MDOD_HB0897_FAV_ET_2026.02.20.pdf
Uploaded by: Anne Blackfield
Position: FAV

Carol A. Beatty, Secretary
Anne Blackfield, Deputy Secretary

Wes Moore, Governor
Aruna Miller, Lt. Governor

Maryland
DEPARTMENT OF DISABILITIES

BILL: HB 897
POSITION: FAV - Favorable
COMMITTEE: Environment and Transportation
DATE: February 20, 2026

SUBMITTED BY: Maryland Department of Disabilities
217 East Redwood Street, Suite 1300, Baltimore, MD 21202

Dear Chair Korman and Committee Members,

The Maryland Department of Disabilities (MDOD) is pleased to submit this letter of support for **HB 897, Lower Bills and Local Power Act of 2026**. This legislation represents a meaningful step toward modernizing Maryland's energy infrastructure, prioritizing energy storage, and strengthening the Strategic Energy Investment Fund (SEIF) to help reduce utility costs for Maryland families.

People with disabilities in Maryland are disproportionately affected by limited incomes, higher living costs, and fixed or constrained financial resources. Many rely on monthly income sources that do not adjust quickly to rising utility costs, yet energy bills take up a larger share of their household budgets compared with higher-income households. Ensuring utility affordability is, therefore, of paramount importance to their health, safety, and ability to remain independent in their communities.

By investing in electricity transmission, distribution improvements, and energy storage advancements, this bill is designed to make the grid more efficient and resilient — which can translate into more stable and lower utility costs over time. Lower energy bills directly benefit individuals with limited incomes, including many people with disabilities who must balance essential expenses such as medications, care services, and adaptive equipment.

Leveraging the SEIF to support local power projects and clean energy investments can yield community-level savings and economic opportunities, helping families stretch their budgets further. Predictable, lower energy costs are a key component of financial stability for individuals and households with limited means.

Many people with disabilities often live on fixed incomes (e.g., Social Security, Supplemental Security Income) and spend proportionally more of their income on utilities. Policies that proactively address energy affordability are critical to reducing financial strain and ensuring equitable access to essential services.

This legislation aligns with our shared goals of promoting economic equity, protecting vulnerable residents from rising costs, and strengthening Maryland's energy future. For these reasons, MDOD respectfully requests **a favorable report on HB 897**.

Sincerely,

Carol A. Beatty

Carol Beatty
Secretary, Department of Disabilities

217 EAST REDWOOD STREET, SUITE 1300, BALTIMORE, MARYLAND 21202
VOICE/TTY 410-767-3660 **VOICE/TTY** 1-800-637-4113 **FAX** 410-333-6674 **EMAIL** info.mdod@maryland.gov

CCSA testimony_HB 897_2-24-2026v2.pdf
Uploaded by: Charlie Coggeshall
Position: FAV

1380 Monroe Street NW, #721
Washington, DC 20010
720.334.8045
info@communitysolaraccess.org
www.communitysolaraccess.org

RE: HB 897 – Lower Bills and Local Power Act of 2026

Favorable

Chair Korman and members of the House Environment and Transportation Committee,

The Coalition for Community Solar Access (CCSA) provides this written testimony regarding House Bill (HB) 897. CCSA's position on this legislation is Favorable.

CCSA is a national, business-led trade organization, composed of over 100 member companies, that works to expand access to clean, local, affordable energy nationwide through the development of robust community solar programs. Community solar projects involve medium-scale solar facilities that are shared by multiple community subscribers who receive credit on their electricity bills for their share of the power produced.

CCSA has been an active participant in the development and implementation of Maryland's community solar program, from its pilot stages to the permanent program it is today. We appreciate the General Assembly's support and leadership throughout the program's evolution and its embracement of community solar as an energy and affordability solution for the state. Community solar represents one of Maryland's most deployable energy sources and is a versatile tool for reducing electricity costs: particularly for low-and-moderate income customers, which make up at least 40% of the enrolled capacity for each permanent program project.

HB 897 establishes a Solar and Energy Storage Market Stabilization Program within the Maryland Energy Administration to help fill financing gaps for clean energy projects that have become financially uncertain due to the loss of federal tax incentives. The bill also includes several transmission-related elements that would result in modernizing transmission planning and deployment, increasing the use of advanced grid technologies, improving the permitting process, and integrating the Maryland utilities more fully into a regional grid structure.

CCSA appreciates the Moore Administration for supporting solar power and for its dedication to solving the challenges associated with Maryland's energy needs. We look forward to continuing to work with the Administration and this Committee on these critical issues.

CCSA urges a favorable report on HB 897.

Sincerely,

Charlie Coggeshall
Mid-Atlantic Director, CCSA
charlie@communitysolaraccess.org

SB0386 & HB0897 - OPC Testimony.pdf
Uploaded by: David Lapp
Position: FAV

DAVID S. LAPP
PEOPLE'S COUNSEL

WILLIAM F. FIELDS
DEPUTY PEOPLE'S COUNSEL

JULIANA BELL
DEPUTY PEOPLE'S COUNSEL

OPC
OFFICE OF PEOPLE'S COUNSEL
State of Maryland

6 ST. PAUL STREET, SUITE 2102
BALTIMORE, MARYLAND 21202
WWW.OPC.MARYLAND.GOV

BRANDI NIELAND
DIRECTOR, CONSUMER
ASSISTANCE UNIT

CARISSA RALBOVSKY
CHIEF OPERATING OFFICER

BILL NO.:	Senate Bill 0386/House Bill 0897 – Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)
COMMITTEE:	Education, Energy, and the Environment Environment and Transportation
HEARING DATE:	February 24, 2026 (EEE) February 24, 2026 (ENT)
SPONSOR:	The President (By Request of the Administration), et al. The Speaker (By Request of the Administration), et al.
POSITION:	Favorable

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The Office of People's Counsel (OPC) respectfully offers the following comments in support of Senate Bill 0386/House Bill 0897, the Lower Bills and Local Power Act of 2026. SB 0386/HB 0897 proposes to address the current crisis of high energy bills by (1) encouraging utilities to maximize the use of existing transmission infrastructure through the implementation of advanced transmission technologies (ATTs); (2) requiring that every electric company that owns or operates a transmission line in the State is a member in a regional transmission organization (RTO); (3) incentivizing the development of clean energy in the State; and (4) providing residential customers with one-time energy bill credits.

Maximizing the use of existing transmission infrastructure

SB 0386/HB 0897—like several other bills introduced this year[1]—aims to encourage utilities to incorporate the use of advanced transmission technologies (ATTs) into transmission planning and ultimately reduce costs to customers. Specifically, SB 0386/HB 0897 would require the owner or operator of a transmission line to report on the potential use of ATTs as part of an application for a certificate of public convenience and

[1] *See, e.g.* HB 0040/SB 0201, HB 0723/SB 0598.

necessity (CPCN) and as part of a regular report submitted to the Public Service Commission (PSC) every three years. As drafted, SB 0386/HB 0897 also sought to incentivize utilities to incorporate ATTs by authorizing the PSC to develop "performance-based incentives" for their deployment and operation. This provision would likely be preempted by federal regulation of transmission costs, and OPC understands that this provision will be removed from the bill.

Reporting requirements are valuable because they require utilities to publicly demonstrate consideration of and justify any decision not to adopt potentially less costly solutions to transmission needs. ATTs encompass a host of technologies that can increase the useful life of existing transmission assets, decrease congestion costs, allow new generation to interconnect more quickly and more cheaply, defer expensive transmission upgrades, and enable transmission system expansion with less disturbance of previously unused land, including:

- high performance conductors, which allow for increased line capacity, higher transmission efficiency, and reduced thermal sag;
- storage as a transmission asset, which substitutes batteries for new transmission lines and can enable faster and cheaper transmission system upgrades than traditional transmission lines; and
- grid enhancing technologies (GETs), which squeeze more performance out of existing transmission assets using advanced power flow controls, dynamic line ratings, and topology optimization.

ATTs can enable more rapid deployment of transmission capacity upgrades that are required for new generation to interconnect to the grid. Some generation projects drop out of the PJM interconnection queue because once they are studied, they are required to pay for significant transmission system upgrades that will take years to construct. By enabling cheaper and more rapid transmission system upgrades, ATTs support lower cost and more rapid deployment of generation. One recent study found that use of GETs in five PJM states could allow an additional six gigawatts of new capacity to come online within the next three years.[2]

ATTs can also decrease land use concerns. Storage as a transmission asset can "pre-flow" energy over existing lines so that the line can functionally deliver more energy than the maximum line rating at times of peak demand. While current PJM rules do not allow storage to act as a transmission asset, such a framework has been approved by the Federal Energy Regulatory Commission (FERC) in other regions and the policy has been studied by PJM.[3] Similarly, advanced conductors unlock the possibility that

[2] Katie Mulvaney et. al., *GETting Interconnected in PJM*, RMI (2024).
[3] *See* Storage as a Transmission Asset Issue Details, PJM Interconnection, LLC.

lines with higher ratings can use existing transmission line routes and towers, or allow new transmission to have smaller footprints, thus limiting the need to build on new land.

ATTs can provide significant savings for transmission costs. For example, evaluations of ATTs deployed in the Southwest Power Pool—another regional transmission organization that stretches from North Dakota to Oklahoma—found that GETs increased the utilization level of certain high voltage transmission lines by 16 percent.[4] SB 0386/HB 0897 takes an important step toward maximizing the utility of existing transmission infrastructure in Maryland and is likely to prevent unnecessary investments in new infrastructure that could prove costly to ratepayers.

Requiring membership in PJM

In 2006, FERC adopted a series of incentives to encourage investment in the interstate transmission grid, including a financial incentive for electric companies joining a regional transmission organization (RTO), known as the "RTO adder."[5] Under FERC precedent, however, public service companies whose membership in an RTO is required by state law—and, therefore, not voluntary—are ineligible to receive extra unwarranted profits in the form of the RTO adder.[6]

Although most all Maryland's electric companies are currently members of PJM, they are not currently required by law to join an RTO and are, therefore, entitled to the RTO adder. SB 0386/HB 0897 would require that each electric company be a member of an RTO, which should render them ineligible to receive these extra unwarranted profits. OPC supported this proposal when it was first introduced by Delegate Charkoudian and Senator Hester as part of Senate Bill 0682 / House Bill 0505 in 2024.[7] At the time, we estimated that a state-law requirement for RTO membership could save customers around $20 million per year. That estimate was based on 2024 figures, and the savings would be even greater today, given that the adder is calculated based on the size of the utilities' transmission rate bases, which have increased since 2024.

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[4] Brattle Group, *Building a Better Grid* (Apr. 20, 2023) at 5.
[5] *Promoting Transmission Investment through Pricing Reform*, Order No. 679, 116 FERC ¶ 61,057 (2006).
[6] *See e.g. id.* at ¶ 331 (explaining that the basis for the RTO adder incentive is, in part, "a recognition of … the fact continuing membership is generally voluntary"); *Office of the Ohio Consumers' Counsel v. American Electric Power Service Corp.*, 181 FERC ¶ 61,214 (2022) (finding two Ohio utilities ineligible for the RTO adder because Ohio law mandates participation in PJM); *Pacific Gas and Electric Company*, 185 FERC ¶ 61,243 (2023) (finding that by virtue of a recently enacted California statute requiring Pacific Gas & Electric to participate in its RTO, participation was no longer voluntary, and the company was no longer eligible to receive its RTO adder).
[7] *See, e.g.*, OPC Testimony on SB 0682 (Feb. 22, 2024) at 4, https://opc.maryland.gov/LinkClick.aspx?fileticket=CQ2ToUrdVUg%3d&tabid=1159&portalid=0&mid=2697

Incentivizing development of clean energy resources in Maryland

SB 0386/HB 0897 aims to incentivize development of new clean energy resources in Maryland in two primary ways: (1) by establishing a new Solar and Energy Storage Market Stabilization Program to provide loans and grants to shovel-ready clean energy projects; and (2) directing the Maryland Department of Transportation (MDOT) to identify opportunities and develop processes—including expedited approval processes—for siting transmission lines and energy storage in existing MDOT rights of way, such as state highways. Both initiatives would be funded through one-time transfers from the Strategic Energy Investment Fund (SEIF). Competitive, renewable energy resources may enhance resource adequacy, reduce risks to customers of reliability issues, and reduce the chances of paying high prices for potentially unnecessary transmission and more costly generation.

Recommendation: OPC requests a favorable Committee report on SB 0386/HB 0897.

HB897_LBLPA_TPE_FAV.pdf
Uploaded by: David Murray
Position: FAV

February 24, 2025

Honorable Marc Korman, Chair
House Energy & Transportation Committee
House Office Building
Annapolis, Maryland 21401

HB 897 – FAVORABLE

Dear Chair Korman, Vice Chair Guyton and Members of the House Environment & Transportation Committee,

TurningPoint Energy ("TPE") is a solar and battery storage development and investment company, with over 1 gigawatt of community solar developed across the United States and 21 megawatts in Maryland alone. We were proud to participate in Maryland's community solar pilot program since its inception in 2015, and continue to invest heavily in the state's clean energy future.

