

# SENATE BILL 908

C5  
SB 1083/24 – EEE

5lr1816  
CF 5lr1815

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By: Senator Hester

Introduced and read first time: January 28, 2025  
Assigned to: Education, Energy, and the Environment

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Electric Distribution System Plans – Establishment**  
3 **(Affordable Grid Act)**

4 FOR the purpose of requiring the Public Service Commission to adopt regulations or issue  
5 orders on or before a certain date that require electric companies to, every 3 years,  
6 develop an electric system distribution plan to be approved by the Commission and  
7 provide the Commission with annual progress reports; requiring the Commission to  
8 adopt regulations or issue orders adopting certain metrics to monitor and assess  
9 electric distribution system plans; requiring an electric company to provide certain  
10 public comment opportunities; requiring the Commission to adopt regulations or  
11 issue orders adopting a certain information-sharing framework; and generally  
12 relating to electric distribution in the State.

13 BY repealing and reenacting, with amendments,  
14 Article – Public Utilities  
15 Section 7–804  
16 Annotated Code of Maryland  
17 (2020 Replacement Volume and 2024 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
19 That the Laws of Maryland read as follows:

20 **Article – Public Utilities**

21 7–804.

22 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
23 **INDICATED.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



6 (II) "AUTOMATED ELECTRIC VEHICLE LOAD MANAGEMENT"  
7 INCLUDES:

## 2. MULTIPLE DEVICES OPERATING TOGETHER AS A SYSTEM TO CONTROL THE ELECTRIC VEHICLE CHARGING LOAD.

12 (3) "DISTRIBUTED ENERGY RESOURCE" HAS THE MEANING STATED  
13 IN § 7-1001 OF THIS TITLE.

8           [(a)] (B)     On or before December 31, 2025, the Commission shall adopt  
9 regulations or issue orders to:

10 (1) implement specific policies for electric system planning;

17 (I) SOLAR ENERGY;

## 18 (II) BUILDING ELECTRIFICATION;

### 19 (III) ELECTRIC VEHICLES;

20 (IV) ENERGY STORAGE CAPACITY; AND

21 (v) REDUCTION OF GREENHOUSE GAS EMISSIONS;

22 (4) REQUIRE EACH ELECTRIC COMPANY, EVERY 3 YEARS, TO SUBMIT  
23 TO THE COMMISSION FOR APPROVAL AN ELECTRIC DISTRIBUTION SYSTEM PLAN  
24 THAT:

25 (I) INCLUDES THE INFORMATION REQUIRED IN SUBSECTION  
26 (D) OF THIS SECTION; AND

27 (II) COMPLIES WITH THE REQUIREMENTS OF SUBSECTION (E)  
28 OF THIS SECTION;

1 ELECTRIC DISTRIBUTION SYSTEM PLAN, INCLUDING METRICS ASSESSING THE  
2 FOLLOWING CATEGORIES:

3 (I) SYSTEM RELIABILITY;

4 (II) INTEGRATION OF DISTRIBUTED ENERGY RESOURCES,  
5 INCLUDING SPECIFIC METRICS RELATED TO SOLAR ENERGY, ENERGY STORAGE,  
6 AND ELECTRIC VEHICLES;

7 (III) ELECTRIC DISTRIBUTION SYSTEM MANAGEMENT,  
8 INCLUDING SPECIFIC METRICS RELATED TO:

9 1. AGGREGATE PEAK LOAD;

10 2. PEAK LOAD REDUCTION PROGRAMS;

11 3. TIME-OF-USE AND DYNAMIC PRICING PROGRAMS;

12 4. ELECTRIC VEHICLE CHARGING PROGRAMS; AND

13 5. HOSTING CAPACITY STATUS AND EXPANSION;

14 (IV) USE OF NON-WIRES SOLUTIONS AND NONCAPITAL  
15 INVESTMENTS AND THE RELATIONSHIP BETWEEN USING THESE SOLUTIONS AND  
16 INVESTMENTS AND THE LONG-TERM SYSTEM CAPACITY;

