

Written Testimony in Support of House Bill 1190
Public Utilities – Off-Grid Electricity Providers – Exemption

Chair Korman, Vice Chair Guyton, and Members of the Committee:

We are writing to respectfully express our support for House Bill 1190.

Maryland is currently facing a growing energy supply challenge that is having direct impacts on affordability, reliability, and economic competitiveness. As demand for electricity continues to increase, driven by population growth, electrification, and expanding commercial and industrial development, the state's ability to generate sufficient in-state power has not kept pace.

As a result, Maryland is heavily reliant on imported electricity to meet its daily energy needs. According to data from the U.S. Energy Information Administration and regional transmission organization PJM Interconnection, Maryland imports approximately 40 percent of the electricity it consumes from out-of-state sources. This reliance on imported generation exposes Maryland consumers and employers to increased transmission costs, regional supply constraints, and price volatility in wholesale energy markets.

At the same time, the regulatory framework governing new generation development within the state can present significant challenges to bringing new capacity online in a timely and cost-effective manner. Requirements related to siting, interconnection, and certification are designed to ensure oversight of grid-connected infrastructure but may also lengthen timelines for projects that could otherwise help meet growing energy demand.

Energy affordability and reliability remain key considerations for business investment and development. Limitations on timely access to dependable and cost-effective electricity can influence decisions regarding commercial expansion, housing development, and job creation within the state. In this environment, policies that support additional generation capacity without placing additional financial obligations on ratepayers warrant careful consideration.

House Bill 1190 provides a targeted approach by establishing an exemption for qualifying off-grid electricity providers. Under the bill, facilities that do not interconnect with the state's electric system, do not cross state lines, and are not located within public rights-of-way would be permitted to generate and supply electricity independently, while still complying with applicable requirements for the construction of generating facilities, and all local planning, permitting and zoning regulations and processes.

This framework would allow private entities to directly produce the energy necessary to support their own operations without placing additional strain on the state's electric grid or shifting infrastructure costs to residential consumers. By enabling independent, off-grid generation in

appropriate circumstances, House Bill 1190 offers an opportunity to reduce reliance on imported electricity, support economic growth, and enhance overall energy resiliency.

For these reasons, we respectfully request a favorable report on House Bill 1190.

Thank you for your time and consideration.

Respectfully,

The Bainbridge Development Corporation Board of Directors