TPE applauds Governor Moore for his proactive leadership on energy deployment, and we wish to express our support for House Bill 897. We appreciate the Maryland Energy Administration's "all hands on deck" approach to bolstering clean energy in the state, and will continuing to partner with the agency on innovative initiatives like those outlined in the Lower Bills and Local Power Act of 2026 and Governor Moore's Executive Order 01.01.2025.27.

The creation of the Solar and Energy Storage Market Stabilization Program (Section 9-2018) is an important step in response to federal policy changes. We believe this fund should prioritize energy storage deployment in Maryland, as there currently is no tariff or program by which a distribution-connected energy storage facility may participate. Thus, using this fund to "bridge the gap" to when a tariff is place can ensure energy storage facilities can begin the development process. Ultimately, distribution-connected energy storage facilities will address Maryland's significantly high capacity prices and reduce reliance on expensive, wholesale generation resources in PJM. Furthermore, energy storage ensures that local power can remain available during grid outages, providing a critical safety net for vulnerable populations.

We applaud the Governor's efforts to reduce the costs of transmission through this Act. Indeed, distributed solar and storage are themselves a transmission solution. By generating and storing power close to where it is consumed, our projects reduce the overall utility load on the PJM grid. Furthermore, distribution-connected facilities are much faster to permit and interconnect than transmission level resources. This local power approach naturally alleviates the need for expensive interstate transmission build-outs, the costs of which are traditionally passed down to Maryland ratepayers.

Finally, TPE is encouraged by the directive for the Department of Transportation to develop processes for siting energy assets within highway rights-of-way (Section 8-311). However, to fully realize the potential of available sites, we urge the General Assembly to consider expanding this framework beyond highway rights-of-way to include all viable State-owned land and properties. Utilizing the full footprint of State-owned assets for solar and storage will accelerate our transition and maximize the value of public land for public benefit.

Thank you,
/s/
David Murray
dmurray[at]tpoint-e.com

HB0897.pdf
Uploaded by: Derek Seibel
Position: FAV

February, 20, 2026

To: Honorable Members of the Environment and Transportation Committee

From: Derek Seibel, 2490 Barrister Dr., New Windsor, MD

Honorable Members of the Environment and Transportation Committee,

I am writing today in support of HB0897 Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026). My family is one of thousands of Maryland families whose lives have been derailed following the announcement of the Maryland Piedmont Reliability Project (MPRP). The MPRP is a symptom of a broken transmission planning process under which utilities are financially incentivized to overbuild transmission infrastructure. The costs of this overbuilding are rolled directly into Maryland ratepayer's electric bills in addition to destroying the financial future of those who are the path of the proposed projects. As part of the CPCN application for the MPRP, PSEG (the developer) made clear that Advanced Transmission Technologies were given no serious consideration in the Regional Transmission Expansion Planning process as an alternative to an expensive and destructive 70-mile greenfield transmission line.

PJM acknowledges that over 94% of the increase in load forecast is due to large load connection requests (i.e. data centers in Virginia). Throughout PJM's development of its Critical Issue Fast Path initiative, the public has learned that the load forecasting process PJM used to underpin the supposed need for expensive and harmful projects like the MPRP is wildly inaccurate. In Jason Connell's (PJM's Vice President of Planning) October 17, 2025, letter to FERC Chairman Rosner, PJM admits that large load connection requests are frequently duplicative (potentially being included in the total load forecast multiple times) and often speculative (with no consideration given to the likelihood a large load will ever materialize). Additionally, PJM recently revised downward their load forecasts for 2027 by 4GW, before the reforms resulting from the CIFP initiative are even implemented!

These inflated load forecasts and prioritization of utility company profits (which were at all-time highs in 2025 according to Excelon, FirstEnery, and PSEG's Q4 earnings calls) results in the de-prioritization of less expensive and less harmful alternatives like Advanced Transmission Technologies (ATTs). I believe HB0897 is necessary to codify the prioritization of ATTs in order to serve the best interest of the ratepayers and citizens of Maryland. Utilities and PJM have demonstrated time and again that, if left to their own devices, they will continue to select the "solution" that is the most expensive, longest to build, and most harmful to our communities. Why? Because it makes utilities the most money. I implore

this Committee to provide a favorable recommendation for HB0897 and to subsequently pass HB0897 to codify that the interests of Maryland's citizens must be protected over inflating corporate profits.

Thank you for the opportunity to provide input, for your time, and for your consideration.

Sincerely,

Derek Seibel
2490 Barrister Dr
New Windsor, MD, 21776
Drseibel21@gmail.com
(757)871-9093

HB897_LowerBillsLocalPowerAct_MarylandPIRG_FAV .pd
Uploaded by: Emily Scarr
Position: FAV

Maryland PIRG

HB897: Lower Bills and Local Power Act of 2026
Environment and Transportation
February 24th, 2026
Emily Scarr, Maryland PIRG
Favorable

Maryland PIRG is a state based, small donor funded public interest advocacy organization with grassroots members across the state. We work to find common ground around common sense solutions that will help ensure a healthier, safer, more secure future.

Maryland PIRG recommends a favorable report on the Lower Bills and Local Power Act of 2026, with amendments from the Governor.

Maryland PIRG supports the key pillars of this legislation:

- Improving the efficiency of transmission lines and supporting the deployment of battery storage and solar power to meet Maryland's energy needs.
- Direct relief to ratepayers through ending unnecessary ratepayer funded financial incentives to utilities.

PREVENTING UNWARENTED PROFITS

On direct ratepayer relief, the legislation requires utility participation in regional grid planning and management. This policy change will mean an end to ratepayer funded incentives being paid to utilities for their voluntary participation at the regional transmission organization (RTO). **This change is projected to save Maryland utility customers twenty million dollars a year.**

As voluntary participants, the Exelon utilities have used their participation as a point of leverage at PJM. They may argue they do so to the benefit of Maryland energy customers, but the evidence suggests otherwise. For example, BGE was recently able to secure a no-bid contract at PJM for the Brandon Shores transmission line upgrade without a competitive process and without considering cost effective alternatives to transmission. BGE's projected costs for the project have already doubled from $800 million to $1.5 billion, all of which will appear on customer bills.. And still, BGE has refused to share with legislators any analysis of the power that will be available from the upgraded line.

PJM is already dominated and largely controlled by fossil fuel generators and utilities. We have seen steady increases in transmission costs in the last decade and a massive spike in capacity costs in recent years because of how PJM has managed the queue and capacity auction.

While Maryland PIRG is deeply critical of PJM, giving either of these powerful stakeholders added leverage does not help customers, and making Maryland energy customers pay for additional profits to Exelon for its participation adds insult to injury.

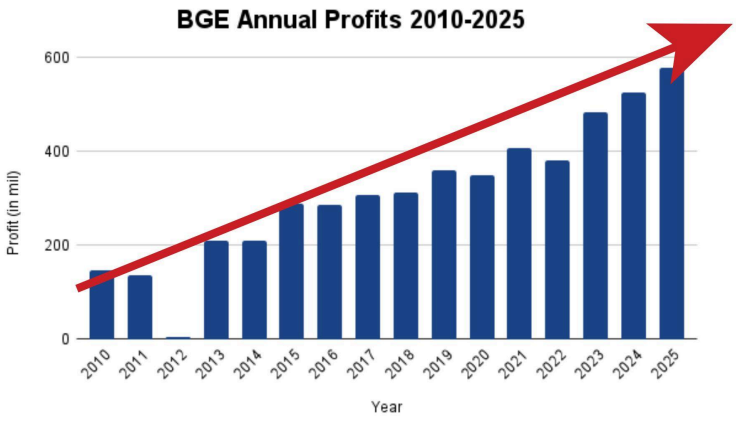
In the face of rapidly rising energy costs, we should scrutinize every cost that is being charged to ratepayers. We thank Gov. Moore for his proposed amendment to remove lines 22-27 on page 7. This section would have opened up new and unnecessary opportunities for utilities to profit through "performance incentives" for the

adoption of advanced transmission technologies (ATT's) and Maryland PIRG would be unlikely to support the bill with its inclusion.

As state granted monopolies, investor-owned utility profits should be reflective of the relatively lower level of risk associated with investments in regulated utilities as compared to the market. As a regulated monopoly there is no need for the legislature to add financial incentives for a policy requirement, especially at a time when the utilities are already bringing in record profits. The utilities have an obligation to abide by state policy, including transmission and energy efficiency goals regardless of additional financial incentives, and even if it lowers their opportunity to profit.

Since acquiring BGE, Pepco and Delmarva Power, Exelon has seen record profits:

- Exelon reported $2.7 billion in profit in 2025
- BGE profits were consistently under $150 million until the utility was bought by Exelon in 2012. Since, profits have rapidly increased to $578 million in 2025.
- Pepco profits were $205 million in 2018, the year after Pepco merged with Exelon, and have already nearly doubled to $390 million in 2024.



- While we are still waiting for Pepco's 2025 profits, Pepco Holdings Inc. (which includes Pepco MD and DC, Delmarva Power, Atlantic City Electric) reported $799 million in profit in 2025.

Finally, the legislation includes provisions allowing the Governor to transfer an additional $100 million for direct ratepayer relief to customers. Maryland PIRG recommends that the legislature and Governor consider options that provide durable savings to customers. Options include using these funds to pay down a portion of the outstanding EmPOWER Maryland debt, which is still accruing profits to the utilities at about 4% (their cost of debt). Paying off some of this debt can help immediately lower the EmPOWER surcharge, avoid added compounding interest, and move us more quickly towards the surcharge only funding program benefits and not utility profits. This money could also be used to cover a portion of ongoing program costs of EmPOWER; however, this would be best considered as an ongoing investment in the program instead of a one-time fix.

We respectfully request a favorable report.

HB 897 - MoCo DEP - (GA 26) FAV.pdf
Uploaded by: Garrett Fitzgerald
Position: FAV

Montgomery County
Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550 **ANNAPOLIS: 240-777-8270**

HB 897 **DATE: February 24, 2026**

SPONSOR: The Speaker

ASSIGNED TO: Environment and Transportation

CONTACT PERSON: Bryan Howard (bryan.howard@montgomerycountymd.gov)

POSITION: Support (Department of Environmental Protection)

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

The bill takes several actions to improve transmission and distribution efficiency and creates new financing programs to expand solar energy production in Maryland.

Energy prices are a major concern in our community and continue to increase due to rising wholesale costs and accelerated infrastructure spending. These increases strain the budgets of County residents and business and are not sustainable.

The Lower Bills and Local Power Act of 2026 addresses rising energy costs by expanding the use of advanced transmission technologies (ATTs) to upgrade existing transmission and distribution lines in Maryland. The bill also directs the Maryland Department of Transportation to explore the potential of locating transmission and distribution lines and battery energy storage projects along existing State rights-of-way. These strategies could offer cost-effective alternatives to the legacy approach of building new lines which is expensive and creates numerous land use challenges.

The bill also creates a new grant and loan program to help deploy shovel-ready solar projects in the state. The County supports using alternative compliance fees associated with the State's Renewable Portfolio Standard for the intended purpose of funding renewable energy projects. Providing direct funding to expand solar generation will help address growing demands for electricity with in-state generation and will help to meet State climate goals.

The bill also authorizes the use of up to $100 million from the Strategic Energy Investment Fund to be refunded or credited to residential distribution customers. We appreciate the intent to help ratepayers and encourage further consideration of the potential highest and best use of those funds, including opportunities to best support low-to-moderate income ratepayers who face particularly challenging energy burdens.

We respectfully request that the Environment and Transportation Committee issue a favorable report on House Bill 897.

Signed 02.24.26_HB897-Lower Bills & Local Power Ac

Uploaded by: Governor Moore

Position: FAV

STATE OF MARYLAND

OFFICE OF THE GOVERNOR
Wes Moore

February 24, 2026

The Honorable Marc Korman
Chair, Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, Maryland 21401

RE: Favorable - HB0897 - Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

Chair Korman, Vice-Chair Guyton, and Members of the Environment and Transportation Committee:

On behalf of the Moore-Miller Administration, I respectfully ask the committee to issue a favorable report on HB0897–-Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026). The legislation directly addresses the growing burden of high energy costs facing Maryland families by strengthening our local clean energy supply and advancing meaningful relief for ratepayers.

The high cost of energy is one of the most pressing challenges facing our state and our people. We hear from constituents every day about the need to rein in prices, and they expect us to prioritize affordability, reliability and sustainability. While my administration and this body have made meaningful progress together, we must do more to make utility bills more affordable and the grid more dependable.

This means responding to that current reality by reducing long-term costs and accelerating the deployment of reliable generation within Maryland. This is more than megawatts and transmission corridors; this is about whether Maryland families can afford to live in their homes and whether businesses can continue to grow in our state.

