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PUBLIC SERVICE COMMISSION

Chair Brian Feldman
Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, MD 21401

RE: HB 1532 – Favorable w/Amendments – Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act

Dear Chair Feldman and Committee Members:

The Public Service Commission (“Commission”) requests a favorable report on HB 1532 with amendments. The Commission supports the overarching goal of this legislation to make energy more affordable for Maryland ratepayers and appreciates the legislature’s investment in the Commission to achieve this purpose. The Commission has worked extensively with the Speaker and other stakeholders on many of the provisions of this bill and will continue to work with the Senate to ensure the bill can best achieve its intended effect.

HB 1532 is a comprehensive bill that will enable the Commission to implement solutions to some of the pressing affordability issues facing the State today. The Commission will need to dedicate significant resources to ensure that each program or mandate is established to the extent necessary to achieve affordability, both in the short and long term. The Commission believes it is capable of implementing this bill, but proposes amendments to address some potential barriers to success. Some of these amendments are outlined below.

The Commission’s technical experts reviewed the changes to Local Government Article § 1-1320 and made suggestions to ensure consistency with current Commission practices. The Commission’s current interconnection regulations define a level 1 interconnection as a generating capacity of 20 kW, whereas this bill allows for special permitting considerations for solar energy generators with a capacity of up to 30 kW. The Commission recommends that the threshold in the bill be changed to meet the Commission’s current regulations, and also that the bill contain language requiring that an electric company’s review of an interconnection request pursuant to this section also be consistent with all Commission regulations.

Where HB 1532 adds requirements for the Commission’s website in Public Utilities Article (PUA) § 2-124, the Commission recommends two changes. First, the bill requires that the website include keyword search capability for a number of items, including Public Conference transcripts. The Commission notes that it does not currently provide transcripts on its website,

and to do so would be costly. The Commission recommends striking the word “transcript.” Additionally, the new section requires the Commission to develop, in consultation with Maryland Energy Administration (MEA) and Power Plant Research Program, dashboards to track progress towards goals under the Commission’s oversight. The Commission is confident in its ability to independently create trackers for programs that it oversees, and would request that the consultation requirement be removed in the interest of efficiency.

HB 1532 also includes the creation of PUA § 4-203.1, which adds certain notice requirements to customers related to rate changes. The Commission believes the intent of this section to be to protect residential ratepayers, and so has suggested amendments specifying such in the text. The Commission also requests a small change in the dates specified for certain reports under this section, in order to alleviate some reporting congestion that occurs annually in December and January.

A related ratepayer protection provision included in the bill is a new requirement that utilities adopt a policy to place cost limitations on certain expenditures that are able to be recovered in rates. With respect to these policies, the bill requires the Commission to publish guidance to define “reasonable cost limitations.” The Commission would request that this mandate be removed. It is appropriate to review expenditures and cost recovery requests in the context of a rate case, and the Commission is confident it can effectively adjudicate reasonableness and prudence in those cases.

The bill includes several provisions related to data centers and large load tariff customers. One of these provisions, found in new PUA § 4-212(g)(1), introduces language introducing a number of things that the legislature intends for data centers doing business in the State to adhere to. The Commission does not have an issue with these requirements, but requests a technical amendment to specify that the intent language does not reflect items that must be included in the large load tariff. This could also be achieved by removing the proposed language to a new section.

The bill also includes the addition of a large load registry to PUA § 7-322, to ensure transparency into data center load that will be coming onto the grid. The Commission can implement this section. However, the Commission notes that it has been working extensively with the Senate sponsor and other stakeholders on a bill with a similar purpose, and will continue to work with both chambers as needed to ensure consistent and effective language.

Additionally, this bill amends the current EmPOWER program, including the removal of programs provided by gas companies. While the bill allows for gas companies to continue to recover their reasonable costs accrued in providing previously-authorized programs, it does not specify a specific date on which the gas companies should stop providing programs. The Commission would recommend that a date be added consistent with the cost recovery language in order to avoid any confusions. Also with respect to EmPOWER changes, the Commission recommends that, where the bill allows for Community Solar projects to count towards greenhouse gas reduction goals in PUA § 7-223(e)(1)(ii)(1), that the language specify whether

these are all existing Community Solar projects, or only those that come online during the relevant plan year.

HB1532 also addresses the important issue of a Net Energy Metering (NEM) successor program as the state approaches the 3,000 MW statutory cap for solar generation. The Commission supports the authority that this bill gives it to create a new program, and is confident in its ability to implement. The Commission notes, however, that the bill has duplicative reporting requirements with different due dates added both to the text of the statute and included in uncodified language. The Commission requests that one of these be removed.

The Commission will continue to work with the Speaker, this Committee, and other stakeholders on these and other amendments to the bill. The Commission appreciates the opportunity to provide this testimony and to request a favorable report with amendments. Please contact the Commission's Director of Legislative Affairs, Niki Wiggins, if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kumar', with a stylized flourish underneath.

Kumar P. Barve
Chair, Maryland Public Service Commission