Committee: Education, Energy and the Environment
Testimony on: SB0598 - Electric Companies - Cost Containment Plans - Requirement (SAVINGS Act)
Submitting: Deborah A. Cohn
Position: Favorable
Hearing Date: March 5, 2026

Dear Chair Feldman, Vice Chair Kagan and Committee Members:

I am urging this Committee's support of SB0598, the SAVINGS Act, need to contain rapid increases in electricity costs for Maryland residents and businesses. While many factors are contributing to these increases, one significant factor is the tremendous investment that will be needed to modernize the electric distribution and transmission grid to ensure grid reliability. The SAVINGS Act will help ensure that electric companies take advantage of newer grid and demand management technologies to minimize these capital investments, and thus provide cost savings to customers, while improving grid stability and reliability.

SB0598 requires electric companies to submit to the Public Service Commission (PSC) cost containment plans for electric distribution and transmission system planning on or before January 1, 2027, and every three years thereafter, and to submit progress reports on the implementation of the plans. These progress reports will push utilities to implement cost-effective advanced energy solutions to reduce the costs of future grid infrastructure improvements and meet a measurable peak load reduction goal by 2030. The PSC will have the option to impose penalties on electric utilities that fail to meet the goal.

The bill will reduce electric company spending on grid infrastructure, push down electricity supply prices, and reduce the risk of blackouts or brownouts on the electric grid.

Cost-saving advanced energy solutions can include a variety of technologies. These technologies include grid-enhancing technologies (i.e., sensors to calculate the maximum electricity flow allowed on a line based on real-time weather conditions; devices that allow grid operators to direct electricity flows to avoid congested areas of the grid; and software technology that allows grid operators to reroute power flows to avoid congested areas); advanced conductors (i.e., modern cable technology that increases line capacity up to two-fold), as well as managing or storing energy.

As of June 2025, delivery plus transmission costs for Maryland's electric investor-owned utilities (IOUs) made up between 23% and 50% of a typical customer's monthly electricity bill. Since at least 2010, most Maryland IOU electric delivery costs have risen at a rate that is more than double, or even triple, that of inflation.[1] The SAVINGS Act will address these price pressures by requiring cost containment plans to implement cost-effective strategies to reduce capital expenditures on infrastructure.

The SAVINGS Act will save money on grid infrastructure spending going forward. Incorporating affordable advanced energy technologies will bring down the upfront costs of necessary improvements. A required cost-benefit analysis and the PSC's approval process will create a safeguard to ensure that

[1] A Consumer's Guide to Summer 2025 Electric Rates, Maryland Office of People's Counsel, June 12, 2025, https://opc.maryland.gov/Portals/0/Files/Publications/Summer%202025%20Electric%20Rates%20Factsheet%206-12-25.pdf?ver=qxWLUqoC7bf6EX1Y8ARbAA%3d%3d

any grid construction by Maryland electric companies will be designed to take advantage of cost saving opportunities that benefit ratepayers.

For these reasons, I urge this committee to issue a FAVORABLE report on the SAVINGS Act.