To do so, the Lower Bills and Local Power Act accelerates the development of local clean energy by creating a Solar and Energy Storage Market Stabilization Program to support shovel-ready projects that have been disrupted by federal policy changes, using a competitive bidding process. The federal One Big Beautiful Bill Act of 2025 significantly rolled back renewable energy incentives, including the Investment Tax Credit (ITC), putting Maryland projects in jeopardy. By reducing financial uncertainty and offering gap funding for critical clean energy projects, Maryland will attract investment more quickly, increasing in-state generation capacity at a time when traditional regional markets have failed to deliver affordable supply.

100 State Circle, Annapolis, Maryland 21404
(410) 974-3400
TTY Users Call via MD Relay
governor.maryland.gov

This legislation also modernizes Maryland's transmission and distribution infrastructure by prioritizing the deployment of Advanced Transmission Technologies (ATTs). These hardware and software solutions increase the capacity, efficiency, and resilience of existing electrical grid infrastructure without requiring new and costly line construction. They enable more power flow by optimizing existing infrastructure, improving grid stability, and reducing congestion. By optimizing what we already have, ATTs can reduce congestion, improve reliability, and help avoid or delay expensive capital projects, and ultimately lowering long-term cost for Maryland ratepayers.

Additionally, the Lower Bills and Local Power Act authorizes the strategic use of existing highway rights-of-way for transmission and storage projects. With funding for the Maryland Department of Transportation to identify these opportunities, the state can expedite infrastructure expansion, reduce permitting delays, and lower overall project costs. These deployment enhancements will have real impacts on reliability for ratepayers across Maryland.

Regionally, we have taken action to lower costs through our continued advocacy within PJM. Our most recent win will save ratepayers across the region an estimated $27 billion on their energy bills. This legislation further protects Maryland households and businesses by eliminating outdated utility profit incentives by requiring investor-owned utilities to participate in the regional transmission organization. This requirement is expected to generate tens of millions of dollars in annual savings for Maryland ratepayers and promote accountability for utility companies.

Finally, the legislation provides immediate relief through another round of direct bill rebate for Maryland families that this body passed last year. These rebates offer immediate relief today while the mid-term and long-term reforms in the bill begin to deliver structural improvements to Maryland's energy system.

I appreciate the thoughtful feedback our administration has received from stakeholders and look forward to ongoing dialogue to ensure the right balance of programmatic needs and offering relief to Maryland families.

For these reasons, I respectfully request that the committee issue a **favorable** report on House Bill 897—Lower Bills and Local Power Act.

Sincerely,

Wes Moore
Governor of Maryland

HB 897 Lower Bills and Local Power Act of 2026 (Fa

Uploaded by: Humna Sharif

Position: FAV

The Nature Conservancy
Maryland/DC

Tuesday, February 24, 2026

TO: Marc Korman, Chair of the Environment and Transporation Committee, and Committee Members
FROM: Michelle Dietz, Director of Government Relations, The Nature Conservancy; Humna Sharif, Climate Adaptation Manager, The Nature Conservancy,
POSITION: Support HB 897 Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

The Nature Conservancy (TNC) supports HB 897 offered by Governor Moore. TNC's mission is to conserve the lands and waters on which all life depends. We work in more than 70 countries and all 50 states in the United States. With the support of more than one million members globally, TNC has been working to conserve, protect, and restore ecosystems and species for nearly 75 years around the world. Climate change threatens to undo decades of our successful conservation work and fundamentally alter our future. TNC is committed to helping reduce global greenhouse gas emissions to limit global warming to no more than 1.5° Celsius above pre-industrial temperatures. This goal cannot be achieved without a rapid transition to a clean energy economy. A clean energy future will require a different approach to energy and transmission planning and procurement and a predictable and flexible energy system. Modifying the current approach is essential to the well-being of nature, our economy, our communities, and our planet.

HB 897 would allow Maryland to make critically needed efficiency improvements to our grid and help lower the cost of electricity for Marylanders. Under this bill, electric companies operating transmission lines that carry voltage in excess of 69,000 volts will be required to participate as a member of the Regional Transmission Organization. Applicants for a Certificate of Public Convenience and Necessity will also be required to submit at least one alternative proposal that utilizes Advanced Transmission Technologies (ATT) and meets energy demand more efficiently and cost-effectively. Alternative proposals will also include an analysis of the technical feasibility and system benefits of using ATTs as compared to the technologies used in the primary proposed project.

TNC is highly supportive of incentivizing the use of ATTs in the state. As our state's energy demand grows, and as more renewable energy, and distributed energy sources get connected to the grid, the traditional vertically integrated system design is no longer sufficient to meet Maryland's energy needs. Inclusion of ATTs in new transmission lines, such as grid enhancing technologies, high performance conductors, storage as transmission, advanced computations software, and other hardware upgrades can unlock our grid's potential to deliver safe, reliable and clean power to Marylanders in a more cost-effective way.

For example, inclusion of grid enhancing technologies, such as dynamic line rating (one of the provisions of this bill), can allow operators to make real time adjustments to electricity flow and increase transmission capacity by 10-30%[1]. Dynamic line rating takes temperature and wind speed into account, rather than relying on static assumptions of physical conditions, with these grid enhancing technologies operators can safely boost power when weather conditions are right, thus allowing more power to be delivered during peak hours.[2]

While our organization is supportive of the legislation, TNC would like to request an amendment to the definition of ATTs used in the bill:

On Page 5, line 20, stike [.] and include (III) ENERGY STORAGE USED AS TRANSMISSION

HB40/SB201 and HB723/SB598 are other energy related bills introduced this session that include energy storage within the definition of ATTs. We believe this inclusion to be important for promoting reliable and cost-effective electric grid updates that would benefit Maryland's residents and economy. Without significant investments in stationary electrical energy storage, the current electric grid infrastructure will increasingly struggle to provide reliable, affordable electricity, and will jeopardize the transformational changes envisioned for a modernized grid. The intention of this amendment is to expand how state regulators think about ATTs in their evaluation of new transmission lines.

TNC is supportive of the Solar and Energy Storage Market Stabilization Program created by this legislation. The incentive-based structure of the proposed program and prioritization of shovel ready projects for funding access supports the overall goal of delivering reliable and cost-effective energy to Marylanders. We are also supportive of priority study and analysis of existing rights of way along state and inter-state highways for siting transmission lines and battery energy storage systems. We appreciate the inclusion of the Department of Natural resources (DNR) within the list of agencies being consulted during the rights of way feasibility assessment process. TNC would like to see the protection of sensitive ecosystems and conserved lands in Maryland continue to be a criterion when considering new transmission line development.

TNC recognizes the need for Maryland to support grid modernization strategies that use the latest technologies to meet our state's growing energy demand. It is imperative that utilities upgrade our grid as efficiently, cost-effectively, and rapidly as possible, while also protecting sensitive ecosystems and ensuring community buy-in during the process. We commend Governor Moore and his administration for introducing this forward-looking legislation to meet Maryland's energy distribution needs. **Therefore, we urge a favorable report on HB 897.**

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[1] Miller, Y. (2025, January 15). *Advanced Transmission Technologies can help states meet growing energy demand*. The Pew Charitable Trusts. https://www.pew.org/en/research-and-analysis/fact-sheets/2025/01/advanced-transmission-technologies-can-help-states-meet-growing-energy-demand

[2] Miller, Y. (2025, January 15). *Advanced Transmission Technologies can help states meet growing energy demand*. The Pew Charitable Trusts. https://www.pew.org/en/research-and-analysis/fact-sheets/2025/01/advanced-transmission-technologies-can-help-states-meet-growing-energy-demand

Lower Energy Bills and Local Energy Act Testimony

Uploaded by: Jamie DeMarco

Position: FAV

TESTIMONY OF
BRITTANY BAKER
MARYLAND DIRECTOR
—-
JAMIE DEMARCO
LOBBYIST
—-
MIKE TIDWELL
EXECUTIVE DIRECTOR

HB897- LOWER ENERGY BILLS AND LOCAL ENERGY ACT
FAVORABLE
ENVIRONMENT AND TRANSPORTATION COMMITTEE
FEBRUARY 24TH, 2026

Chair Korman, Vice Chair Guyton, and Members of the Environment and Transportation Committee,

The Chesapeake Climate Action Network Action Fund applauds Governor Moore for developing and introducing the Lower Energy Bills and Local Energy Act. This important legislation will:

Save ratepayers money by ending the payments that PJM pays our utilities to be part of PJM.
Currently utilities in Maryland are not required to be part of a regional transmission organization. To entice them to join, PJM pays the utilities in order to get them to participate in PJM. The money that PJM pays the utility companies comes out of our energy bills. By requiring utilities to be part of a regional transmission organization, it will eliminate the need for PJM to give ratepayer money to utilities.

Require a cost benefit analysis for every new transmission line.
Under the Lower Energy Bills and Local Power Act whenever a developer requests a Certificate of Public Convenience and Necessity to build a new transmission line, the developer must also submit a cost-benefit analysis comparing that new transmission line to meeting the same transmission need with advanced transmission technologies.

Require Maryland utilities to submit regular reports to the PSC detailing how they plan to deploy Advanced Transmission Technologies.
Utilities have an incentive to deploy the most expensive transmission and distribution solutions. The more expensive a capital expenditure project is, the more money their shareholders will make. This unfortunate incentive often prevents utilities from deploying lower cost, faster to deploy grid technologies to meet transmission and distribution needs. Requiring them to submit plans for how they are deploying grid enhancing technologies will help ensure cost effective technologies are being used.

Allow MEA to use SEIF funds to provide grants and loans to shovel-ready solar projects.
The federal government eliminated some of the clean energy tax credits that had been established in the Inflation Reduction Act. This has the potential to leave certain solar projects that are near completion in the lurch. The MEA funds dedicated in the Lower Energy Bills and Local Energy Act will make sure shovel ready solar projects have the grants and loans they need to come to fruition.

Identify existing state-owned rights of way that could be used to site new transmission lines, distribution lines, or batteries.
It will save costs and property disruption if transmission infrastructure can be placed along existing rights of way owned by the state. By identifying corridors where transmission infrastructure could be sited, the Lower Energy Bills and Local Energy Act allows for consolidation of state infrastructure and lowers costs by avoiding unnecessary and disruptive imminent domain proceedings.

Each of these actions will reduce energy costs and help the state meet its clean energy commitments. For these reasons, we urge a favorable report on HB897.

Ceres Testimony HB897.pdf
Uploaded by: Jeff Mauk
Position: FAV

HB897 – SUPPORT
Jeff Mauk
Ceres
jmauk@ceres.org

TESTIMONY SUPPORTING HB897:
Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund
(Lower Bills and Local Power Act of 2026)

House Environment and Transportation Committee
February 24th, 2026

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

Ceres respectfully submits this testimony in strong support of House Bill 897, the Lower Bills and Local Power Act of 2026. 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.

Introduction
HB 897 advances three critical business priorities: maximizing the efficiency of existing transmission infrastructure through advanced technologies, stabilizing clean energy investment to support project development and supply chain certainty, and creating regulatory frameworks that expedite infrastructure deployment. Each of these elements directly supports Maryland business interests while positioning the state as a leader in grid modernization and energy affordability.

Advanced Transmission Technologies
The bill's provisions requiring applicants for transmission certificates to include alternative proposals using advanced transmission technologies represent a fundamental shift toward infrastructure optimization that directly benefits Maryland businesses. Traditional transmission planning has relied almost exclusively on building new lines and upgrading conductor capacity through conventional approaches. This results in multi-billion-dollar

investments that ultimately flow through to ratepayer costs, increasing electricity expenses for commercial and industrial customers.

Advanced transmission technologies can increase existing transmission capacity by 15-40 percent at a fraction of the cost of new construction. For Maryland businesses, this means meeting growing electricity demand and integrating renewable energy without the rate impacts associated with traditional transmission expansion. Dynamic line rating alone can increase line capacity by 20-30 percent by using real-time weather data to optimize power flows, requiring only software and monitoring equipment rather than years of construction and right-of-way acquisition.

The requirement for triennial reporting on advanced transmission technology implementation creates transparency and accountability that businesses need for long-term planning. By requiring transmission utilities to explain which advanced technologies were considered but not selected, and to provide benefit-cost comparisons between traditional investments and advanced alternatives, HB897 ensures that transmission planning prioritizes economic efficiency. This protects business ratepayers from unnecessary infrastructure costs while accelerating the deployment of innovative technologies that increase system capacity and reliability.

Furthermore, the Commission's authority to develop performance-based incentives for advanced transmission technology deployment aligns utility financial interests with ratepayer value. Rather than earning returns solely on capital expenditures for new infrastructure, utilities can be incentivized to deploy cost-effective solutions that maximize existing asset utilization. This regulatory innovation supports both business cost containment and utility financial health.

Solar and Energy Storage Market Stabilization

The creation of the Solar and Energy Storage Market Stabilization Program addresses a critical market uncertainty facing clean energy development in Maryland. The potential loss or reduction of federal tax incentives creates investment risk that undermines project financing and supply chain stability. This uncertainty directly impacts Maryland businesses in the solar installation, equipment manufacturing, and energy storage sectors, while also affecting commercial and industrial customers who rely on predictable renewable energy costs for their own operations and sustainability commitments.

