



March 9, 2023

112 West Street  
Annapolis, MD 21401

**Oppose- House Bill 1186- Public Service Companies- Annual Report on Votes Cast at Meetings of Regional Transmission Organizations**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) respectfully oppose *House Bill 1186- Public Service Companies- Annual Report on Votes Cast at Meetings of Regional Transmission Organizations*. House Bill 1186 requires each public service company that is a member of a regional transmission organization to provide to the Maryland Public Service Commission (PSC) an annual report on votes cast by the public service company at a meeting of the regional transmission organization. The report includes all votes cast by the public service company, be provided to the Maryland Public Service Commission, regardless of whether the vote is disclosed by the regional transmission organization as well as a brief description explaining how each vote cast by the public service company is in the interest of the public.

A Regional Transmission Organization (RTO) is an organization formed at the approval of the Federal Energy Regulatory Commission (FERC) and has exclusive responsibility for grid operations, short-term and long-term reliability, and transmission service within a region. The purpose of a Regional Transmission Organization is to promote economic efficiency, reliability, and non-discriminatory practices.

Pepco and Delmarva Power are members of PJM Interconnection (PJM), the RTO that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM holds regular meetings with stakeholders, including Pepco and Delmarva Power, which are integral to developing and refining PJM's rules, policies, and processes. Additionally, many different subcommittees and groups that are essential to PJM's governance structure for administering an open grid and transparent markets hold 100s of meetings throughout the year. At the lower-level PJM committees and groups, individual company votes are not recorded. This structure is intentional to encourage consensus building and brainstorming. At the PJM Members Committee, which is the senior most standing committee and through which every major vote is taken, votes are recorded by company and are publicly available and published by PJM. It is only at the PJM Members Committee that votes are considered "final" which is why there is a detailed record of how all participating PJM Members voted on a matter.

Requiring a utility to submit information to the Maryland Public Service Commission on every vote taken at PJM's lower-level committee meetings would subvert the collaborative process, stifle innovation and be a significant administrative burden and cost for little to no incremental benefit to the Maryland Public Service Commission in order to exercise its state regulatory jurisdiction and authority. Pepco and Delmarva Power believe that companies would be unwilling to offer innovative or nascent proposals for discussion for fear of retribution on a vote taken and recorded at that level. In addition, providing information as to whether a particular proposal is within the public interest could have the same stifling effect. We believe that companies should be able ideate freely at that level and the transparency provided at the member level is sufficient.

Furthermore, because all companies within the Exelon family of utilities, including those utilities located in Illinois, Pennsylvania, New Jersey, Delaware and the District of Columbia, vote as a single Exelon entity (Exelon Business Services, LLC) at the senior committee levels of PJM, House Bill 1186 overreaches in that it seeks information from non-Maryland regulated companies. Finally, because PJM votes concern Exelon's transmission activities in the PJM region, which are subject to federal regulation, House Bill 1186 would gather information related to federally regulated activities that the state of Maryland cannot regulate. Therefore, its collection is not an efficient use of resources.

Pepco and Delmarva Power oppose House Bill 1186 as it can stifle innovation and collaboration at a time when all hands should be on deck considering many novel ideas to help ensure our grid is safe, reliable and resistant to climate change. House Bill 1186 is unnecessary, administratively overburdensome and intrudes upon activity that is exclusively federally regulated. Pepco and Delmarva Power respectfully request that the Committee issue an unfavorable committee report on House Bill 1186.

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