TESTIMONY OF
BRITTANY BAKER
MARYLAND DIRECTOR
—-
JAMIE DEMARCO
LOBBYIST
—-
MIKE TIDWELL
EXECUTIVE DIRECTOR

SB598- SAVINGS ACT
FAVORABLE
EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE
MARCH 5TH, 2026

Chair Feldman, Vice-Chair Kagan, and members of the EEE Committee,

We urge a favorable report on SB598.

Traditionally, increasing electricity demand has necessitated building new transmission lines, substations, and other capital intensive infrastructure upgrades to the grid. Today, Advanced Transmission Technologies, if fully deployed, have the potential to increase the transmission and distribution capabilities of our grid for a fraction of the price. These small, simple tools can be deployed quickly and cost effectively on the existing grid to increase grid capacity.

Unfortunately, utilities are incentivized not to use Advanced Transmission Technologies precisely because they are so cost effective. Utilities make their profit through interest earned on large capital investments. The more expensive the new transmission line is, the more money the utility will make. As a result, the newest, most cost effective tools for getting the most out of our grid are chronically underutilized.

To work against this utility incentive mis-alignment, the SAVINGS act requires each utility to submit a plan to the PSC on a regular basis describing how the utility plans to deploy grid enhancing technologies to avoid more expensive grid upgrades. Small increases to grid efficiency can prevent the need to build a new transmission line or substation and save ratepayers a lot of money.

Specifically, utilities will be required to reduce their peak electricity demand 20% by 2030. This reduction in peak demand will make room on the grid for growing electrical demand from large load users. An electrical grid is built for the highest demand hour of the highest demand day of the year. By shifting energy demand away from peak hours, the SAVINGS Act reduces the need for major grid upgrades that would have been needed to accommodate a higher peak demand load.

Utilities will have a real incentive to hit the requirements set forward in the SAVINGS Act. If they fail to achieve requirements put forward in the SAVINGS Act, the PSC is authorized to reduce their rate of return, impose fees, or deny cost recovery to the utilities.

Giving the utilities a requirement to reduce peak demand using grid enhancing technologies and providing the PSC with the necessary tools to ensure utilities achieve those requirements will lower energy bills for everyone.

We urge a favorable report on SB598