The program's performance-based structure using a closed bid system ensures efficient allocation of state resources while maximizing megawatt deployment per dollar invested. By prioritizing shovel-ready projects expected to interconnect within three years, the program delivers near-term economic benefits including construction jobs, equipment purchases, and operational employment. For Maryland's growing cleantech sector, this program provides market certainty that supports business planning, workforce development, and supply chain investment.

Importantly, the program's segmentation to incentivize different market subsets creates opportunities across the business ecosystem. Community solar projects enable commercial customers to access renewable energy benefits without on-site installations. Utility-scale projects provide the lowest-cost renewable generation to support economic development. Brownfield redevelopment creates economic value from underutilized properties while avoiding impacts to productive agricultural or natural lands. This market diversity supports business participation across scales and business models.

Regional Transmission Organization Participation

HB 897's requirement that electric companies operating transmission lines exceeding 69,000 volts participate in a regional transmission organization addresses a fundamental economic efficiency issue. Regional transmission planning through organizations like PJM evaluates transmission investments based on systemwide benefits and allocates costs across all beneficiaries. This prevents Maryland businesses from bearing the full cost of transmission projects that provide broader regional benefits, while ensuring that transmission investments are optimized across state boundaries to capture economies of scale.

Expedited Infrastructure Deployment

The provisions directing the Department of Transportation to develop processes for siting transmission lines and battery storage systems in highway rights-of-way address a critical infrastructure deployment challenge. Transmission siting has become increasingly time-consuming and contentious, delaying clean energy projects and grid improvements that businesses need. By establishing expedited approval processes and model frameworks for utilizing existing transportation corridors, HB897 reduces development timelines and costs while minimizing environmental and community impacts.

For businesses developing energy projects or requiring enhanced grid infrastructure to support facility operations, predictable and streamlined siting processes reduce project

risk and financing costs. The requirement for DOT to conduct a comprehensive study identifying appropriate rights-of-way provides the technical foundation for systematic infrastructure development rather than case-by-case negotiations that create uncertainty and delay.

Conclusion

HB897 represents comprehensive policy reform that advances multiple business priorities simultaneously. By prioritizing advanced transmission technologies, the bill reduces infrastructure costs while maximizing system capacity and efficiency. By requiring regional transmission organization participation and streamlining infrastructure deployment, the bill enhances Maryland's economic competitiveness and reduces regulatory barriers to necessary grid improvements.

These provisions deliver measurable economic value to Maryland businesses through lower electricity costs, enhanced planning certainty, expanded market opportunities, and accelerated infrastructure deployment. HB897 positions Maryland as a leader in grid modernization and clean energy innovation while protecting businesses from unnecessary costs and regulatory delays.

Ceres urges the Committee to give House Bill 897 a favorable report. We appreciate the opportunity to support this important legislation and stand ready to assist with implementation to ensure that Maryland businesses realize the full economic benefits of these forward-thinking policies.

Respectfully submitted,

Jeff Mauk
Director, State Policy, Eastern Region, Ceres

HB897_FAV_EconAction.pdf
Uploaded by: Jennifer Bevan-Dangel
Position: FAV

HB897: Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

Position: Favorable

February 24, 2026

The Honorable Marc Korman, Chair
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401
Cc: Members of the Committee

Chair Korman and members of the Environment and Transportation Committee,

Economic Action Maryland Fund urges a favorable report on HB897, which would help lower costs for ratepayers through four major changes to state law.

As the members of this committee are painfully aware, energy rates have risen dramatically in recent years due to a variety of factors. Thousands of Marylanders each year face shutoff notices due to nonpayment, while many others are forced to juggle multi-hundred-dollar utility bills alongside the ever-increasing costs of rent, groceries, and other necessities. In fact, when Economic Action Maryland Fund surveyed our members and other stakeholders this winter, 63% stated utility bills were their primary concern.

There are several ways this legislation will reduce rates for ratepayers:

- Encourages the use of Advanced Transmission Technologies to promote more cost-effective transmission projects;
- Advances lower-cost solar and energy storage projects, which can reduce supply costs for consumers;
- Encourages siting transmission lines along existing right of ways, which would also promote cost-savings;
- Mandates companies to join the PJM, which will save ratepayers from the cost of the current bonuses the companies receive for 'voluntarily' joining.

We support removing the performance-based incentives language on page 4, lines 22-27. This would open the door to new profit recovery at the expense of ratepayers, and we appreciate the Governor's willingness to remove this provision.

For these reasons, we urge a favorable report on HB897.

Sincerely,
Jennifer Bevan-Dangel, Deputy Director

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

2209 Maryland Ave · Baltimore, MD 21218 | www.econaction.org
Marceline White · Marceline@EconAction.org | Jennifer Bevan-Dangel · Jennifer@EconAction.org

HB0897_DHS_FAV.pdf
Uploaded by: Justin Hayes
Position: FAV

Maryland
DEPARTMENT OF HUMAN SERVICES

Wes Moore, Governor • Aruna Miller, Lt. Governor • Gloria Brown Burnett, Interim Secretary

February 24, 2026

The Honorable Marc Korman, Chair
House Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, Maryland 21401

RE: WRITTEN TESTIMONY ON HB0897 ELECTRICITY TRANSMISSION AND DISTRIBUTION, ENERGY STORAGE, AND MARYLAND STRATEGIC ENERGY INVESTMENT FUND (LOWER BILLS AND LOCAL POWER ACT OF 2026) - POSITION: FAVORABLE

Dear Chair Korman and Members of the Environment and Transportation Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for its consideration and respectfully requests a favorable report on House Bill 897 (HB 897).

With offices in every Maryland jurisdiction, DHS provides preventive and supportive services, economic assistance, and meaningful connections to employment and career opportunities to help Marylanders reach their full potential. The DHS Family Investment Administration (FIA) administers critical energy assistance through the Office of Home Energy Programs (OHEP).

HB 897 would modernize Maryland's energy infrastructure while providing immediate and necessary economic relief to all residents. By authorizing the deployment of funds from the Maryland Strategic Energy Investment Fund, this bill would facilitate a $100 million allocation to be issued as direct credits to residential distribution customers. HB 897 would mitigate the rising cost of living and ensure energy remains accessible and affordable for all Marylanders, including low-income households served by OHEP. HB 897 would require electric companies to participate in a regional transmission organization and require the Public Service Commission to develop performance-based incentives for advanced technologies that drive systemic efficiency and long-term ratepayer savings.

HB 897 would establish a sustainable framework balancing immediate financial assistance with a resilient, cost-effective energy future for Maryland. The Solar and Energy Storage Market Stabilization Program would bridge critical investment gaps for clean energy projects whose future is less certain due to the expiration of federal incentives. Additionally, by prioritizing "shovel-ready" projects and incentivizing community solar and energy storage, this bill would reduce the energy burden for low- to moderate-income households and overburdened communities. OHEP is already pursuing community solar partnerships to lower the bills of customers, and HB 897 would build on those efforts. Utilizing existing highway rights-of-way for transmission and battery storage would bypass traditional siting delays, ensuring that reliability improvements and cost-saving measures reach OHEP customers and all Maryland households quickly.

For these reasons, DHS respectfully urges the Committee to issue a favorable report on HB 897. We appreciate the opportunity to provide testimony for the Committee's consideration. If additional information is needed, please contact Justin Hayes, Acting Director of Government Affairs, at justin.hayes1@maryland.gov.

In service,

Gloria Brown Burnett
Interim Secretary

2026.02.24_HB0897_FAV_Advanced Energy United.pdf
Uploaded by: Katie Mettle
Position: FAV

February 24, 2026

Environment & Transportation Committee

HB 897
Lower Bills and Local Power Act of 2026

Sponsor: The Speaker, by request of the Administration

Katie Mettle
Policy Principal, Advanced Energy United

FAVORABLE

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

Advanced Energy United is an industry association that represents companies operating in the clean and advanced energy spaces. “Advanced energy” broadly refers to technology that consists of or which is compatible with clean energy generation, and which makes our grid more affordable, efficient, reliable, resilient and/or secure.

The problem of rising energy bills has multiple causes. Solving this problem requires a multipronged plan that attacks this problem from multiple angles. The Governor’s bill does that. It creates accountability and incentives for cost-effective transmission buildout, creates support for the solar generation and energy storage industries in the wake of Federal policy change, and leverages existing rights-of-way for transmission and distribution infrastructure.

These changes will allow us to bring more energy generation online, and into Maryland, faster and cheaper, leveraging technologies that can be deployed faster than anything else

We respectfully request a favorable report.

Thank you for your time.

Best Regards,

Katie Mettle, Policy Principal
Advanced Energy United
kmettle@advancedenergyunited.org
202.380.1950 x3197

HB0897_Lower Bills and Local Power Act of 2026_E&T
Uploaded by: Laurie McGilvray
Position: FAV

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
IndivisibleHoCoMD
Maryland Legislative Coalition
Maryland Third Act
Mizrahi Family Charitable Fund
Mobilize Frederick
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Mountain Maryland Movement
Nuclear Information & Resource Service
Progressive Maryland
Safe & Healthy Playing Fields
Takoma Park Mobilization Environment Committee
The Climate Mobilization MoCo Chapter
Unitarian Universalist Legislative Ministry of Maryland

HB0897_DNR_SUP_ENT_2-24-26.pdf
Uploaded by: Lydia McPherson
Position: FAV

MARYLAND DEPARTMENT OF NATURAL RESOURCES

Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

February 24, 2026

BILL NUMBER: **HOUSE BILL 897 - FIRST READER**

SHORT TITLE: **ELECTRICITY TRANSMISSION AND DISTRIBUTION, ENERGY STORAGE, AND MARYLAND STRATEGIC ENERGY INVESTMENT FUND (LOWER BILLS AND LOCAL POWER ACT OF 2026)**

DEPARTMENT'S POSITION: **LETTER OF SUPPORT**

EXPLANATION OF DEPARTMENT'S POSITION

This legislation addresses several facets of Maryland's energy landscape, including enhanced accountability for utilities and regional transmission, grid modernization and deployment of technology, customer rate relief, and funding for clean energy projects. The bill builds upon previous administrative actions, including Executive Order 01.01.2025.27 - "Building an Affordable and Reliable Energy Future" and aims to achieve a balance between increasing energy supply, ensuring affordability, and meeting the state's renewable energy goals.

HB 897 helps clarify the Certificate of Public Convenience and Necessity (CPCN) process for transmission projects. Additionally, the bill requires the Power Plant Research Program (PPRP) to work with MDOT to develop processes and conduct a study regarding the siting of electricity lines and battery energy storage systems within existing state and interstate right-of-ways (highways). PPRP's Smart DG tool will supply critical technical information to help assess suitable sites. While this bill would increase workloads, it also includes funding from the Strategic Energy Investment Fund (SIEF)

BACKGROUND INFORMATION

PPRP performs the environmental and socioeconomic impact analyses of CPCN cases, including transmission, and also other projects/tasks as requested by the PSC. This legislation would expand upon the existing process by requiring PPRP to analyze the proposed use of Advanced Transmission Technologies, assess utilities' alternative proposals using Advanced Transmission Technologies, and review and comment on the transmission report.

PPRP is currently reviewing three active transmission cases and an additional nine in pre-applications. With the need to modernize Maryland's energy grid, the department expects the number of applications to increase in the coming years.

Contact: Lydia McPherson, Director, Legislative and Constituent Services
lydia.mcpherson1@maryland.gov ♦ 410-260-8113 (office) ♦ 443-875-7785 (cell)

BILL EXPLANATION

HB 897 requires electric companies operating high-voltage transmission lines to become members of a regional transmission organization, including an alternative option utilizing advanced transmission technologies when proposing new transmission lines, and submit triennial reports detailing potential uses of advanced technologies.

HB0897 (SB0386) - FAV - Electricity Transmission a

Uploaded by: Megan Outten

Position: FAV

Maryland Energy Administration

TO: Chair Korman, Vice Chair Guyton, and Members of the Environment & Transportation Committee
FROM: MEA
SUBJECT: HB 897 - Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)
DATE: February 24, 2026

MEA Position: FAVORABLE

As Maryland continues to navigate rising energy costs, infrastructure investments, and a rapidly revolving electric grid, it is increasingly important that the State take action. The *Lower Bills and Local Power Act of 2026* (SB 386) does this by addressing several energy challenges head on.

Most central to the Maryland Energy Administration (MEA) mission is the bill's creation of a Solar and Energy Storage Market Stabilization Program within MEA. The purpose of this program is to provide funding to stabilize the solar and energy storage development markets in the State that face financial uncertainty due to the loss of federal tax incentives. The federal One Big Beautiful Bill Act of 2025 significantly rolled back renewable energy incentives, including the Investment Tax Credit (ITC), putting projects under development in jeopardy due to financial uncertainty.

Under SB 386, MEA will be able to leverage existing revenue to help offset the loss of the ITC. MEA believes that a bid system of grantmaking will allow MEA to deploy funds very quickly and efficiently, making it a viable option to bring in-State generation online as soon as possible. It is especially important for the State to act quickly in offsetting the loss of the ITC, in order to maintain the viability of projects that are already in the interconnection queue. These projects are the fastest and cheapest way to add generation to the grid. It is crucial to get these projects on the grid quickly to lower energy burdens for Maryland ratepayers. This is why the Solar and Energy Storage Market Stabilization Program will prioritize the most shovel-ready projects.

