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Committee: Education, Energy, and the Environment

Testimony on: SB 1083 “Public Utilities - Electric Distribution System Planning - Regulations, Plans, and Fund”

Position: Support

Hearing Date: March 7, 2024

The Maryland Chapter of the Sierra Club urges a favorable report on SB 1083. SB 1083 will require Maryland electric utilities to consider important electrification, climate, and equity principles when planning their distribution systems. The requirement to file a distribution system plan and then require regular annual updates promotes transparency and will provide needed oversight. SB 1083 will help the state achieve the greenhouse gas (GHG) goals embedded in the Climate Solutions Now Act (CSNA) and accelerate the transition to clean energy.

SB 1083 recognizes that distribution system planning by Maryland’s electric utilities requires major changes. With the requirements included in the bill, Maryland electric utilities will need to modernize their planning and proactively plan for electrification and increased distributed energy resource deployments. Of particular importance, SB 1083 recognizes the need for targeted, granular load forecasts and distribution planning that consider overburdened communities. SB 1083 will require Maryland electric utilities to submit electric distribution system expansion plans by January 1, 2026, and to submit annual reports on electric utility progress towards implementing this plan. In recognition of the importance of data access to support future electric utility planning and operation, the bill requires the use of protocols for data sharing that protect customers while facilitating a meaningful exchange of usable information.

SB 1083 Provides Legislative Direction for Needed Distribution System Planning

Based on Sierra Club’s experience with Maryland electric utility planning, particularly its involvement in the Maryland Public Service Commission’s (PSC’s) Distributed System Planning workgroup, it has become clear that current Maryland distribution system planning is not ready for the changes foreseen as the state transitions to a low-carbon, electrified environment. While Maryland electric utilities have successfully maintained the safety and reliability of the distribution grid in meeting past load growth, the changing and growing demands associated with electrification of buildings and vehicles, the requirements incorporated in state laws like the CSNA, and the need to “right-size” granular distribution locations necessitate updating and modernizing distribution system planning. SB 1083 provides the legislative direction that the PSC needs to ensure that Maryland electric utilities conduct the required upgrades to their distribution system planning. Sierra Club believes that the Maryland electric utilities will not modernize their planning fast enough without regulatory or legislative direction. In addition, the reporting requirements built into the bill will provide important information for transparency and oversight purposes.

Data Sharing

The data sharing provisions in the bill are also important. The ability to share utility consumption and operational data on a common platform is a major need in Maryland and across the U.S. Lack of utility data limits the amount of competition and deployment of clean technologies. Without data, demand response and distributed energy resource aggregators, technology firms, and the PSC do not have adequate and timely information for planning, investment and operation. However, data confidentiality and adherence to Maryland's data privacy rules is essential to ensure consumers' rights and privacy.

Additional Opportunities to Strengthen the Bill

While SB1083 appropriately targets proactive planning to address electrification, we believe that the bill would be strengthened by requiring Maryland utilities to incorporate in their distribution system plans 1) explicit references to the impacts associated with the CSNA's GHG reduction objectives, 2) recognition of flexible demand that will be supported by consumer adoption of new technologies like batteries and bidirectional electric vehicles, and 3) reference to customer adoption and deployment distributed energy resources, such as rooftop solar.

In summary, the Sierra Club fully supports SB 1083 and urges its adoption by both the House and Senate.

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¹ Sierra Club volunteer Dr. David Kathan is a national expert on demand response and distributed energy resources. He recently retired from the Federal Energy Regulatory Commission, where he led the issuance of Order No. 2222 on the aggregation of distributed energy resources. He is also an active participant in the PSC's Distribution System Planning and Interconnection Workgroups on behalf of the Maryland Chapter of the Sierra Club.