17 (V) ADVANCEMENT OF STATE POLICY GOALS AND TARGETS  
18 IDENTIFIED IN ITEM (3) OF THIS SUBSECTION AND ANY OTHER APPLICABLE STATE  
19 GOALS AND TARGETS EFFECTIVE AT THE TIME OF THE PLANNING CYCLE;

20 (VI) FUTURE ELECTRIC SYSTEM CAPABILITY, INCLUDING:

21 1. ENERGY STORAGE FLEXIBILITY;

22 2. FLEXIBLE INTERCONNECTIONS; AND

23 3. LOCAL DEMAND RESPONSE; AND

24 (VII) AN ELECTRIC COMPANY'S PARTICIPATION IN, AND  
25 FACILITATION OF, AN EFFECTIVE INFORMATION EXCHANGE PROCESS AS  
26 DESCRIBED IN ITEM (7) OF THIS SUBSECTION;

11 (II) REQUIRE ALL ELECTRIC COMPANIES AND GAS COMPANIES  
12 TO PARTICIPATE IN EXCHANGING DATA AS DESCRIBED IN ITEM (I) OF THIS ITEM.

13 [b] (c) The regulations adopted and orders issued under [subsection (a) of] this  
14 section shall:

15 (1) [be developed with] ATTEMPT TO ENSURE UNIFORMITY IN  
16 ELECTRIC DISTRIBUTION SYSTEM PLANNING WHILE GIVING DUE consideration  
17 [given] to the inherent differences, individual circumstances, and available resources  
18 among investor-owned electric companies, electric cooperatives, and municipal electric  
19 utilities; and

23 (D) (1) AN ELECTRIC DISTRIBUTION SYSTEM PLAN SUBMITTED TO THE  
24 COMMISSION IN ACCORDANCE WITH THIS SECTION SHALL INCLUDE:

25 (I) A DISTRIBUTED ENERGY RESOURCE FORECAST, AS  
26 SPECIFIED UNDER PARAGRAPH (2) OF THIS SUBSECTION, AND A LOAD FORECAST,  
27 AS SPECIFIED UNDER PARAGRAPH (3) OF THIS SUBSECTION, FOR AT LEAST THREE  
28 PLANNING HORIZONS, INCLUDING:

1 (II) AT LEAST TWO FORECAST SCENARIO ANALYSES  
2 REFLECTING POSSIBLE FUTURE OUTCOMES TO SERVE AS A REFERENCE IN THE  
3 DEVELOPMENT AND EVALUATION OF THE ELECTRIC DISTRIBUTION PLAN,  
4 INCLUDING:

11 (III) FOR EACH FORECAST SCENARIO INCLUDED IN A PLAN IN  
12 ACCORDANCE WITH ITEM (II) OF THIS PARAGRAPH, AT LEAST ONE PORTFOLIO OF  
13 INVESTMENTS AND PROGRAMS THAT REFLECT HOW THE ELECTRIC COMPANY  
14 COULD MEET RELIABILITY NEEDS AND FORECAST DEMAND WHILE MINIMIZING  
15 CAPITAL INFRASTRUCTURE INVESTMENT TO THE GREATEST EXTENT POSSIBLE;

16 (IV) AN ANALYSIS OF THE HOSTING CAPACITY FOR DISTRIBUTED  
17 ENERGY RESOURCES, INCLUDING:

## 1. SOLAR PHOTOVOLTAICS;

## 19 2. ENERGY STORAGE;

### 3. ELECTRIC VEHICLES; AND

22 (V) AN ANALYSIS OF THE LOAD-SERVING CAPACITY FOR  
23 DISTRIBUTED ENERGY RESOURCES, INCLUDING:

