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SUPPORT with Amendments – Senate Bill 0663
SB0663 – Investor-Owned Utilities – Clean Energy Homes Pilot Programs – Establishment
(Maryland Resilient and Clean Energy Homes Act)
Education, Energy, and the Environment Committee
Tuesday, February 28, 2023

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 280,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington Counties). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, New York, West Virginia, and Maryland.

Favorable with Amendments

Potomac Edison / FirstEnergy supports with amendments Senate Bill 0663 – Maryland Resilient and Clean Energy Homes Act. SB-0663 requires each investor-owned electric company to file an application for a pilot program to support residential customer adoption of beneficial electrification measures. The pilot program shall include: a make-ready program; an on-site clean energy systems and energy generator rebate program; a multifamily housing facilities clean energy incentive program; and a load management and electric grid support services program.

Potomac Edison / FirstEnergy requests a Favorable with Amendments report on SB 0663 for the following reasons.

Our company is very supportive of pilots and programs that will provide beneficial information and a means for learning more about the exciting energy transition currently taking place in Maryland. While this is a complex piece of legislation, on an overly aggressive schedule, we believe the issues can be worked out through further conversations with all the parties involved.

The electric company's "Load Management and Electric Grid Support Services Program" is a potentially great idea whereby Electric Distribution Companies (EDC) can dispatch and control Distributed Energy Resources (DER) that support efficient or reliability operations on the electrical system. The possibility for avoidance or deferral of a transmission or distribution upgrade, by having the exact amount of DER present at the exact location for the exact amount of time needed, is very intriguing. This idea represents a higher amount of risk than an EDC would normally take, but a pilot project like this could help us all better understand how this might work.

Requiring each EDC to file an application for a pilot program on or before January 1, 2024, is extremely aggressive, however. For Potomac Edison / FirstEnergy to create a new program in less than 10 months will be particularly challenging, and having the program ready to implement by August 1, 2024, may be unlikely, especially since the Public Service Commission will need months after the programs are filed in order to evaluate them for approval. The company is also concerned that the length of the pilot program is only three years. We are not sure there will be enough data produced, once the new clean energy systems are up and running, to make any real determinations of the program's success. An extension of time would allow for the collection of more data related to the program. Again, three years seems too short considering the breadth of this legislation.

Another timing issue we are concerned about is the November 1, 2023, date by which the Public Service Commission shall convene a workgroup to facilitate public input on the design and development of incentive programs for multifamily dwellings. This working group would be starting only two months before the EDC's file their programs, and the programs are then supposed to be available to customers by August 2024. This working group would just be beginning their assignments by the time the utilities are filing. If the working groups thoughts differ from the utility filings, there will likely to be a lot of rework post-filing.

Perhaps, the most concerning part of this bill is the requirement for each EDC to authorize the installation of meter collar adapters. Potomac Edison / FirstEnergy does not allow meter collar units between the meter and socket due to safety and maintenance issues. Our investigations have found meter collar adapters to impede safe access to the utility meter because with the collar installed, the customers load cannot be bypassed. In addition, the meter socket cover cannot be removed for internal socket safety inspection with the collar installed.

The timeframes for this proposal are aggressive, as discussed above, and we are concerned that they could force EDCs to file programs before all necessary information is acquired. If timeframes were made longer, that could allow the Public Service Commission's existing Electrification Study Workgroup to provide recommendations, possibly to a new working group dedicated to this specific pilot program, and then allow enough time for both of those team's recommendations to guide next steps. We believe this delay would be beneficial in crafting an amended version of SB-0663 that would result in cleaner, more efficient, electrified homes in Maryland.

Potomac Edison / FirstEnergy respectfully asks for the following Amendments:

- **The date for each EDC to file an application for a Pilot Program be extended to July 1, 2024.**
- **The date for implementation would be extended until nine months after the Public Service Commission approves the utility's application.**
- **The length of the Pilot Program be extended to five years from the date of implementation.**
- **The requirement for Meter Collars be removed.** (If meter collar adapters must be required for this program, an alternate method could be to install a second meter socket on the load side of the existing meter socket and the line side of the customer's electric panel. This would provide a means to install the collar without impeding access to the utility meter. In addition, this would allow the customer to maintain the collar adapter without breaking the utility meter seal.)

For the above reasons, Potomac Edison / FirstEnergy respectfully request a **Favorable with Amendments** vote on Senate Bill 0663.