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BILL NO.: Senate Bill 0386/House Bill 0897 – Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

COMMITTEE: Education, Energy, and the Environment
Environment and Transportation

HEARING DATE: February 24, 2026 (EEE)
February 24, 2026 (ENT)

SPONSOR: The President (By Request of the Administration), et al.
The Speaker (By Request of the Administration), et al.

POSITION: Favorable

The Office of People’s Counsel (OPC) respectfully offers the following comments in support of Senate Bill 0386/House Bill 0897, the Lower Bills and Local Power Act of 2026. SB 0386/HB 0897 proposes to address the current crisis of high energy bills by (1) encouraging utilities to maximize the use of existing transmission infrastructure through the implementation of advanced transmission technologies (ATTs); (2) requiring that every electric company that owns or operates a transmission line in the State is a member in a regional transmission organization (RTO); (3) incentivizing the development of clean energy in the State; and (4) providing residential customers with one-time energy bill credits.

Maximizing the use of existing transmission infrastructure

SB 0386/HB 0897—like several other bills introduced this year¹—aims to encourage utilities to incorporate the use of advanced transmission technologies (ATTs) into transmission planning and ultimately reduce costs to customers. Specifically, SB 0386/HB 0897 would require the owner or operator of a transmission line to report on the potential use of ATTs as part of an application for a certificate of public convenience and

¹ See, e.g. HB 0040/SB 0201, HB 0723/SB 0598.

necessity (CPCN) and as part of a regular report submitted to the Public Service Commission (PSC) every three years. As drafted, SB 0386/HB 0897 also sought to incentivize utilities to incorporate ATTs by authorizing the PSC to develop “performance-based incentives” for their deployment and operation. This provision would likely be preempted by federal regulation of transmission costs, and OPC understands that this provision will be removed from the bill.

Reporting requirements are valuable because they require utilities to publicly demonstrate consideration of and justify any decision not to adopt potentially less costly solutions to transmission needs. ATTs encompass a host of technologies that can increase the useful life of existing transmission assets, decrease congestion costs, allow new generation to interconnect more quickly and more cheaply, defer expensive transmission upgrades, and enable transmission system expansion with less disturbance of previously unused land, including:

- high performance conductors, which allow for increased line capacity, higher transmission efficiency, and reduced thermal sag;
- storage as a transmission asset, which substitutes batteries for new transmission lines and can enable faster and cheaper transmission system upgrades than traditional transmission lines; and
- grid enhancing technologies (GETs), which squeeze more performance out of existing transmission assets using advanced power flow controls, dynamic line ratings, and topology optimization.

ATTs can enable more rapid deployment of transmission capacity upgrades that are required for new generation to interconnect to the grid. Some generation projects drop out of the PJM interconnection queue because once they are studied, they are required to pay for significant transmission system upgrades that will take years to construct. By enabling cheaper and more rapid transmission system upgrades, ATTs support lower cost and more rapid deployment of generation. One recent study found that use of GETs in five PJM states could allow an additional six gigawatts of new capacity to come online within the next three years.²

ATTs can also decrease land use concerns. Storage as a transmission asset can “pre-flow” energy over existing lines so that the line can functionally deliver more energy than the maximum line rating at times of peak demand. While current PJM rules do not allow storage to act as a transmission asset, such a framework has been approved by the Federal Energy Regulatory Commission (FERC) in other regions and the policy has been studied by PJM.³ Similarly, advanced conductors unlock the possibility that

² Katie Mulvaney et. al., [GETting Interconnected in PJM](#), RMI (2024).

³ See [Storage as a Transmission Asset Issue Details](#), PJM Interconnection, LLC.

lines with higher ratings can use existing transmission line routes and towers, or allow new transmission to have smaller footprints, thus limiting the need to build on new land.

ATTs can provide significant savings for transmission costs. For example, evaluations of ATTs deployed in the Southwest Power Pool—another regional transmission organization that stretches from North Dakota to Oklahoma—found that GETs increased the utilization level of certain high voltage transmission lines by 16 percent.⁴ SB 0386/HB 0897 takes an important step toward maximizing the utility of existing transmission infrastructure in Maryland and is likely to prevent unnecessary investments in new infrastructure that could prove costly to ratepayers.

Requiring membership in PJM

In 2006, FERC adopted a series of incentives to encourage investment in the interstate transmission grid, including a financial incentive for electric companies joining a regional transmission organization (RTO), known as the “RTO adder.”⁵ Under FERC precedent, however, public service companies whose membership in an RTO is required by state law—and, therefore, not voluntary—are ineligible to receive extra unwarranted profits in the form of the RTO adder.⁶

Although most all Maryland’s electric companies are currently members of PJM, they are not currently required by law to join an RTO and are, therefore, entitled to the RTO adder. SB 0386/HB 0897 would require that each electric company be a member of an RTO, which should render them ineligible to receive these extra unwarranted profits. OPC supported this proposal when it was first introduced by Delegate Charkoudian and Senator Hester as part of [Senate Bill 0682](#) / [House Bill 0505](#) in 2024.⁷ At the time, we estimated that a state-law requirement for RTO membership could save customers around \$20 million per year. That estimate was based on 2024 figures, and the savings would be even greater today, given that the adder is calculated based on the size of the utilities’ transmission rate bases, which have increased since 2024.

⁴ Brattle Group, [Building a Better Grid](#) (Apr. 20, 2023) at 5.

⁵ *Promoting Transmission Investment through Pricing Reform*, Order No. 679, 116 FERC ¶ 61,057 (2006).

⁶ *See e.g. id.* at ¶ 331 (explaining that the basis for the RTO adder incentive is, in part, “a recognition of ... the fact continuing membership is generally voluntary”); *Office of the Ohio Consumers’ Counsel v. American Electric Power Service Corp.*, 181 FERC ¶ 61,214 (2022) (finding two Ohio utilities ineligible for the RTO adder because Ohio law mandates participation in PJM); *Pacific Gas and Electric Company*, 185 FERC ¶ 61,243 (2023) (finding that by virtue of a recently enacted California statute requiring Pacific Gas & Electric to participate in its RTO, participation was no longer voluntary, and the company was no longer eligible to receive its RTO adder).

⁷ *See, e.g.*, OPC Testimony on SB 0682 (Feb. 22, 2024) at 4, <https://opc.maryland.gov/LinkClick.aspx?fileticket=CQ2ToUrdVUg%3d&tabid=1159&portalid=0&mid=2697>

Incentivizing development of clean energy resources in Maryland

SB 0386/HB 0897 aims to incentivize development of new clean energy resources in Maryland in two primary ways: (1) by establishing a new Solar and Energy Storage Market Stabilization Program to provide loans and grants to shovel-ready clean energy projects; and (2) directing the Maryland Department of Transportation (MDOT) to identify opportunities and develop processes—including expedited approval processes—for siting transmission lines and energy storage in existing MDOT rights of way, such as state highways. Both initiatives would be funded through one-time transfers from the Strategic Energy Investment Fund (SEIF). Competitive, renewable energy resources may enhance resource adequacy, reduce risks to customers of reliability issues, and reduce the chances of paying high prices for potentially unnecessary transmission and more costly generation.

Recommendation: OPC requests a favorable Committee report on SB 0386/HB 0897.