## 1. ENERGY STORAGE;

## 25 2. ELECTRIC VEHICLES;

**4. DEMAND RESPONSE AND CONTROLLABLE LOADS;**

1 (VI) AN ANALYSIS OF LOCATIONS WITHIN THE ELECTRIC  
2 COMPANY'S SERVICE AREA WHERE THE EXPANSION OF DISTRIBUTED ENERGY  
3 RESOURCES WILL PROVIDE THE GREATEST VALUE TOWARD MEETING DEMAND OR  
4 PROVIDING NECESSARY ELECTRIC DISTRIBUTION SYSTEM SERVICES;

5 (VII) AN ANALYSIS OF EXISTING CONSTRAINTS ON THE ABILITY  
6 OF THE ELECTRIC COMPANY'S ELECTRIC DISTRIBUTION SYSTEM TO:

## **1. EXPAND DISTRIBUTED ENERGY RESOURCES;**

**2. MEET ANTICIPATED LOAD REQUIREMENTS; AND**

11 (VIII) AN ANALYSIS APPLYING THE STATE UNIFIED  
12 BENEFIT-COST ANALYSIS FRAMEWORK TO POSSIBLE SOLUTIONS FOR ADDRESSING  
13 THE CONSTRAINTS IDENTIFIED IN ITEM (VII) OF THIS PARAGRAPH, INCLUDING  
14 NON-WIRES SOLUTIONS;

15 (IX) A LIST OF THE POSSIBLE SOLUTIONS IDENTIFIED IN ITEM  
16 (VIII) OF THIS PARAGRAPH THAT HAVE BEEN SELECTED BY THE ELECTRIC COMPANY  
17 TO BE IMPLEMENTED AND THE FACTORS THAT CONTRIBUTED TO EACH DECISION;

18 (X) A DESCRIPTION OF PLANS FOR THE INCORPORATION OF  
19 INNOVATIONS AND TECHNOLOGIES TO INCREASE THE RELIABILITY AND RESILIENCE  
20 OF, AND THE ABILITY TO EXPAND, MANAGE, AND MODERNIZE, THE ELECTRIC  
21 DISTRIBUTION SYSTEM, INCLUDING:

## 1. AUTOMATED ELECTRIC VEHICLE LOAD MANAGEMENT:

## 2. FLEXIBLE INTERCONNECTION:

### 3. CLEAN MICROGRIDS:

## 4. LOAD FLEXIBILITY:

## 27 5. ENERGY EFFICIENCY: AND

28 6. VIRTUAL POWER PLANTS:

1 (xi) A DESCRIPTION OF HOW THE ELECTRIC COMPANY IS  
2 COORDINATING ELECTRIC DISTRIBUTION SYSTEM INVESTMENTS WITH ELECTRIC  
3 TRANSMISSION SYSTEM PLANNING IN THE PJM REGION IN A MANNER THAT IS MOST  
4 COST-EFFECTIVE TO RATEPAYERS;

5 (XII) A DESCRIPTION OF PLANS AND ACTIONS TAKEN TO  
6 MINIMIZE THE COST TO RATEPAYERS THROUGH THE EFFECTIVE USE OF FEDERAL,  
7 STATE, AND LOCAL RESOURCES AND INCENTIVES;

(XIII) A DESCRIPTION OF ANY OTHER ACTIONS TAKEN TO  
MINIMIZE THE COST TO RATEPAYERS;

10 (XIV) A DESCRIPTION OF EFFORTS TO COORDINATE WITH GAS  
11 COMPANIES TO IDENTIFY LOCATIONS FOR GAS DECARBONIZATION AND FACILITATE  
12 ELECTRIFICATION TO MEET THE STATE'S CLIMATE GOALS, INCLUDING:

**A. ANY GAS COMPANY EFFICIENCY; AND**

23 (XV) A DESCRIPTION OF HOW THE ELECTRIC COMPANY PLANS TO  
24 MANAGE ITS DISTRIBUTED ENERGY RESOURCE HOSTING CAPACITY IN A WAY THAT  
25 INCLUDES:

