

Committee: Environment and Transportation
Testimony on: HB 723 – The SAVINGS Act
Position: Support
Hearing Date: February 24, 2026

The Maryland Chapter of the Sierra Club urges a favorable report for HB 723, the SAVINGS Act. This bill requires utilities to create three-year cost containment plans, which would reduce utility spending on grid infrastructure, put downward pressure on electricity prices, and increase grid reliability. As families across the state are struggling to pay their rising electricity bills, this bill could contribute meaningfully to curbing these costs.

Since 2010, electricity delivery costs for Maryland’s Investor Owned utilities have risen dramatically, increasing at a rate that is more than double that of inflation¹. Delivery costs are the costs related to delivering electricity from a powerplant to a home or business, including capital expenditures that utilities make in poles, wires, transformers, and other equipment. These infrastructure investments are added to the rate base where they are provided a high rate of return, meaning that utilities are incentivized to invest in such large capital projects even when more cost effective solutions are available.

HB723 helps address rising delivery costs by requiring each electric utility to create three-year cost containment plans and submit them to the PSC. The bill details several requirements of these plans which would reduce costs for ratepayers, including:

- A description of how the utility will leverage cost-saving advanced energy solutions, including Grid Enhancing Technologies—hardware and software upgrades that improve the operation, capacity, and reliability of existing transmission infrastructure without requiring additional major infrastructure investments. These technologies can significantly reduce the costs of grid infrastructure improvements, costs that are borne by ratepayers^{2,3}.
- A plan for coordinating distribution system investments with transmission system planning in the PJM region in a manner that reduces costs for ratepayers

To help ensure results, this bill puts time-bound targets on reducing peak electric system loads, requiring that cost-containment plans reduce the utility’s peak load by at least 20% from 2025 to 2030, and gives the PSC the authority to impose penalties on electric utilities that fail to meet these goals.

¹ State of Maryland Office of the People’s Counsel: *A Consumer’s Guide to Summer 2025 Electric*. (June 12, 2025). <https://opc.maryland.gov/Portals/0/Files/Publications/Summer%202025%20Electric%20Rates%20Factsheet%206-12-25.pdf?ver=qxWLUqoC7bf6EX1Y8ARbAA%3D%3D>

² Clean Air Task Force: *New CATF/Brattle report identifies untapped solutions to address rising electricity demand and avert grid bottlenecks* (July 22, 2025). <https://www.catf.us/2025/07/new-catf-brattle-report-identifies-untapped-solutions-address-rising-electricity-demand-avert-grid-bottlenecks/>

³ World Resources Institute: *How Advanced Transmission Technologies Can Revamp the Aging US Power Grid* (July. 10, 2025). <https://www.wri.org/insights/advanced-transmission-technologies-us-power-grid/>



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As electricity delivery costs continue to rise, increasing the strain of high energy bills on Maryland families, this is a critical moment for the legislature to take action to reduce this burden. In reining in utility costs through cost containment plans, HB723 can be part of this solution. We urge a favorable report.

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