



HB723 – SUPPORT

Jeff Mauk

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**TESTIMONY SUPPORTING HB723:
Electric Companies – Cost Containment Plans – Requirement
(Securing Affordable, Valuable Investments in Next Generation Grid
Solutions (SAVINGS) Act)**

House Environment and Transportation Committee

February 24th, 2026

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

I write today on behalf of Ceres to respectfully urge a favorable report from the Committee on HB723, the SAVINGS Act. Ceres is a nonprofit organization that works with investors, companies, and financial leaders to promote sustainability solutions. Through our Business for Innovative Climate and Energy Policy Network (BICEP), we mobilize over 80 major employers, including several companies doing business in MD, to advocate for more affordable and sustainable climate and clean energy policies.

HB 723 represents precisely the kind of forward-thinking policy that businesses need to reduce operating costs, enhance predictability in energy expenses, and accelerate Maryland's clean energy transition. Our support for this bill rests on three fundamental principles: cost containment drives competitiveness, grid modernization creates economic opportunity, and peak demand reduction delivers measurable returns.

Economic Benefits of Cost Containment Planning

Electric system planning has historically prioritized infrastructure expansion through capital-intensive transmission and distribution investments. This approach consistently drives rate increases that burden Maryland businesses, particularly energy-intensive manufacturers, data centers, food processors, and small commercial enterprises operating on narrow margins. By requiring electric companies to develop comprehensive cost containment plans that prioritize alternatives to traditional infrastructure buildout, HB 723 fundamentally reorients utility planning toward economic efficiency.

The economic logic is straightforward. When utilities can meet system needs through demand flexibility, grid-enhancing technologies, and distributed energy resources rather than building new substations and transmission lines, the cost differential can be dramatic. Advanced transmission technologies like dynamic line rating and topology optimization increase existing infrastructure capacity by [15-40 percent](#) at a fraction of the cost of new construction. Virtual power plants aggregate customer-sited resources to provide grid services at costs 40-60 percent lower than peaking generation.

Moreover, the bill's requirement that cost containment plans reduce peak electric system load by 20 percent from 2025 levels by 2030 directly addresses the primary driver of utility infrastructure costs. System peak demand determines the size and scale of generation, transmission, and distribution infrastructure that must be built and maintained. Reducing peak demand by 20 percent means avoiding billions of dollars in infrastructure investment while simultaneously improving grid reliability. This is not cost-shifting; this is eliminating costs entirely through smarter resource utilization.

Business Certainty and Investment Predictability

Maryland businesses make long-term capital investment decisions based on projected operating costs, including energy expenses. Unpredictable utility rate increases create planning uncertainty that discourages business expansion and new facility development. HB723 enhances business certainty in three critical ways.

- First, the three-year planning cycle creates transparency in utility cost management strategies. Businesses will be able to assess utility plans alongside their own capital budgets and make informed decisions about energy management investments.
- Second, the bill's clear goal of 20 percent peak load reduction establishes a benchmark that businesses can incorporate into their own energy planning.
- Third, by mandating Public Service Commission review and approval of cost containment plans, the legislation creates accountability that protects businesses from utility plans that prioritize revenue growth over ratepayer value.

This predictability is particularly valuable for businesses considering facility electrification. Many Maryland companies are evaluating electrification of industrial processes, fleet vehicles, and building systems to meet corporate sustainability commitments and prepare for future carbon regulations. HB723's emphasis on grid flexibility-enabled building

electrification paired with demand flexibility programs creates the policy foundation that makes these investments economically sound.

Market Opportunities in Grid Modernization

HB723 catalyzes economic development opportunities in emerging energy technology sectors. The bill's comprehensive definition of cost containment solutions—including advanced transmission technologies, automated load management, demand flexibility, flexible interconnection, grid-enhancing technologies, and virtual power plants—creates market demand for sophisticated energy technology and services.

Maryland already hosts growing cleantech clusters in distributed energy resources, energy management software, and grid optimization technologies. Requiring utilities to prioritize these solutions in system planning expands market opportunities for Maryland businesses providing these technologies and services. The economic multiplier effects extend beyond technology providers to include engineering firms, energy service companies, workforce training programs, and financing institutions.

Conclusion

The business community benefits from reduced energy costs, enhanced planning certainty, expanded market opportunities in energy technology sectors, and improved regional coordination that optimizes infrastructure investments. These are not competing objectives—they are mutually reinforcing elements of a comprehensive approach to utility system planning that serves ratepayer interests while supporting Maryland's economic competitiveness.

Ceres urges the Committee to give House Bill 723 a favorable report. We welcome the opportunity to work with the Committee, utility stakeholders, and the Public Service Commission to ensure successful implementation of this important legislation.

Respectfully submitted,

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