## A. IDENTIFYING AREAS WHERE INTERCONNECTION COSTS WILL BE HIGHER OR LOWER THAN AVERAGE;

**C. EXISTING FEEDER LOAD AND CAPACITY; AND**

### 3. REVISING THE HOSTING CAPACITY ANALYSIS AND HOSTING CAPACITY MAPS FREQUENTLY ENOUGH TO REFLECT THE ACTUAL DEVELOPMENT OF DISTRIBUTED ENERGY RESOURCES ON CIRCUITS;

9 (XVI) A DESCRIPTION OF HOW THE ELECTRIC DISTRIBUTION  
10 SYSTEM PLAN ACCOUNTS FOR AND CONTRIBUTES TO ACHIEVING THE STATE'S  
11 CLEAN ENERGY AND CLIMATE GOALS, INCLUDING THE GOALS AND TARGETS  
12 IDENTIFIED IN SUBSECTION (B)(3) OF THIS SECTION;

13 (XVII) AN ANALYSIS APPLYING EACH OF THE METRICS ADOPTED  
14 BY THE COMMISSION UNDER SUBSECTION (B)(5) OF THIS SECTION; AND

15 (XVIII) A COMPILATION OF ANY OFFICIAL COMMENTS  
16 RECEIVED THROUGHOUT THE DRAFTING AND REVIEW PROCESS ACCOMPANIED BY:

## 24 1. SOLAR PHOTOVOLTAICS:

## 2. ENERGY STORAGE:

26 3. ELECTRIC VEHICLES:

## 4. BUILDING ELECTRIFICATION: AND

## 5. DEMAND RESPONSE AND CONTROLLABLE LOADS

7 (III) THE DISTRIBUTED ENERGY RESOURCE FORECAST SHALL  
8 PREDICT DISTRIBUTED ENERGY RESOURCE AND ELECTRIFICATION ADOPTION AND  
9 RELATED IMPACTS, BOTH TEMPORALLY AND GEOGRAPHICALLY.

10 (3) (i) THE LOAD FORECAST INCLUDED IN AN ELECTRIC  
11 DISTRIBUTION SYSTEM PLAN SUBMITTED UNDER PARAGRAPH (1)(i) OF THIS  
12 SUBSECTION SHALL REFLECT EXPECTED CHANGES IN ELECTRICITY DEMAND  
13 WITHIN THE ELECTRIC DISTRIBUTION SYSTEM FOR:

1       (E) BEFORE SUBMITTING AN ELECTRIC DISTRIBUTION SYSTEM PLAN TO  
2 THE COMMISSION UNDER THIS SECTION, AN ELECTRIC COMPANY SHALL PROVIDE  
3 SPECIFIC OPPORTUNITIES FOR PUBLIC AND STAKEHOLDER PARTICIPATION  
4 THROUGHOUT THE DRAFTING PROCESS, INCLUDING:

5               (1) THREE PUBLIC STATUS MEETINGS THAT ARE OPEN TO PUBLIC  
6 AND STAKEHOLDER PARTICIPATION, SPREAD OUT OVER THE COURSE OF THE  
7 DRAFTING PROCESS, DISCUSSING:

8                       (I) PLAN, SCENARIO, FORECAST, AND TECHNOLOGY ADOPTION  
9 ASSUMPTIONS;

10                       (II) IDENTIFIED SYSTEM CONSTRAINTS AND NEEDS; AND

11                       (III) THE PROGRESS ON THE DRAFT PLAN, INCLUDING  
12 PROPOSED SOLUTIONS ACCCOMPANIED BY A COST-BENEFIT ANALYSIS AND ANY  
13 ADDITIONAL CRITERIA USED TO SELECT THE SOLUTION;

14               (2) THE OPPORTUNITY FOR STAKEHOLDERS AND THE PUBLIC TO  
15 PROVIDE WRITTEN FEEDBACK ON THE CURRENT DRAFT PLAN FOR THE 30 DAYS  
16 FOLLOWING EACH PUBLIC MEETING; AND

17               (3) WITHIN 30 DAYS FOLLOWING A COMMENT PERIOD UNDER ITEM (2)  
18 OF THIS SUBSECTION, PROVIDING A RESPONSE TO ALL COMMENTS SUBMITTED  
19 DURING THE COMMENT PERIOD, INCLUDING:

20                       (I) A DESCRIPTION OF WHERE THE COMMENT IS  
21 INCORPORATED IN THE ELECTRIC DISTRIBUTION SYSTEM PLAN; OR

22                       (II) A JUSTIFICATION FOR NOT INCORPORATING THE COMMENT  
23 IN THE ELECTRIC DISTRIBUTION SYSTEM PLAN.

