittany Jones | Guy Andes | Dytonia Reed | 410.269.5281



Position Statement

ACSR conductors. BGE recommends the Bill to be amended to align with the federal definition for continuity and for optimal opportunities to implement these advanced capabilities.

BGE appreciates SB 386's intent to accelerate the deployment of transmission and distribution infrastructure and battery storage systems within existing State rights-of-way. However, this section of the bill does not acknowledge the perpetual, statewide franchise that Maryland has granted to BGE to occupy public rights-of-way, nor the long-standing legal protections that attach to that franchise. Under well-established Maryland and federal precedent, a legislatively conferred franchise—once accepted constitutes a binding contract and vested property right that cannot later be materially altered or impaired by subsequent legislation. Imposing new requirements for BGE to pay fair market value for continued use of State highway rights-of-way, or to assume relocation costs even where facilities were lawfully installed first, would conflict with these constitutionally protected franchise rights and effectively impose retroactive burdens inconsistent with more than a century of Maryland law. Such provisions would not only contradict the legal framework governing BGE's perpetual franchise but would also impose substantial, unwarranted operational and financial impacts. These costs would ultimately fall on customers, despite BGE's established statutory entitlement to occupy public rights-of-way without duplicative charges or newly created rental obligations. To avoid these legal and practical consequences, it is essential that SB 386 be amended to expressly preserve and respect BGE's existing statewide franchise rights while advancing the bill's policy objectives.

BGE looks forward to continued collaboration to ensure SB 386 delivers favorable results of increasing generation in the State, lowering energy costs, and strengthening the resiliency of the electric grid. A favorable report with amendments is recommended.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

John Haysbert | Brittany Jones | Guy Andes | Dytonia Reed | 410.269.5281