The bill also addresses the State's need for enhanced adoption of Advanced Transmission Technologies (ATTs). ATTs are a suite of hardware and software solutions that increase the capacity, efficiency, and resilience of existing electrical grids without requiring new, long-term line construction. They enable more power flow by optimizing existing infrastructure that has already been paid for, improving grid stability, and reducing congestion. This leads to lower ratepayer costs in the long term. By maximizing the capabilities of existing infrastructure, Marylanders can avoid or delay the costs associated with building new transmission lines in the State.

Further addressing the challenges with the siting of electricity grid assets, the bill requires the Secretary of Transportation to develop a model framework to lease Department-controlled lands for the purpose of siting transmission, distribution, or energy storage assets. To accomplish this, the Department will conduct a study to determine which existing rights-of-way are appropriate for the siting of electric transmission, distribution, and energy storage. The siting of energy assets is often a litigious and drawn-out process; utilizing existing rights-of-way can greatly reduce the public backlash - and the time - associated with the siting of energy assets.

For the foregoing reasons, MEA urges the committee to issue a **favorable report.** Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, at landon.fahrig@maryland.gov or 410.913.1537.

HB 897_Maryland LCV_FAV_Lower Bills and Local Powe
Uploaded by: Rebecca Rehr
Position: FAV

MARYLAND LEAGUE OF CONSERVATION VOTERS

February 24, 2026

Support HB 897 Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

Mr. Chair and Members of the Committee:

Maryland LCV Supports HB 897 Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026) and we thank Governor Moore for bringing this bill forward.

Maryland LCV is working to Power Maryland Forward, supporting **energy affordability** through **deployment of solar and storage, defense against more fossil fuels** and **unchecked utility profits**, while **getting the most out of the electricity grid we have**. HB 897 addresses each of these priorities.

HB 897 updates transmission development and planning to improve cost-effectiveness. First, it requires all Maryland electric companies that own or operate transmission lines designed to carry a voltage in excess of 69,000 volts to participate as members in a regional transmission organization (RTO). The Federal Energy Regulatory Commission offers a return on equity (ROE) adder for voluntary participation in RTOs for transmission utilities. Establishing a requirement for them to join RTOs removes this incentive and saves costs that get passed down to ratepayers. Second, it requires that all electric companies applying for a certificate of public convenience and necessity for a new transmission line to include at least one alternative proposal that uses advanced transmission technologies (ATTs) along with a written explanation comparing the cost-effectiveness, technical feasibility, and system benefits of each proposal. Lastly, it authorizes the Public Service Commission to develop performance-based incentives for deployment and operation of ATTs. These technologies can increase the capacity of existing transmission infrastructure, reduce congestion, improve reliability, and lower costs compared to building entirely new transmission lines. ATTs are greatly beneficial to ratepayers as they are cost-effective and have much quicker implementation timelines. Maryland LCV supports all measures that encourage their adoption.

30 West Street, Suite C
Annapolis, MD 21401
Phone: 410-280-9855

www.mdlcv.org

HB 897 also supports long-term energy affordability by establishing a Solar and Energy Storage Market Stabilization Program. The purpose of the program is to provide loans and grants for shovel-ready clean energy projects in order to stabilize and backfill investment gaps as the result of the loss of federal Investment Tax Credit. Tier 1 renewable energy sources, including solar and wind, are among the lowest-cost sources of new electricity generation and help stabilize electricity prices, improve grid reliability, and meet growing demand while advancing Maryland's greenhouse gas reduction requirements and Renewable Portfolio Standard. Safeguarding these investments through targeted state funding will help ensure that cost-effective clean energy projects continue moving forward despite the loss of federal funding, protecting ratepayers from future cost increases, particularly in low- and moderate-income and overburdened communities.

HB 897 also allocates $100 M of the Strategic Energy Investment Fund to ratepayer relief. We are supportive of this intent, and urge the money be used to support low to moderate income households.

Taken together, HB 897 represents a comprehensive approach to lowering electricity costs, strengthening grid reliability, and protecting clean energy deployment. By investing in grid efficiency and supporting renewable energy and storage, this legislation will help protect Maryland families from rising energy costs while ensuring the state remains on track to meet its climate goals.

Maryland LCV urges a favorable report on HB 897.

2026-02-20 REV Testimony HB897-SB386.pdf
Uploaded by: Renae Steichen
Position: FAV

575 5th AVE, SUITE 2501
NEW YORK, NY 10017
347.629.7100

February 24, 2026

The Honorable Brian Feldman, Chair
Senate Education, Energy, and Environment Committee
Miller Senate Office Building, 2 East
11 Bladen Street
Annapolis, MD 21401

The Honorable Marc Korman, Chair
House Environment and Transportation Committee
House Office Building, Room 250
6 Bladen Street
Annapolis, MD 21401

Testimony of Renae Steichen, REV Renewables
House Bill 897/Senate Bill 386, Lower Bills and Local Power Act of 2026

Senate Education, Energy and Environment Committee and House Environment & Transportation Committee

Thank you for the opportunity to appear before you today in favor of House Bill 897 and Senate Bill 386. My name is Renae Steichen, I am the Senior Director of Regulatory Affairs for REV Renewables ("REV").

With nearly 3 gigawatts of operating assets and a substantial development pipeline across the U.S., REV is an industry leader in the development, acquisition and operation of clean energy and energy storage.

In Maryland, REV recently completed construction of its 20-megawatt Jade Meadow solar facility on reclaimed coal mine land in Allegany County and is the owner/operator of the 13-megawatt Rockfish solar facility in Charles County. REV has several Maryland solar and energy storage projects in development including Jade Meadow III, a solar project up to 300-megawatt planned in Garrett County located on reclaimed coal mine land. Jade Meadow III is the largest solar project permitted in the state to-date with a potential operation date of 2028. Jade Meadow III will provide significant electricity generation to the grid, local tax revenue, construction jobs, and economic development.

Lower Bills and Local Power Act Will Help New Large-Scale Clean Energy Generation Get Built and Help Stabilize Price Volatility.

For transmission-connected solar, Maryland has over 2,300 megawatts of energy active in the PJM queue today. However, as demonstrated by the slow installation rates, these projects are continuing to struggle getting built. Some of the key project challenges include increasing supply chain costs due to inflation, higher financing costs, and Federal policy pressures. Programs to support procurement and financing of utility-scale solar projects like the one in the Governor's bill are needed to bridge this gap and bring these projects online in Maryland. This solution will create jobs, help stabilize price volatility, increase electric reliability for Maryland ratepayers, and help the state meet its clean energy goals.

REV appreciates your consideration of our comments and looks forward to working with the Maryland legislature to bring new clean energy investments and help lower costs for consumers.

Thank you.

Renae Steichen
REV Renewables
rsteichen@revrenewables.com
925-918-3295

Testimony in support of HB0897 - Lower Bills and L

Uploaded by: Richard KAP Kaplowitz

Position: FAV

HB0897_RichardKaplowitz_FAV
02/24/2026
Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON HB#/0897 – FAVORABLE

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

TO: Chair Korman, Vice Chair Guyton and members of the Environment and Transportation Committee
FROM: Richard Keith Kaplowitz

My name is Richard K. Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of HB#0897, Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

This bill will add requirements to electric companies in Maryland to increase oversight of the industry and work to lower utility bills across the state. Among the mandated actions are that a person applying for a certificate of public convenience and necessity for the construction of a transmission line shall include with the application:

- at least one alternative proposal that uses advanced transmission technologies …in whole or in part, to address the same need more efficiently or cost–effectively than the primary proposed project
- as directed by the commission, a detailed, written explanation comparing the cost–effectiveness, technical feasibility, and system benefits of each alternative proposal compared with those of the primary proposed project.

Maryland electric rates are experiencing a significant, multi-year surge in 2025–2026, driven largely by an 800% increase in regional "capacity market" auction prices. Customers … are seeing higher bills due to high demand (especially from data centers), grid upgrade costs, and supply chain issues, with BGE bills potentially jumping by roughly $250 annually. [1]

- **Key Driver - Capacity Auction:** The PJM Interconnection auction, which ensures power supply, hit record-high prices for the second year in a row. This is primarily caused by massive electricity demand from new data centers and the removal of older power plants.

To accomplish those aims to lower bills and add additional control over local power this bill will require an electric company, located in the State, that owns or operates a transmission line that is designed to carry a voltage in excess of 69,000 volts to participate as a member in a regional transmission organization under certain circumstances; requiring a person applying for a certain certificate of public convenience and necessity to include certain information with the application; requiring certain transmission utilities to submit a certain advanced transmission technology implementation report; etc.

I respectfully urge this committee to return a favorable report and pass HB0897.

[1] Google AI Search "spike in electric rates in Maryland"

HB897-MML-Testimony.pdf
Uploaded by: Tyler Brice
Position: FAV

TESTIMONY

COMMITTEE:	House Environment and Transportation	**DATE:**	February 24, 2026
POSITION:	Favorable	**BILL:**	HB 897

On behalf of the Maryland Municipal League, I am proud to offer our strong support for House Bill 897, an essential and forward-thinking piece of legislation that promises relief to our ratepayers, empowers our municipalities, and modernizes Maryland's energy landscape for a sustainable future. Our municipalities have long navigated a complex relationship with utility companies, marked by both cooperation and friction, in our shared pursuit of reliable, cost-effective, and equitable energy distribution.

Historically, municipal governments have played a critical role as stewards of their communities' public ways, responsible for the roads, rights-of-way, and local infrastructure that utility companies have long depended on to deliver vital services. While there have undoubtedly been successful partnerships, our experience is also marred by a recurring pattern of tension around transparency, accountability, and local autonomy. Too often, utility companies have exercised their considerable leverage to pursue large-scale transmission projects with limited meaningful engagement of local municipal leaders. Project siting and construction timelines have at times overlooked municipal concerns, and responses to our requests for local impact analysis and alternative technologies have not always met the level of rigor or responsiveness our communities deserve. This has led to a range of trials: from municipal budgets strained by unexpected roadway maintenance and repair, to frustration among residents facing rising energy costs or prolonged approval processes that stall local energy projects.

House Bill 897 confronts these challenges head-on by embedding municipalities more deeply and more fairly into the energy planning process. By requiring utility companies to obtain local consent, and comply with locally reasonable conditions, before laying power lines, the bill upholds the principle that local voices matter. Further, the new requirements for third-party-verified Advanced Transmission Technology Implementation Reports mandate robust consideration of alternatives, including advanced and grid-enhancing technologies. This transparent process, complete with benefit-cost evaluations and detailed reporting on technical feasibility, cost-effectiveness, and system benefits, equips our municipalities with the information they have so often been forced to request through arduous negotiations.

Perhaps most importantly, HB 897 levels the playing field by authorizing the Public Service Commission to develop incentives that prioritize efficiency, reliability, and local economic development. Municipalities are no

longer left to passively accept traditional, and potentially outdated, transmission proposals; instead, utilities must proactively justify their choices and consider innovations like dynamic line ratings, topology optimization, and high-performance conductors. These advances promise not only enhanced service reliability and grid flexibility, but also reduced transmission congestion and meaningful progress towards Maryland's ambitious renewable energy goals.

We also welcome the bill's establishment of the Solar and Energy Storage Market Stabilization Program, which directs strategic financial support toward clean energy projects, including those championed by local governments, ensuring that neither the loss of federal incentives nor market volatility will slow Maryland's energy transition. In tying grant and loan funding to shovel-ready and timely projects, the legislation ensures that our municipalities remain centered in the deployment of infrastructure that directly benefits our communities, including traditionally underserved and overburdened areas.

The balance achieved in HB 897, between firm statewide leadership and respect for local governance, addresses the recurring tribulations our municipalities have experienced: from unclear approval processes and burdensome cost recovery to the sense of exclusion from decisions deeply affecting our constituents. By codifying timely, equitable, and transparent procedures, and by reorienting utility-municipal relationships around mutual accountability, the bill offers a blueprint for progress.

House Bill 897 will transform past friction into future cooperation, ensuring that Maryland's municipalities are no longer passive bystanders but active partners in crafting a more resilient, affordable, and just energy system. The Maryland Municipal League urges the General Assembly to recognize the wisdom of this approach and deliver long-overdue clarity, fairness, and opportunity to our local governments and the people they serve.

For these reasons, we strongly support House Bill 897 and respectfully request a favorable report.

For more information relating to this piece of testimony, please contact:

Tyler Brice: Manager, Advocacy and Public Policy, tylerb@mdmunicipal.org

HB 897 Lower Bills and Local Power Act of 2026 - P
Uploaded by: Allyson Black-Woodson
Position: FWA

February 24, 2026

Support with Amendments – House Bill 897 Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support with amendments **House Bill 897 Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)**. This bill requires an electric company, located in the state that owns or operates a transmission line above 69 kV to participate in a regional transmission organization (RTO) effectively tying Maryland customers to PJM. It also requires utilities to provide additional information in Certificate of Public Convenience and Necessity (CPCN) applications and directs utilities to prioritize grid enhancing technologies when expanding capacity.

