February 24, 2026

Environment & Transportation Committee

HB 723
Securing Affordable, Valuable Investments in Next-Generation Grid Solutions

(The SAVINGS Act)

Sponsor: Delegate Lily Qi

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Advanced Energy United

FAVORABLE

Introduction

Thank you for the opportunity to submit my written testimony in strong support of the SAVINGS Act sponsored by Delegate Qi. My name is Shawn Kelly, and I represent Advanced Energy United ("United"). United is a national industry association representing businesses that provide the full range of advanced energy and transportation solutions. We advocate for public policies that enable competition and work alongside our member companies to create economic opportunity, lower consumer costs, and bolster energy reliability and resilience across the country. Together, we are united in our mission to create an economy built on advanced energy. The term advanced energy encompasses a broad range of products and services that constitute the best available technologies for meeting our energy needs today and tomorrow. These include electric vehicles ("EVs"), energy efficiency, demand response, energy storage, solar, wind, hydro, nuclear, heat pumps (air- and ground-sourced), and smart grid technologies. United represents more than 100 companies in the $374 billion U.S. advanced energy industry, which employs 4.1 million U.S. workers, including around 100,000 in Maryland.

I bring expertise to this issue from my combined experience working for the Florida Public Service Commission, the Indiana Utility Regulatory Commission, two gas and electric utilities, and representing other utility regulators and consumer advocates as an advisor. Currently, I am a Senior Director on United's State Regulatory team where I cover our regulatory engagement at public utility commissions Also, as someone who raised a daughter in Maryland, I take pride in advocating for issues that benefit this great state.

The Affordability Crisis and the SAVINGS Act

The United States is in the midst of an affordability crisis, and the electricity industry is a central actor in skyrocketing prices. Electricity is such a vital component of our economy as it provides a necessary input to every single sector. If we want to tackle the affordability crisis, we need to start with the electricity industry. Currently, the cost of delivery and transmission of electricity in Maryland accounts for 25% to 50% of a customer's bill in some service territories. The distribution rates for the three investor-owned electric utilities have increased by a yearly average of 5.7% from 2010 to 2025.[1] This rapid increase, which is significantly above the pace of general inflation, is a clear sign that utility planning needs to be reevaluated to better serve customers.

The SAVINGS Act directly addresses the electricity affordability crisis by establishing critical safeguards on utility spending. It implements a Cost Containment Plan mechanism, subject to Maryland Public Service Commission ("Commission" or "PSC") approval, that requires utilities to demonstrate significant cost savings for their customers. We need the SAVINGS Act to require utilities to take these actions, as they will not do this on their own.

Data Center Load Growth and Regional Savings

Adding to concerns of affordability, the grid is facing unprecedented load growth from data centers and transportation and building electrification. According to a report prepared by Synapse Energy Economics for United, data center load growth is projected to increase by 30 GW in PJM by 2030.[2]

If we double advanced energy technologies in the PJM region, including the measures outlined in the SAVINGS Act, current projections under a "business as usual" scenario by

[1] Maryland Office of People's Counsel. (2025, June 12). A consumer's guide to summer 2025 electric rates. State of Maryland.
[2] Synapse Energy Economics, Inc. (2026, February). The next decade in PJM: A path to reliability and affordability. Synapse Energy Economics, Inc.

2035, we can reduce peak load by 17% by 2030 and 22% by 2035, ultimately saving $178 billion by 2035.[3]

Proven Benefit-Cost Case Studies

It is not just advocacy organizations like United who are reaching this conclusion. State agencies across the country are identifying the market potential for cost-savings solutions like load management and grid flexibility. Below are examples of such findings:

- New York State Grid Flexibility Market Potential: A report prepared for the New York State Energy Research and Development Authority and the New York Public Service Commission assessed that New York State, could use a portfolio of solutions (including demand response, behind-the-meter storage, EV vehicle-to-grid, EV managed charging, time-varying rates, water heating, and heating and cooling solutions) to reduce summer peak demand by 3 GW (11%) by 2030, and by 8.5 GW (24%) by 2040. This is projected to result in $2.9 billion in annual savings by 2040.[4]
- Massachusetts Peak Potential Report: The Massachusetts Department of Energy Resources Peak Potential Draft Report identified was designed specifically to quantify the total potential for peak savings and ratepayer benefits. It highlights how leveraging demand flexibility, energy efficiency, and virtual power plants ("VPPs") can reduce peak demand 4.5 GW by 2040 and 13.8 GW by 2050. Achieving these peak demand reductions would save customers $950 million by 2040 and $4.8 billion by 2050.[5]
- Pennsylvania Market Potential Study: The Pennsylvania Public Utility Commission's statewide evaluator analyzed the cost-effectiveness of demand response and energy efficiency programs to manage grid load. The study proved the financial viability of these programs, projecting estimated a net present value of $43 million for consumers.[6]

Maryland's Progress and Untapped Potential

Through the SAVINGS Act, the Maryland PSC will determine the precise MW peak demand reduction goal for each utility, but we estimate that statewide, the total peak reduction

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[3] *Id*.
[4] The Brattle Group. (2025, January 31). New York's grid flexibility potential - Volume I: Summary report. New York State Energy Research and Development Authority; New York Department of Public Service.
[5] Massachusetts Department of Energy Resources. (2025, December 16). Peak potential: Load management for an affordable net-zero grid (Draft for comment). State of Massachusetts.
[6] Demand Side Analytics. (2025, February). Phase V demand response potential study. Pennsylvania Public Utility Commission.

needed is approximately an additional 1,300 MW by 2030 and 2,600 MW by 2035. Maryland has already reduced peak demand by approximately 1,310 MW, or 9%, through demand-side management (DSM).[7]

Both the DSM programs and the pending VPP pilot programs enabled by the DRIVE Act, are examples of Maryland's progress and successful leadership and the SAVINGS Act is the next evolution of that progress as it emphasizes the cost savings goal while giving the Commission the appropriate tools to analyze and regulate the electric utilities' actions to contain costs.

Thank you for your time, and I respectfully request a yes vote on the SAVINGS Act.

[7] Maryland Public Service Commission. (2025, December). Ten-year plan (2025-2034) of electric companies in Maryland. Prepared for the Maryland Department of Natural Resources.