

# Insufficient Transmission and Distribution

Working Group #2

# Common Themes

- ▶ **Transmission and distribution costs** emerge as one of the most repeated affordability concerns in the survey.
- ▶ Common points include:
  - ▶ distribution costs have risen more predictably than wholesale supply costs
  - ▶ several respondents cite distribution charges increasing ~80% over 15 years while generation costs fell modestly
  - ▶ transmission congestion remains acute in BGE territory and Baltimore-area constrained zones
  - ▶ local transmission expansion is increasingly tied to large-load growth, especially data centers
- ▶ A strong theme is that Maryland has **more direct control over distribution spending than wholesale supply prices.**

# Areas of Disagreement

- ▶ The sharpest disagreement concerns whether utility **capital spending is a necessary infrastructure modernization or excessive cost growth with weak accountability.**
- ▶ Utilities and some reliability-focused respondents argue:
  - ▶ deferred upgrades worsen reliability
  - ▶ weather resilience requires sustained investment
  - ▶ long-term savings require near-term spending
- ▶ Consumer advocates and some environmental respondents argue:
  - ▶ spending levels are rising without proportional reliability gains
  - ▶ local transmission projects face weak scrutiny
  - ▶ customers bear costs long before benefits are demonstrated

# Particularly Interesting Points

- ▶ The most technically significant repeated issue is the “supplemental transmission” regulatory gap:
  - ▶ PJM does not fully test whether many local projects are necessary or cost-effective
    - ▶ “Local projects fall into a well-known regulatory gap.”
  - ▶ utilities can advance projects that later flow into customer rates with limited review
- ▶ That issue appears repeatedly representing one of the clearest examples where respondents believe Maryland customers face costs without transparent cost-benefit review.

# Potential Solutions

*As identified by working group participants in a survey earlier this year.*

Solution	Working Group
Siting and permitting	Transmission & Distribution, Supply & Demand
Clear, predictable locally coordinated permitting processes	Transmission & Distribution, Supply & Demand
Broader regional transmission planning over small localized upgrades	Transmission & Distribution, Supply & Demand
Reliability planning with confirmed load growth and realistic construction timelines	Transmission & Distribution, Supply & Demand
Economic impact analysis before environmental mandates enacted	Transmission & Distribution, Supply & Demand, Disconnect Among Policy Goals
Map reliability issues for planning purposes	Transmission & Distribution
Encourage more G&T in PJM	Transmission & Distribution