



Testimony on: HB0897 – Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

Committee: Environment and Transportation

Organization: Maryland Legislative Coalition Climate Justice Wing

Submitting: Laurie McGilvray, Co-Chair

Position: Favorable

Hearing Date: February 24, 2026

Dear Chair Korman and Committee Members:

Thank you for allowing our testimony today on HB0897. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of 32 grassroots and professional organizations focused on climate justice, appreciates the sponsor amendments striking the performance-based incentives language and urges you to vote favorably on HB0897. We also offer alternative uses at the end of our testimony for the \$100 million in ratepayer relief that is more targeted to the greatest need.

HB0897, the Lower Bills and Local Power Act of 2026, includes a number of provisions designed to foster more renewable energy generation and more efficient and cost-effective transmission, both of which will help control escalating electric costs in Maryland. First, the bill creates requirements and incentives for Maryland utilities to implement advanced transmission technologies (ATTs). These technologies include grid-enhancing technologies (i.e., sensors to calculate the maximum electricity flow allowed on a line based on real-time weather conditions; devices that allow grid operators to direct electricity flows to avoid congested areas of the grid; and software technology that allows grid operators to reroute power flows to avoid congested areas) and advanced conductors (i.e., modern cable technology that increases line capacity up to two-fold). The bill requires a utility in an application to the Public Service Commission (PSC) for a certificate of public convenience and necessity (CPCN), to show at least one alternative that uses ATTs to address the same need more efficiently or cost-effectively than the proposed project. Additionally, utilities must regularly submit a report on ATT implementation to the PSC. These provisions will help us get more out of the grid we have and save money on new transmission infrastructure

Second, the bill creates a solar and energy storage market stabilization program funded by the Strategic Energy Investment Fund (SEIF) to provide low-interest and zero-interest loans or grants to backfill investment gaps for clean energy projects facing financial uncertainty from the loss of federal tax incentives; and enables the use of SEIF alternative compliance payment funds for grants or loans to support the creation of new Tier 1 renewable sources, which should promote more Maryland-based renewable energy.

Third, HB0897 requires the Secretary of Transportation to develop processes and leases for electricity lines and battery energy storage to be located within existing rights-of-way (ROWS) along state and interstate highways and to conduct a study, in conjunction with other agencies, on siting electricity lines and battery energy storage in ROWs. Several other states have taken this step and Maryland should as well.

Fourth, the bill requires Maryland utilities that own or operate a transmission line designed to carry an excess of 69,000 volts to become a member of our regional transmission organization, PJM, which will save ratepayers the cost of bonuses that utilities get to participate in PJM.

Finally, the bill allows the Governor to transfer \$100 million from the SEIF to the PSC for electric companies, including electric cooperatives and municipal electric utilities, to provide residential customers with a one-time refund or credit. While this could provide all residential ratepayers with a modest refund or credit, it would not help in a meaningful way those with the greatest energy burden. As an alternative, we recommend increasing SEIF funding to the Department of Social Services, Office of Home Energy Programs for their Electric Universal Service Program (i.e., OHEP's electric assistance grant program). The benefits would be that: 1) the funds would be delivered to Maryland's most vulnerable households as utility bill credits for energy assistance households; 2) the money would be given in highest values to the lowest income families because OHEP grants are based on income levels with higher grants going to lower income accounts; and 3) higher EUSP funds would reduce the limited-income rate (PC59) future charges. Alternatively, the \$100 million could be used to pay down the Empower debt, thus avoiding those costs showing up as a surcharge on electric customers' bills.

We had concerns with provisions authorizing the PSC to offer utilities performance-based incentives to implement ATTs. Utilities have demonstrated an ability to charge ratepayers extra for things they should already be doing. We have seen the ratepayer impacts of accelerated cost recovery through the STRIDE program and the impact to ratepayer pocketbooks of such an approach. We thank the bill sponsor for amending the bill to delete language on performance-based incentives for ATTs. We also urge changes to better target ratepayer relief.

We urge a favorable report on HB0897 in committee.

350MoCo

Adat Shalom Climate Action

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry

Chesapeake Earth Holders

Chesapeake Physicians for Social Responsibility

Climate Parents of Prince George's

Climate Reality Project

ClimateXChange

Coming Clean Network, Union of Concerned Scientists

DoTheMostGood Montgomery County

Echotopia

Elders Climate Action Maryland

Fix Maryland Rail

Glen Echo Heights Mobilization

Greenbelt Climate Action Network

HoCoClimateAction
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Maryland Legislative Coalition
Maryland Third Act
Mizrahi Family Charitable Fund
Mobilize Frederick
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
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