Pepco and Delmarva Power respect the intent of the legislation as it reflects a commitment to assessing opportunities to lower energy costs and modernize Maryland's electric grid to meet the state's long-term economic, environmental, and reliability goals. These priorities are shared by utilities, customers, and stakeholders across Maryland.

While the companies support the overarching objectives of House Bill 897, it is necessary to refine certain provisions to ensure consistency with existing regulatory frameworks, prevent unintended cost impacts, and enable practical implementation. With this perspective in mind, Pepco and Delmarva Power offer the following concerns and recommended amendments for consideration:

- Remove the requirement to be a member of an RTO.
- Change the definition of high-performance conductors to align with the existing Federal Energy Regulatory Commission (FERC) definition, as it is already in practice by the industry.
- Exempt existing franchise agreements from the requirement to pay fair market value for State ROW access.

Remove RTO Membership Requirement

In 2006, FERC issued Order No. 679 in response to the Energy Policy Act of 2005 (EPAct 2005). EPAct 2005 directed FERC to create an incentive structure for utilities that join transmission organizations (RTOs/ISOs), handing over control of their transmission assets. The purpose of this Congressional mandate was to promote participation in wholesale electricity markets and facilitate regional transmission planning activities to the benefit of customers. The incentive, often referred to as the RTO

Amber Perry | Anne Klase | Allyson Black-Woodson | Poetri Deal | 410 980 5347

Participation Incentive, is a clear statutory requirement intended to be available to utilities that join and remain in an RTO/ISO. This incentive policy has supported stability in RTO/ISO participation over nearly two decades, which in turn has historically yielded a wide range of consumer benefits, including optimization of the transmission system and reduced costs through improvements in technical and economic efficiency. Through various court cases and FERC decisions, the use of the RTO participation ROE adder has been limited to situations where membership in the RTO is *voluntary*.

Mandating RTO participation creates significant operational and financial risks, and locks customers into potentially costly structures. This is particularly concerning for Maryland, as its RTO, PJM, is experiencing unique affordability, reliability, and leadership challenges. PJM' has no CEO and there is not yet a clear path to stable leadership and a stable regulatory environment. Additionally, PJM was declared by NERC as being 'high risk' for reliability events in the 2026-2030 timeframe.

Uncertainty in PJM's future is preventing investment in the PJM region. Lack of supply response will create resource adequacy and reliability challenges. While there are other RTOs, and this legislation does not specify that our customers have to be in PJM but rather in an RTO, there are no other practical options for de-regulated states such as Maryland. Additionally, Maryland's transmission assets sit almost entirely within the PJM footprint, with no direct connections to the other RTOs. Mandating participation in an RTO could present physical geographic challenges.

Our company has a long history of advocating for customers in the PJM stakeholder process and directly to PJM. This includes partnering with Governor Moore and three other governors in late 2025 to advocate for the extension of the capacity cap in order to save PJM customers over ten billion dollars. Requiring our participation would directly dilute our leverage to negotiate with PJM. Our company is an important voice for Maryland and Maryland customers in developing PJM policy and this legislation would remove a key bargaining chip – our ability to freely exit.

Short-term savings from eliminating the ROE adder reduces long-term flexibility. If RTO conditions worsen in the future and performance declines, customers could be harmed by an inability to exit. Maryland customers would continue to pay for out-of-state transmission projects that still receive the RTO adder and withdrawal fees would be borne by customers.

Additionally, any requirement that utilities join or remain in PJM (or any RTO) as a matter of state law raises substantial federal jurisdiction, preemption, and litigation risk.

The RTO Participation Incentive compensates utilities for the risk of being a member of an RTO. Mandating RTO participation forces utilities to assume significant risks without matching control or compensation. Thes risk include loss of operational control, required RTO directed transmission builds,

reduced decision-making authority while retaining maintenance obligations, and ongoing service obligations even as RTO requirements change.

Maryland customers should not be tied to PJM. Voluntary participation ensures decisions stay aligned with customer interests, reliability needs, and long-term affordability.

Replace definition of "High Performance Conductors" to align with FERC definition

House Bill 897 introduces a state-specific definition of high-performance conductors that differs from the Federal Energy Regulatory Commission (FERC) definition of "advanced conductors" already used in transmission planning and procurement nationwide. The industry currently operates under the FERC definition, and establishing a separate state definition could create confusion, increase administrative burden, and complicate implementation of grid modernization projects. As written, the bill would limit engineers' ability to choose the most cost-effective technical solutions when executing large-scale infrastructure projects.

It is recommended that the provision be revised to adopt the existing FERC definition for advanced conductors to ensure consistency with federal standards and current industry practice.

Exempt Existing Franchise Agreements

Several provisions in the legislation appear to conflict with Pepco and Delmarva Power's existing franchise rights. Specifically, the bill would require utilities to pay fair market value to occupy State highway rights-of-way and cover relocation costs even when our facilities were in place before state infrastructure. These requirements differ from the long-standing protections traditionally included in franchise agreements. The bill also creates new leasing and approval frameworks that could treat the utilities like a standard ROW tenant rather than a franchised utility with established access rights.

This provision runs counter to the bill's goal of lowering costs for ratepayers. Should this bill pass without retaining Pepco and Delmarva Power's franchise rights, this would increase the costs of constructing new facilities in State ROW.

Pepco and Delmarva Power look forward to continuing to work with the bill sponsor and Committee to address our concerns and proposed solutions as outlined in the recommended amendments.

Amber Perry | Anne Klase | Allyson Black-Woodson | Poetri Deal | 410 980 5347

HB 897 fav w amd PSC .pdf
Uploaded by: Barve Barve
Position: FWA

STATE OF MARYLAND

PUBLIC SERVICE COMMISSION

Chair Marc Korman
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

RE: **HB 897 - Information - Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)**

Dear Chair Korman and Committee Members:

The Public Service Commission (the "Commission") recommends a favorable report for HB 897 with consideration of the amendments included below. The bill expands Commission responsibilities in transmission planning and affords opportunities for the Commission to encourage the deployment of advanced transmission technologies (ATTs) to improve our grid and make energy more affordable and reliable for Maryland customers.

The bill defines 'advanced transmission technology' to include 'grid-enhancing technologies' and 'high-performance conductors,' with additional definitions for constituent terms like dynamic line ratings, advanced power flow control, and topology optimization. The ATT definition does not expressly include energy storage as a transmission asset, but other parts of the bill address battery energy storage in the context of rights-of-way and market stabilization. The Commission recommends clarifying whether certain transmission-sited storage functions qualify as advanced transmission technologies in order to improve consistency in filings and reports. In order to further ensure uniform consideration of ATT alternatives across cases, the Commission recommends additional clarifications or amendments that would provide standardized benefit-cost and congestion metrics and alignment of ATT reporting and CPCN analyses with PJM planning inputs.

For CPCN applications involving reconductoring or installation of ATTs on existing lines, the bill requires the Commission to issue an order within 180 days after receipt of a complete application (subject to existing statutory exceptions). This is a large departure from current schedules and may require the Commission to deny an application if a complete review cannot be accomplished before the statutory deadline. An extension of this timeframe would allow the Commission more time to conduct a careful evaluation of the application without the need to add additional resources to manage an expedited case load.

HB 897 also expands CPCN application requirements for transmission lines. In order to avoid unintended circumvention of the bill's intent, the Commission recommends clarifying that

certain projects that could be eligible for a CPCN waiver–including those that utilities characterize as repairs or modifications, or those that deploy ATTs without changing existing structures–must still perform and document an ATT screening.

In order to more accurately anticipate the cost to implement this legislation and the potential impact to ratepayers, the Commission recommends clarifying cost responsibility for third-party ATT Implementation Reports. HB 897 requires these reports to be filed by utilities and prepared by a third party selected by the Commission, but does not specify who pays or how costs are recovered. In either case, the Commission also recommends the inclusion of requirements for an independence attestation, conflict safeguards, and Commission access to workpapers and data to help ensure objectivity and auditability.

In addition to expanding the Commission's transmission planning oversight, the bill adds a requirement that an electric company that owns or operates an overhead transmission line in the State must participate as a member of an RTO. An electric company is defined in the Public Utilities Article (PUA) as transmitting or distributing electricity to a retail customer in Maryland. However, the PUA allows a "person" other than an electric company to construct an overhead transmission line, and the selection process used by PJM allows non-Maryland electric companies to be selected to construct and operate overhead transmission lines in the State. If the intent of this section is to require all entities that own or operate transmission facilities within Maryland to be members of an RTO, the bill should make that specification.

The Commission also notes that the regulation of rates, terms and conditions for electric transmission facilities in interstate commerce is within FERC jurisdiction. The bill provides that the Commission may develop performance-based incentives for the deployment and operation of ATTs. To the extent incentives would affect interstate transmission rates, coordination with FERC will be necessary, and the scope and impact of incentives may be limited by federal jurisdiction.

The Commission appreciates the Committee's consideration of this testimony requesting a favorable report with amendments on HB 897. Please contact Niki Wiggins, Director of Legislative Affairs, at irene.wiggins3@maryland.gov if you have any questions.

Sincerely,

Kumar P. Barve
Chair, Maryland Public Service Commission

BGE_ENT_FWA_House Bill 897 -Lower Bills and Local
Uploaded by: Brittany Jones
Position: FWA

Position Statement

Favorable with Amendments
Environment and Transportation
2/24/2026

House Bill 897 - Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

Baltimore Gas and Electric Company (BGE) supports **House Bill 897 - Lower Bills and Local Power Act of 2026** with amendments. House Bill (HB) 897 introduces a new program to further incentivize the development of clean energy generation, which Maryland desperately needs, and ensures grid-enhancing technologies are being leveraged to modernize and maximize efficiency of the electric system. BGE respectfully requests amendments for other sections of the Bill, including mandated Regional Transmission Organization membership, high performance conductors, and State right-of-way use.

HB 897 requires electric companies in Maryland that own or operate a transmission line designed to carry a voltage in access of 69,000 volts to be a member of a Regional Transmission Organization (RTO). BGE currently participates as a transmission owner member of PJM Interconnection, the RTO that coordinates the movement of wholesale electricity across 13 states and the District of Columbia. While a current participant, it is not in the State's best interest to require mandatory membership due to the financial, operational, and regulatory risks that transmission owners would face without guaranteed incentives. Transmission owners essentially transfer operational control of its assets and infrastructure to the RTO to benefit the region. RTOs can direct the owners to build new transmission facilities, even if the company believes the project is not in the best interest of its customers. Additionally, transmission owners must maintain full liability and responsibility for system failures and maintenance, even though its relinquished much of its day-to-day operations and long-term planning to the RTO. For these reasons, transmission owners receive incentives to mitigate risks of joining an RTO.

BGE fully supports use of high performance conductors, as we are already embracing this technology. "High performance conductors," or "advanced conductors," is already defined at the federal level and that definition has been adopted by the utility industry in practice. FERC Order No. 2023 defines "advanced conductors" as, **"advanced conductors are advanced relative to conventional aluminum conductor steel reinforced conductors [ACSR] and include, but are not limited to, superconducting cables, advanced composite conductors, high temperature low-sag conductors, fiber optic temperature sensing conductors, and advanced overhead conductors."** As defined in HB 897, "high performance conductors" excludes ACSS (Aluminum Conductor, Steel Supported) conductors that provide performance capabilities above traditional

John Haysbert| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

AN EXELON COMPANY

Position Statement

ACSR conductors. BGE recommends the Bill to be amended to align with the federal definition for continuity and for optimal opportunities to implement these advanced capabilities.

BGE appreciates HB 897's intent to accelerate the deployment of transmission and distribution infrastructure and battery storage systems within existing State rights-of-way. However, this section of the bill does not acknowledge the perpetual, statewide franchise that Maryland has granted to BGE to occupy public rights-of-way, nor the long-standing legal protections that attach to that franchise. Under well-established Maryland and federal precedent, a legislatively conferred franchise—once accepted constitutes a binding contract and vested property right that cannot later be materially altered or impaired by subsequent legislation. Imposing new requirements for BGE to pay fair market value for continued use of State highway rights-of-way, or to assume relocation costs even where facilities were lawfully installed first, would conflict with these constitutionally protected franchise rights and effectively impose retroactive burdens inconsistent with more than a century of Maryland law. Such provisions would not only contradict the legal framework governing BGE's perpetual franchise but would also impose substantial, unwarranted operational and financial impacts. These costs would ultimately fall on customers, despite BGE's established statutory entitlement to occupy public rights-of-way without duplicative charges or newly created rental obligations. To avoid these legal and practical consequences, it is essential that HB 897 be amended to expressly preserve and respect BGE's existing statewide franchise rights while advancing the bill's policy objectives.

BGE looks forward to continued collaboration to ensure HB 897 delivers favorable results of increasing generation in the State, lowering energy costs, and strengthening the resiliency of the electric grid. A favorable report with amendments is recommended.

