



Maryland

Energy Administration

TO: Chair Korman, Vice Chair Guyton, and Members of the Environment & Transportation Committee
FROM: MEA
SUBJECT: HB 1190 - Public Utilities - Off-Grid Electricity Providers - Exemption
DATE: March 3, 2026

MEA Position: LETTER OF INFORMATION

The Maryland Energy Administration (MEA) respectfully submits this Letter of Information for House Bill 1190.

House Bill 1190 establishes a definition for “off-grid electricity provider” and provides that certain entities operating electric generating facilities that do not interconnect with the electric system, do not cross state lines, and are not located within or across federal, State, or local rights-of-way are exempt from most provisions of the Public Utilities Article. The bill maintains the requirement that these providers comply with §§ 7-207 and 7-207.1 regarding certificates of public convenience and necessity (CPCN) and related approvals when constructing a generating facility.

As Maryland continues to experience growth in distributed energy resources, microgrids, and private generation, clarity around regulatory treatment is important. The concept of a fully off-grid generation facility that does not interconnect with the State’s electric system presents different regulatory considerations than traditional public utility service or grid-connected distributed energy. At the same time, the broad exemption from “any provision” of the Public Utilities Article warrants careful consideration. Policymakers may wish to evaluate several implementation questions, including:

- How consumer protections would apply if electricity is sold to third parties within an off-grid configuration;
- Whether safety, reliability, and operational standards should apply even in non-interconnected settings;
- How environmental, siting, and land-use oversight would interact with the exemption language;
- Whether the definition sufficiently prevents de facto grid interaction or indirect impacts on the broader electric system;
- The potential precedent this framework may establish as private generation and campus-style energy systems expand.

The bill appropriately maintains CPCN requirements for the construction of generating facilities, which helps ensure continued review of need, environmental impacts, and community considerations. However, because the legislation exempts off-grid providers from most other provisions of the Public Utilities Article, additional clarity may be helpful to avoid unintended regulatory gaps.

As Maryland advances reliability, affordability, and climate goals, distributed and private energy systems may play an evolving role. Ensuring that regulatory frameworks balance innovation with transparency, safety, and long-term system planning will remain important.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy Manager, at megan.outten@maryland.gov or 443.842.1780.