



Senate Bill 598

Date: March 5, 2026

Committee: Education, Energy, and the Environment

Position: Unfavorable

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

Senate Bill 598 (SB 598) requires electric companies to file cost containment plans aimed at reducing peak electric system load by 20% by 2030, prioritizing non-wires alternatives, distributed energy resources, and other advanced grid solutions over traditional infrastructure investments. The bill authorizes penalties for non-compliance and relies in part on regional transmission planning outcomes to meet its requirements.

Maryland employers support a reliable, resilient, and modern electric grid. Businesses across the state depend on affordable and dependable electricity to operate, expand, and remain competitive. As drafted, however, SB 598 would undermine these objectives by imposing rigid and unrealistic mandates that are disconnected from system realities, existing state policies, and cost impacts on ratepayers.

SB 598 requires electric companies to reduce peak system load by 20% by 2030, despite the fact that utilities do not control many of the primary drivers of load growth, such as electrification policies and population growth. Establishing a fixed reduction target without accounting for natural or policy-driven load growth exposes utilities to significant compliance risk for factors outside their control.

SB 598 also assumes that non-wires alternatives and advanced grid technologies can readily replace traditional infrastructure investments at lower cost. While these tools may offer long-term value, many remain expensive, limited in scale, and operationally constrained today. In the near term, they may increase costs rather than reduce them, placing additional upward pressure on electric bills for businesses and residents already facing rising costs.

The bill further relies on transmission planning outcomes that are largely determined through regional processes outside the authority of Maryland electric companies. Conditioning state compliance on external decisions introduces uncertainty and risk that neither utilities nor customers can reasonably manage.

Finally, the bill's punitive financial penalties for non-compliance are disproportionate and disconnected from utility control. These penalties would increase financial risk and borrowing costs, potentially increasing rates. We urge the committee to pursue a more flexible, collaborative, and data-driven approach that protects reliability and affordability for Maryland's business community and residents.

For these reasons, the Chamber respectfully requests an **unfavorable report** on **SB 598**.