CLIMATE COALITION
Montgomery County, MD

Testimony on:	**SB0598 - Electric Companies - Cost Containment Plans - Requirement (SAVINGS Act)**
Committee:	**Education, Energy and the Environment**
Organization:	**Climate Coalition Montgomery County**
Submitting:	**Karl Held**
Position:	**Favorable**
Hearing Date:	**March 5, 2026**

Dear Chair Feldman, Vice Chair Kagan, and Committee Members:

Thank you for allowing our testimony today in strong support of SB0598, the SAVINGS Act. The Climate Coalition Montgomery County, a group of 20 local organizations whose mission is to lead action on climate change, advance a sustainable and just economy, and build resilience in the face of environmental, social and economic disruption. We urge you to vote favorably on SB0598.

This bill 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.

SB0598 is important to Maryland residents because it will reduce utility spending on grid infrastructure, put downward pressure on electricity supply prices, and reduce the risk of blackouts or brownouts on the electric grid. Its key provisions will require each electric utility to create a cost containment plan for PSC approval, implement cost-saving advanced energy solutions to reduce the costs of future grid infrastructure improvements, and meet a measurable, time-bound peak load reduction goal. The PSC will have the option to impose penalties on electric utilities that fail to meet the goal.

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.

The SAVINGS Act will address the problem of a utility bill's electricity delivery costs, which include, among other things, capital expenditures that utilities invest in poles, wires, transformers, and other equipment. As of June 2025, delivery plus transmission costs for Maryland's electric investor-owned utilities (IOUs) made up anywhere from 23% to 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]

Studies from New York and New Jersey provide two illustrative examples of how much energy and money the SAVINGS Act could save. A study for the New York State Energy Research and Development Authority (NYSERDA) and the New York Department of Public Service estimated that New York could reduce their winter peak demand by 8.5 GW, or 21%, by 2040.[2] This could result in $2.9 billion (in 2024 dollars) in annual savings in New York by 2040, of which $2.4 billion could be returned to customers. A study for Atlantic City Electric (ACE) in New Jersey estimated that $325.1 million of investments over five years would yield $760.5 million in benefits over 20 years, in real-discounted dollars.[3]

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 before any construction begins utilities will be saving money for ratepayers.

For these reasons, we urge this committee to issue a FAVORABLE report on SB0598.

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
2. New York's Grid Flexibility Potential, Brattle for NYSERDA and NY Dept. of Public Service, Feb. 5, 2025, https://www.brattle.com/insights-events/publications/brattle-experts-conduct-a-study-to-determine-new-yorks-grid-flexibility-potential-in-2030-and-2040/
3. Cost-Benefit Analysis of Electric Distribution Investments, Brattle for Atlantic City Electric, Oct.31, 2022, https://www.brattle.com/insights-events/publications/cost-benefit-analysis-of-electric-distribution-investments/