



March 8, 2023

112 West Street  
Annapolis, MD 21401

**Oppose- House Bill 1134 – Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) respectfully oppose *House Bill 1134- Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards*. House Bill 1134 would modify the Maryland Building Performance Standards to require that new buildings meet all energy demands without the use of fossil fuels and adopt an electric-ready standard for buildings that receive a waiver allowing the use of fossil fuels.

In order to drive down GHG emissions to the level necessary to avoid the worst impacts of climate change, actions must be taken to decarbonize all sectors of the economy, while advancing affordability, efficiency, resilience, equity, inclusion and innovation. Pepco and Delmarva Power are committed to electrification and decarbonization. We continue to work to align our operations, grid investments, and customer product offerings and services with Maryland's climate change and clean energy goals. The companies have a commitment to cut our own operational emissions by at least 50% by 2030 and achieve net-zero operations-driven emissions by 2050, in line with the ambitions of the state. To achieve these goals, Pepco and Delmarva Power will implement a series of initiatives designed to modernize our energy delivery systems; reduce energy use in our offices and buildings, increase our use of renewable-powered energy, and electrify our company's vehicle fleet.

Within this very legislative session, Pepco and Delmarva Power have demonstrated support for other key aspects of the suite of policies aimed at reducing emissions in the transportation sector, which makes up for about 45% of Maryland's greenhouse gas emissions, relative to buildings, which account for 13%. Additionally, we continue to support our customers and the larger community by providing the tools, programs and resources needed to enable the transition to a more equitable and inclusive clean energy future and greater resilience in the face of a changing climate. Pepco and Delmarva Power's EmPOWER Maryland programs have been highly successful in lowering energy usage and GHG emissions for residential and commercial customers. Pepco and Delmarva Power supported legislation introduced this year that would change the metric measured in EmPOWER to a GHG reduction metric.

The details and timeline set forth in House Bill 1134 would be difficult to implement and likely cost customers more money than would a longer-term, deliberate plan to decarbonize which accounts for equity and affordability. The timeframe outlined in House Bill 1134 is not sufficient to process new interconnection requests from customers, re-engineer interconnections, analyze modifications to planned investments, and implement new investments.

Because of the challenges outlined above that all electric utilities face, Section 10 of the Climate Solutions Now Act of 2022 ("CSNA") required the Public Service Commission (PSC) to complete a general system planning study to assess each gas and electric company's distribution system to successfully operate in the transition to a highly electrified building sector. At present, the study is not expected to be complete until late 2023. As such, House Bill 1134 is premature at this time and this body should consider the outcome of the multiple studies that are underway pursuant to the CSNA. In addition, House Bill 1134 does not provide the tools necessary to expedite the planning, siting, permitting, and construction of such electric system infrastructure.

Pepco and Delmarva Power oppose House Bill 1134 as it forces a rapid and seismic shift in the state's future construction without considering the impacts of that change on all energy customers in Maryland and without considering the outcome of the system planning study from the PSC. While Pepco and Delmarva Power support efforts to reduce GHG emissions, Pepco and Delmarva Power respectfully request that the Committee issue an unfavorable committee report on this legislation due to its premature nature.

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