



February 24, 2026

Environment & Transportation Committee

**Securing Affordable, Valuable Investments in Next-Generation Grid Solutions
(The SAVINGS Act)**

HB 723

Sponsor: Delegate Lily Qi

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Policy Principal, Advanced Energy United

FAVORABLE

Dear Chair Korman, Vice Chair Guyton, and esteemed members of the Environment & Transportation Committee:

Marylanders, and indeed Americans across the country, are in a pickle: We're watching energy bills shoot up with alarming speed – and it seems to many folks like this is happening out of nowhere.

You've sat through hours of presentations on why this is, and on how to fix the problem. You've been emailed hundreds of pages of PowerPoint slides, bar graphs, line graphs, pie charts, tables, and maps. You don't need me to rehash the details.

Here's the bottom line:

1. The cost of electricity can be divided into:
 - a. The cost of energy itself, which is going up;

- b. The cost of capital expenditures to build and upgrade the grid, which is also going up in many service territories.
2. We need more energy supply. The faster and cheaper, the better. Solar paired with battery is the fastest way to do this, and solar is the cheapest form of energy generation.
3. We need to build and upgrade transmission and distribution as cost-effectively as possible. And, you guessed it – the faster we can get this done, the sooner ratepayers will see relief.

The SAVINGS Act has three major beats:

1. Electric utilities will be required to submit cost containment plans to the Public Service Commission (PSC) for approval. Plans must provide meaningful savings for ratepayers and be evaluated according to the PSC's unified cost-benefit analysis framework.
2. The utilities must reach a time-bound, measurable goal for peak load reduction. We've written 20% below 2025 levels by 2030.
3. If a utility does not meet the goal, the PSC has the option of penalizing the utility.

Lowering peak demand means we'll need less electricity supply. That will place downward pressure on wholesale electricity market prices. It will also lower the risk that we will not have sufficient generation to meet demand during extreme events, such as heatwaves. Lowering peak demand also creates avoided costs – meaning it will reduce the cost and amount of capital expenditures that we need to maintain a reliable and resilient grid.

Here's an example: Con Edison, the largest utility in New York City, deferred a \$1.2 billion substation upgrade between 2014 and 2018. They did this by spending \$200 million on customer-sited distributed energy resources to reduce peak load by 52 MW.

Let me stress: They saved ratepayers \$1 billion.

Here's another example: A New York State study demonstrated that lowering summer peak demand 24% by 2040 would save ratepayers \$2.4 billion a year, mostly in avoided costs – avoided generation, avoided transmission, and avoided distribution.

And here's a third example: Maryland has already been able to lower peak demand nearly 9%. We know our utilities are capable of doing this. The SAVINGS Act will hold them accountable to keep going. To paraphrase a member of this Committee, speaking about their own bill from a previous year, the goal is ambitious. That is the point.

We can squeeze more juice out of our energy system, and get more bang for our buck as ratepayers. That's what this bill does.

Advanced Energy United respectfully requests a favorable report.

Thank you for your time.

Best Regards,

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