



TESTIMONY FOR SB0598
Electric Companies - Cost Containment Plans - Requirement (Securing
Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS)
Act)

Bill Sponsor: Senator Hester

Committee: Education, Energy, and the Environment

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: **FAVORABLE**

I am submitting this testimony in favor of SB0598 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

Our members appreciate this bill. The electric companies in this state have done nothing but make bad decisions and greedy decisions for decades, all at the expense of their rate payers. SOMEONE has to take control of this situation.

This bill, if enacted, would require all electric companies to submit cost containment plans on or before January 2027 and ever three years after that. The plans must be specific in terms of minimizing capital expenditures, improving reliability and achieving operational and planning optimization. It also should specify how the electric company is coordinating their investments that is most cost effective to rate payers. The plans should combine to reduce the utility's peak electric system load by at least 20% from 2025 levels by 2030.

The Public Service Commission will review the plans and approve them, or send them back to the electric companies to be 'cured' of deficiencies. Once the plans are approved, the electric companies must submit progress reports to show how they are meeting their goals. If they do not meet their approved goals, the Public Service Commission may

- impose one or more fines
- reduce the electric company's return on equity
- fully or partially deny the electric company's cost recovery for implementing the approved cost containment plan.

This is perfect. We strongly support this bill and recommend a **FAVORABLE** report in committee.