John Haysbert| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

MAREC ACTION ENT TESTIMONY HB 897 FAV W AMEDMENTS

Uploaded by: Evan Vaughan

Position: FWA

February 20, 2026

MAREC ACTION TESTIMONY HB 897/SB 386: FAVORABLE WITH AMEDMENTS

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

MAREC Action (informally, "Mid-Atlantic Renewable Energy Coalition") writes in support of HB0897 and SB0386, Electricity Transmission and Distribution, Energy Storage, and Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026). MAREC Action is a Maryland-based coalition of over 50 utility-scale solar, wind, and battery storage developers and manufacturers dedicated to the growth and development of renewable energy across the PJM grid region.

HB897/SB386 creates a Solar and Energy Storage Market Stabilization Program within the Maryland Energy Administration (MEA). This program would provide grants to "shovel ready" solar and solar paired with battery storage projects through a lowest cost competitive bidding process, allowing near term projects that may have lost federal tax credits or have other financial hurdles to come online within the next few years. We appreciate the effort of the sponsors and Administration to deploy more clean, reliable, solar energy onto the grid as soon as possible.

We know energy affordability is a key concern for Marylanders. A regional imbalance electricity supply and demand is driving up the wholesale cost of electricity. As a result, the best way to stabilize rising wholesale energy prices is to add zero fuel cost resources like solar and wind to the grid. Because solar and wind have no fuel cost, they will support stability in consumer bills, effectively diversify the electricity supply, and reduce costly periods of peak demand that strain fuel supplies during cold winters like this one.

Building a new power plant (solar or otherwise) is comparatively expensive in Maryland, due to a lack of transmission infrastructure, high land prices, and existing incentive levels that are lower than neighboring states. These challenges are not unique to solar, and we anticipate that any new power plant (including new natural gas) will need incentives to build. Utility-scale solar's low cost, relative to other sources, enhances the value and timeliness of the Program proposed in HB897/SB386.

The Solar and Energy Storage Market Stabilization Program proposed in HB 897/SB386 would be funded from the Maryland Strategic Energy Investment Fund (SEIF). As a one-time, upfront grant program, the incentive would need to be sized appropriately to ensure the program's effectiveness in attracting investment away from other states with more robust long-term incentives. It is encouraging to see that the program could be stood up and begin accepting applications as early as December 2026, helping to ensure its effectiveness as a bridge policy for near-term projects that may have lost federal tax incentives to be able to come online. There are

utility-scale solar projects in Maryland with a combined capacity of 230 megawatts that have late-stage PJM queue positions and would be best positioned to receive support as "shovel ready" projects.

MAREC Action is supportive of other provisions in HB897/SB386, especially developing incentives for advanced transmission technologies and requiring the Secretary of Transportation to develop a process to allow transmission infrastructure or energy storage systems to be located within existing highway rights-of-way. While greenfield transmission and energy storage projects remain critical to meeting growing energy demand, this bill takes an important step forward to maximize available land in existing corridors for these resources.

MAREC Action looks forward to working with the sponsors and Administration to refine this proposal in the context of other legislation proposed this session looking to modernize Maryland's solar incentive structure. It is vital to the utility-scale solar industry that reforms occur this year to ensure near term projects can come online and to spur a stronger development pipeline for future projects.

We thank the Committee for your close consideration and ask that you take a favorable position on this legislation to allow refinements to continue throughout the session.

Thank you,

Evan Vaughan
Executive Director
MAREC Action
PO Box 3335
Silver Spring, MD 20918

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Uploaded by: Josh Tulkin
Position: FWA

SIERRA CLUB
MARYLAND CHAPTER

P.O. Box 278
Riverdale, MD 20738

Committee: Environment and Transportation
Testimony on: HB897/SB386 – Lower Bills and Local Power Act of 2026
Position: Favorable with amendments
Hearing Date: February 24, 2026

The Maryland Chapter of the Sierra Club commends the General Assembly leadership and the Governor for taking seriously the energy challenges faced by our state and proposing thoughtful legislative solutions. As Marylanders face rapidly increasing energy rates and the grid faces growing demand, it is imperative to both bring more clean energy online and effectively manage demand in order to reduce strain on the grid. As such, the Sierra Club recommends a favorable report, with supportive amendments.

To achieve our energy needs, protect our climate and reduce energy bills, Maryland must focus on increasing energy supply, managing demand, and getting more from the energy systems we have. We want to highlight key provisions we support and then offer several suggestions to strengthen.

What the bill does:

1. **Bolstering the use of Advanced Transmission Technologies (ATTs) by:** 1) Requiring that utilities consider them as alternatives when proposing new transmission infrastructure and, if not used, justifying why they were not used; and 2) Directing the Public Service Commission (PSC) to develop performance-based incentives for the deployment of ATTs

ATTs include a suite of hardware and software upgrades that improve the operation, capacity, and reliability of existing transmission infrastructure, thus reducing strain on the grid and lowering congestion costs without building large new capital projects. Incentivizing the deployment of ATTs can reduce costs borne by ratepayers, lower the likelihood of reliability disruptions caused by constrained transmission lines, and expedite the integration of new clean generation.

2. **Facilitating the siting of transmission and storage infrastructure within existing rights-of-way along state and interstate highways and other property owned by Maryland's Department of Transportation**

Siting transmission and storage in existing state rights-of-way along highways can streamline siting processes, reducing hurdles that might otherwise hinder the deployment of transmission projects. In so doing, this bill would expedite the deployment of necessary infrastructure to meet the state's energy needs and reduce potential conflicts with landowners and natural areas.

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Riverdale, MD 20738

3. **Providing financial assistance for clean energy projects, prioritizing cost-effective "shovel ready" projects, segmented by market subset (e.g., community solar, utility-scale solar, brownfield and canopy solar, and battery storage)**

Over the past year, federal support for clean energy has evaporated, imperiling many projects that could help Maryland meet its energy needs quickly and inexpensively. Providing State support to stabilize and backfill investment gaps for these clean energy projects using the financial mechanism deemed most appropriate would provide a much needed boost for Maryland's clean energy efforts.

4. **Requiring transmission owners (utilities and others) to join PJM, our regional transmission organization (RTO)**

Requiring that all transmission owners in Maryland join PJM will promote enhanced system reliability, increased operational efficiency, and lower customer costs.

Recommendations

In addition to the many strengths of this bill, we see opportunities for strategic improvements. To that end, we recommend the following:

1. **Broaden consideration, and funding, for other cost-saving "non-wire alternatives".**

The legislation properly requires utilities to consider cost-savings options like Advanced Transmission Technologies, which can reduce need for new large-scale transmission. At the distribution level, there are other "non-wire alternatives," including demand-response, time-of-use pricing, and Distributed Energy Resources (DERs), that are not being pursued with the same urgency as new generation. We recommend that utilities be directed to prioritize cost-effective "non-wire alternatives" to distribution-system capital investments.

2. **Strengthen Guidance for Virtual Power Plants (VPPs)**

Another important tool to meet peak electricity demand is a Virtual Power Plant (VPP). A VPP aggregates distributed energy resources—such as rooftop solar, battery storage, bi-directional electric vehicles, smart thermostats, and flexible appliances—and coordinates them so they operate together like a single power plant. Instead of building new centralized generation, a VPP unlocks the capacity and flexibility already located in Maryland homes and businesses. VPPs can be used to offset energy procurement requirements of a utility, or to sell directly into the wholesale markets run by PJM.

Maryland took an important step forward through passage of the DRIVE Act, which established a VPP pilot project specifically to offer "electric distribution system support services." The PSC recently published rules to launch the pilot, limited just to VPPs serving the utilities. While this

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Riverdale, MD 20738

is an important first step, it leaves out a key strategy: expanding participation in the wholesale market.

While the state cannot regulate wholesale markets directly—that authority rests with FERC and PJM—Maryland does retain authority over interconnection rules, metering, coordination requirements, and tariff design. These state-level decisions determine whether VPPs can realistically and efficiently participate in wholesale markets, which could lower consumer prices by allowing VPPs to mitigate demand surges and reduce capacity market prices.

While the PSC's Interconnection Work Group has explored broader VPP regulations that would facilitate wholesale participation, no decision has been made, and a legislative directive will help.

Specifically, we propose the following suggestions:

- **Broaden the statutory directive in the DRIVE Act.** Amend Public Utilities Article § 7-1001 to expand the definition from "Electric Distribution System Support Services" to "Electric Distribution and Wholesale Market Support Services," explicitly recognizing dual participation.
- **Make the program permanent rather than pilot-based.** Amend § 7-1005 to authorize a durable VPP framework instead of limiting participation to temporary or pilot programs.
- **Require utilities to consider VPPs as alternatives to new infrastructure, alongside consideration of Advanced Transmission Technology.**

3. **Broaden permissible use of funding to Public Service Commission**

As a complement to this legislation, the Governor's budget would provide $10 million to the PSC for research on "grid-enhancing technologies and advanced transmission technologies" (BRFA, HB392, pg 25, line 9).

While we appreciate the support for grid-enhancing and advanced transmission technologies, there are other important initiatives already underway—including Drive Act implementation, Distribution System Planning, and battery storage task forces—which could also produce better results quickly with a small research budget. The work of several task forces could be accelerated by relying on experts to develop initial proposals for review by stakeholders, rather than taking years pushing unpaid stakeholders through laborious consensus processes.

We have long advocated for growing the PSC's research budget, as it will help deliver better for ratepayers more quickly. While stakeholder engagement is useful, important processes sometimes rely too heavily on drawn out workgroup consensus when expert consultants could provide quality recommendations more quickly, allowing stakeholders to focus on feedback.

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P.O. Box 278
Riverdale, MD 20738

We recommend broadening the scope of this allocation to include "research and technical support for distribution system planning, Virtual Power Plans, demand response, and other research related to cost saving "non-wire alternatives".

4. **Focus ratepayer relief on low to moderate income ratepayers.**

While we recognize that rising rates are impacting all customers, we feel it is critical at this moment for policymakers to prioritize households with high energy burdens for whom the growing rates will bring disproportionate harm. We recommend targeting rebates to low income customers and/or pairing them with targeted energy efficiency programs which bring long-term savings. Here are some alternatives to consider:

- Increase SEIF funding to Department of Social Services (DSS) Office of Home Energy programs (OHEP) EUSP electricity grant funding.
- Utilize funding to pay down EmPOWER debt (which would yield significant savings through avoided interest).

Conclusion

Sierra Club appreciates the opportunity to comment on this valuable legislation which would contribute meaningfully to the state's efforts to expand clean energy, increase grid reliability, and reduce costs for ratepayers. We urge a favorable report, with supportive amendments.

CHESSA - ENT HB897 Lower Bills Local Power Act FA

Uploaded by: Robin Dutta

Position: FWA

24 February 2026

Delegate Marc Korman, Chair
Environment & Transportation Committee
Room 251, Taylor House Office Building
Annapolis, Maryland 21401

Oral and Written Testimony
HB897: Electricity Transmission and Distribution, Energy Storage, and the Maryland Strategic Energy Investment Fund (Lower Bills and Local Power Act of 2026)

Position: Favorable with Amendments

Chair Korman, Vice Chair Guyton, and members of the Environment & Transportation Committee, thank you for the opportunity to testify "favorable with amendments" on HB 897, the Lower Bills and Local Power Act of 2026.

I am Robin Dutta, the Executive Director of the Chesapeake Solar and Storage Association (CHESSA). Our association advocates for our member companies who represent all market segments across the solar and energy storage industries. Many members are Maryland-based. Others are regional and national companies with an interest and/or business footprint in the state. Our purpose is to promote the mainstream adoption of local solar, large-scale solar, and battery storage throughout the electric grid to realize a stable and affordable grid for all consumers. We are the regional affiliate of the national Solar Energy Industries Association.

CHESSA believes in the intent and goal of HB 897 and appreciate Governor Moore and his administration's work on this legislation. The solar and storage industries are undergoing a major pivot with the loss of the Solar Investment Tax Credit (ITC) in H.R. 1 and other federal actions. Project developers are focused on building out their current pipelines as quickly as possible, in order to lock in their last opportunities to qualify for the Solar ITC. Speedy, responsible project development is essential right now to ensure that Maryland capacity in development can be built and generate electricity for the benefit of Maryland.

Key Dates Related to ITC Phase Out

September 2, 2025 – Solar projects could qualify for the accounting provision known as "safe harbor" where projects can qualify for the ITC by meeting a minimum 5% project spend that means the project has "commenced construction". For projects that commence construction after September 2, they can use the 5% project spend provision if the project will have a net output of 1.5 Megawatts or if it passes the IRS Physical Work Test, as outlined in IRS Notice 2025-42.

IRS Notice 2025-42 was issued not due to H.R. 1, but instead due to President Trump's executive order issued on July 7, 2025. It was issued on August 15, 2025 and announced the safe harbor deadline less than a month from that date.

December 31, 2025 – The end of 2025 has two very important deadlines due to H.R. 1.