24               (F) (1) THE COMMISSION SHALL REVIEW EACH ELECTRIC COMPANY'S  
25 ELECTRIC DISTRIBUTION SYSTEM PLAN SUBMITTED FOR APPROVAL.

26               (2) THE COMMISSION MAY NOT APPROVE AN ELECTRIC  
27 DISTRIBUTION SYSTEM PLAN UNLESS THE COMMISSION FINDS THAT:

28                       (I) THE ELECTRIC COMPANY SATISFIED ALL OF THE PUBLIC  
29 AND STAKEHOLDER ENGAGEMENT REQUIREMENTS SPECIFIED IN SUBSECTION (E)  
30 OF THIS SECTION;

7 (IV) THE PLAN HAS ADEQUATELY INCORPORATED NON-WIRES  
8 SOLUTIONS AND OTHER NONCAPITAL INVESTMENTS; AND

9 (v) THE PLAN:

19 (I) COST-EFFECTIVELY ADVANCE EACH APPLICABLE STATE  
20 POLICY TO THE GREATEST EXTENT POSSIBLE; OR

21 (II) PRIORITIZE PASSING ON THE LOWEST COST TO  
22 RATEPAYERS WHILE ENSURING FUTURE ELECTRIC DISTRIBUTION SYSTEM  
23 CAPACITY AND RELIABILITY

24 (G) (1) THE INFORMATION SHARING FRAMEWORK ADOPTED UNDER  
25 SUBSECTION (D) OF THIS SECTION SHALL ENSURE ACCURACY IN ELECTRIC  
26 DISTRIBUTION SYSTEM FORECASTING AND ASSESSING ELECTRIC DISTRIBUTION  
27 SYSTEM CAPACITY.

**(2) THE INFORMATION SHARING FRAMEWORK SHALL:**

**(I) INCLUDE SECURE METHODS OF COMMUNICATING:**

1 INFORMATION REGARDING THE AGE, MATERIAL, DIAMETER, AND CONDITION OF  
2 PIPES; AND

6 (II) ADHERE TO ALL INDUSTRY-RECOMMENDED  
7 CYBERSECURITY GUIDELINES.

8 (H) THE COMMISSION MAY STAGGER THE REVIEW AND APPROVAL OF  
9 DIFFERENT ELECTRIC DISTRIBUTION SYSTEM PLANS TO BE COMPLETED IN  
10 DIFFERENT YEARS, PROVIDED EACH ELECTRIC COMPANY'S ELECTRIC  
11 DISTRIBUTION SYSTEM PLAN IS REVIEWED AT LEAST ONCE EVERY 3 YEARS.

(2) A PROGRESS REPORT SUBMITTED UNDER PARAGRAPH (1) OF  
THIS SUBSECTION SHALL INCLUDE:

22 (II) AN ANALYSIS DOCUMENTING THE DECISION-MAKING  
23 PROCESS FOR SELECTED ELECTRIC DISTRIBUTION SYSTEM-RELATED PROJECTS  
24 AND DESCRIBING ANY REJECTED ALTERNATIVES:

29 (IV) AN ANALYSIS OF THE ELECTRIC COMPANY'S PROGRESS  
30 TOWARD IMPLEMENTING ITS ELECTRIC DISTRIBUTION SYSTEM PLAN USING EACH  
31 OF THE METRICS ADOPTED BY THE COMMISSION UNDER SUBSECTION (B)(5) OF THIS  
32 SECTION.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 October 1, 2025.