- This is a deadline for projects and homeowners looking to qualify for the individual tax credit, Section 25D. Projects must be physically completed by December 31, 2025, to qualify for the credit. In order to prove this, homeowners will probably need to show proof of passed inspection dated in 2025 when filling their annual taxes. The Section 25D credit does not apply to any project after the 2025 tax year.

July 4, 2026 – Solar projects that commence construction by this date will have four years to build their projects and remain eligible for the Section 48/48E ITC, per H.R. 1.

December 31, 2027 – All projects that did not commence construction by July 4, 2026 must be completed by the end of 2027 to qualify for the Section 48/48E ITC, per H.R. 1. This is a reversal of rules for Section 48/48E projects because the qualifying actions had occurred early in the project development (commencing construction) and the only qualifying event will be project completion.

Meeting ITC Phase-Out Deadlines

Residential solar companies installing systems that will be owned by homeowners are rushing to install these systems before the end of the year, including trying to schedule and pass inspections from local governments.

Larger projects are rushing to start construction on projects before July 4, 2026 in order to have the 4-year runway to finish project completion. Delays lasting weeks or several months can be the difference in a project qualifying for the ITC or not. The industry now has an urgency for moving project development as fast as is responsible in order to meet these draconian ITC phase out deadlines. Ways to shorten project development timelines can include ensuring that interconnection studies are conducted by utilities efficiently and accurately, local governments following the Renewable Energy Certainty Act in order to not pause project construction when the law is clear, and local governments issuing permits and conducting inspections in a timely manner.

The Maryland Public Service Commission opened the docket PC73 in order to solicit ideas from stakeholders on how they could use their discretion to remove bureaucratic impediments to solar project development. They acted swiftly in issuing an order in that docket, although many in our industry had hoped that the order would have included much more Commission action than it did. The one action that was taken was the suspension of requiring community solar subscriber ID numbers when applying for interconnection with the utilities. The Commission has been taking multiple months to issue these IDs, which are related to applying into the community solar permanent program. This is a small but very meaningful change for companies

forced to sprint to July 4, 2026 so that they will have enough time to safely build these projects and maintain ITC eligibility.

Smaller distributed generation projects will have this same sprint to December 31, 2027 as they rush to finish construction and pass inspection.

Suggestions to Improve Good Legislation

CHESSA believes that HB897 has the correct intention, to help the solar and storage industries overcome federal obstacles at a time when our projects can help Marylanders so much. We suggest that the legislation shifts its focus slightly. Instead of looking for “shovel-ready” projects, the Solar and Energy Storage Market Stabilization Program instead focus on supporting projects that can be built in the next three years but may not currently be shovel-ready.

Solar projects that are preparing to begin construction are already very mature projects. Their financing is secure, and their eligibility for the Solar ITC is likely secured. They would already be in position to qualify under the “commence construction” deadline of July 4, 2026 or complete construction by the end of 2027. These projects are not in need of gap financing.

CHESSA believes that the dollars allocated in this bill should be focused on initiatives that help high-value projects to Maryland in the near term, speed up project development timelines for solar and storage projects needing to qualify for the Solar ITC dates, and support solar and storage projects that no longer qualify for any ITC. Such initiatives could be:

Low-to-no cost financing or grants for distribution-connected energy storage projects. The PSC is working hard to deploy energy storage programs however there are uncertain timelines and expected outcomes from those working groups and proceedings. Formal recommendations on energy storage are delayed, originally due to be published at the end of last year. Quickly standing up financial support for distribution-connected energy storage can prime the Maryland storage market and serve as a bridge to the permanent programs currently under development at the PSC. More battery storage means greater ability to off-set peak period demand and create a lower energy cost environment for all of Maryland.

Infusing Resources at DNR/PSC/PPRP. A portion of these funds should be leveraged to support contracting positions at Department of Natural Resources (DNR), the Public Service Commission (PSC), and the Power Plant Research Program (PPRP), which will help numerous "late stage" projects meet operational deadlines to qualify for the ITC. This speed is essential to locking in ITC eligibility. Both PPRP & PSC are facing a surge of Certificate of Public Convenience and Necessity applications in the wake of the H.R. 1. PPRP and PSC staffs are projecting it will now take much longer to move through the process as before, meaning those projects risk losing the federal ITC and being cancelled.

Low-Cost Residential Solar and Storage Financing. The individual ITC has already fully expired, meaning that any homeowner looking to adopt solar and battery storage for their home can no longer qualify if they want to own the system themselves. Some of these program dollars could be used to lower the cost of borrowing for loan programs offered by

Maryland-area green banks, such as the MD Clean Energy Center and the Montgomery County Green Bank. Solar financing removes the need to pay up-front for a system, but solar financing is impacted by the high-interest rate environment facing the broader U.S. economy. This bill could help lower financing costs, making energy bill-reducing residential solar more affordable. This principle could also be applied more broadly to distributed solar and storage projects on multi-family properties, public buildings, and small businesses.

CHESSA also believes that a reverse auction mechanism is not an appropriate program structure to apply public financing support to in-development projects. CHESSA suggests that any public financing program that would support near-term solar and storage projects partner with area green banks, such as the Maryland Clean Energy Center and the Montgomery County Green Bank to leverage these entities' financing expertise. Project finance is complex, and while any application selection process should be competitive, CHESSA believes that a reverse auction process would not be able to properly evaluate the merit of the applications. We suggest looking at the work of the Loan Programs Office at the U.S. Department of Energy under the Biden Administration for how applications can be considered, vetted, and properly financially supported.

Conclusion

In conclusion, CHESSA believes that the Lower Bills and Local Power Act could be refined to help solar and storage projects qualify for the Solar ITC and get high-value energy storage capacity online quickly.

If our suggested amendments are accepted, CHESSA would urge a favorable report on HB897. We look forward to working with the committee and the Governor's office.

Sincerely,

Robin K. Dutta

Robin K. Dutta
Executive Director
Chesapeake Solar and Storage Association
robin@chessa.org

HB0897 Phil Aroneanu Climate United INFO

Uploaded by: Phil Aroneanu

Position: INFO

Testimony on HB897 submitted by Phil Aroneanu, Chief Partnership and Strategy Officer, Climate United Fund.

I submit this testimony pertaining to Maryland House Bill 897, on behalf of Climate United Fund, a national public-private lender removing financial barriers to clean energy projects so every American benefits. We directly invest in solar and storage, building electrification and efficiency, and zero-carbon transportation projects, and also operate as a financial intermediary between public and private investors and community-serving financial institutions such as CDFIs, Credit Unions, and Green Banks.

In 2024, we were awarded $6.87 Billion from the U.S. Environmental Protection Agency to expand access to finance for clean energy technologies to rural, tribal, and low-income communities under the National Clean Investment Fund, a program under the Inflation Reduction Act.

Our country is on the precipice of a national energy affordability crisis, led by ballooning AI electricity demand, and compounded by tariffs, federal funding cuts, stagnating economic indicators and a sluggish job market. HB897, the Lower Bills and Local Power Act of 2026, was introduced to address electricity affordability concerns while ensuring clean, emissions-free energy is available to all Marylanders.

The Solar and Energy Storage Market Stabilization Program proposed in the bill, funded by proceeds from the Strategic Energy Investment Fund (SEIF), would provide financial assistance to clean energy projects through loans and grants. This demonstrates that legislators understand the challenges of deploying community-benefitting clean energy projects. Standing up a state public financing program for solar and storage projects can be a powerful tool to help deliver results to Maryland, but only if designed correctly.

It appears this legislation identifies a potential investment of $100 million or more in a loan or grant program. Climate United Fund would like to offer some suggestions and insights from our experience and would welcome the opportunity to assist Maryland in developing a scalable and efficient program.

Tasking a government agency to assess and qualify shovel-ready infrastructure projects, doing the necessary due diligence, and providing loans and grants to developers to build them is a tried-and-true, if slow, process to build solar and storage projects.

The painfully slow deployment of Inflation Reduction Act grants and loans is a case in point; by the end of 2025, only 20% of the $80 Billion in IRA grants had been spent, and only 27% of the Dept. Of Energy's Loan Program Office's (LPO) $400 Billion lending authority had been invested. Some of these programs, like LPO and NCIF were designed to de-risk

and scale new markets for clean technology, leveraging public funds to generate $5-10 in private investment for every $1 in federal funds.

State governments like Maryland's that are interested in filling in federal gaps and quickly expanding access to clean energy have an opportunity to leverage several tested models and financial instruments that can maximize the impact of scarce public dollars and leverage private capital at scale. Some examples include:

Green Banks. Dozens of public, quasi-governmental, and non-profit state, municipal, and national green banks across the country leverage public funds to provide various flavors of subsidized capital, credit enhancements, technical assistance, and help de-risk new markets to crowd in private capital. Green Banks drive community benefits, lower costs, and accelerate clean energy deployment.[1] Since 2011, Green Banks in the U.S. have mobilized more than $25.4 Billion in public and private investments in clean technology projects.[2]

Community Development Financial Institutions. CDFIs are Treasury-certified lenders with a mission to provide fair, responsible financing to rural, urban, Native, and other communities that mainstream finance does not traditionally reach. They support small businesses and homeownership, create living wage jobs, support the development of schools, grocery stores, and health care centers, and more than 55% of U.S. CDFIs finance clean technology deployment.[3]

Impact and Mission-Driven Investors. Climate United Fund is a subsidiary of Calvert Impact, Inc., a Bethesda-based non-profit impact investor. For 30 years, the Calvert Impact Group has served as an intermediary, helping investors and financial professionals invest in solutions that benefit people and the planet, from renewable energy funds providing affordable solar products in Sub-Saharan Africa to small business lenders targeting underserved populations in the U.S. Impact investors have specialized knowledge of underserved markets and often utilize creative financial structures to mobilize private capital to unlock these markets. The impact investing market has grown globally, with more than $1 Trillion AUM.[4]

Beyond Green Banks, CDFIs and Impact Investors, there are many other organizations and structures outside of state and federal governments that can help deploy clean technology while reaching new markets.

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[1] https://www.usgreenbanks.org/members
[2] https://web.archive.org/web/20260210000306/https://cgc.org/our-impact/
[3] https://www.ofn.org/what-is-a-cdfi/key-priorities/sustainability/
[4] https://thegiin.org/publication/research/sizing-the-impact-investing-market-2024/

What do all these types of organizations have in common? They can move quickly and nimbly, adjusting to shifting market conditions by leveraging specialized expertise. They have a clear mission, a broad and flexible set of financial tools, and are implemented by a team with tailored expertise. They act as market catalysts – taking risks that government agencies and the private sector won't or can't take alone, and with the explicit purpose of crowding in private capital so the market, once jump started, can stand on its own.

As the Maryland state legislature considers how to leverage SEIF funds to deploy clean energy projects, here are some recommendations for how to utilize public funds most efficiently:

1. **Offer creative financing options.** Traditional grants, tax credits, subsidies, and loans have been widely available to households, businesses and investors engaging in clean technology deployment, but can be blunt-force instruments. Other tools such as loan-loss reserves, loan guarantees, credit enhancements, PACE financing, equity investments, and bespoke leases and loans allow investors to tailor financing options to current market conditions, leveraging maximum benefit from each public dollar, and helping transform markets.

2. **Take risks where data is lacking**. If you've ever gotten a quote for a heat pump installation or leased an electric vehicle, you know that the financing terms are based on the future value of the asset and/or the value of the energy savings. In many cases, there is insufficient data to determine what the assets will be worth in the future, or what electricity prices will look like. This is the perfect place for public-private funds to step in to take market risk that private capital won't, with the goal of developing data to unlock millions or billions in future flows.

3. **Embrace policy complexity**. State and federal incentives and grant programs can help lower upfront costs for clean technology, but they tend to be complicated and take time to pay out. Nimble, flexible organizations have the patience to understand these incentives and provide capital to bridge them, a barrier that keeps many investors away.

4. **Address all cost drivers**. To make clean technology attractive to households and small businesses, it's important to look at the full cost of ownership; not just the lease or loan, but the cost of maintenance, insurance, interconnection and permitting. Because public-private investors can aggregate the purchase of heat pumps, solar panels, and/or electric vehicles, they can negotiate maintenance and warranty packages with the manufacturers, policies with insurers, and cost of

electricity. All these inputs are important for households or business operators deciding to switch to the clean product.

5. **Partner across the supply chain**. Change is hard, and even cost-competitive technologies may not be enough to speed up adoption, so it's important to do the market research and understand which households and businesses are already willing to invest in clean technology. Working directly with OEMs and aggregators to streamline marketing, procurement and finance can help cut costs and generate revenue across the supply chain, resulting in consumer savings.

Climate United's experience suggests that leveraging SEIF funds using a public-private partnership model developed with input from experienced mission-driven clean technology investors can bring sustained benefits. By following the recommendations above, Maryland has the opportunity to leverage scarce public funds to mobilize private finance, cut emissions, and scale up deployment of solar and storage, reduce energy bills, and create jobs.

We applaud the legislature's commitment to accelerating solar and storage deployment across the state, and stand ready to provide support on program design and implementation as needed.