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**SUPPORT – Senate Bill 0905**

**HB1035 – Electric Companies, Gas Companies, and the Department of Housing and Community Development - Energy Efficiency and Conservation Plans**

**Education, Energy, and the Environment Committee**

**Tuesday, March 14, 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**

**Potomac Edison / FirstEnergy supports Senate Bill 0905 – Electric Companies, Gas Companies, and the Department of Housing and Community Development - Energy Efficiency and Conservation Plans.**

SB-0905 requires each electric company, gas company, and the Department of Housing and Community Development to provide for its customers energy efficiency, conservation, and greenhouse gas emissions reduction programs and services to encourage and promote the efficient use and conservation of energy.

**Potomac Edison / FirstEnergy requests a Favorable report on SB 0905 for the following reasons.**

Our company is very supportive of cost-effective energy efficiency programs that will help Maryland reach its greenhouse gas emissions reduction goals and targets. This bill allows customers to have the choice to participate in energy efficiency, demand response, and other beneficial electrification programs.

The bill also requires each utility to establish programs that are cost-effective, and it provides cost recovery and reasonable financial incentives for the utility through a surcharge or base rate recovery. Including an authorized rate of return for our company's investment in these programs and resources is appropriate and appreciated.

Having the Public Service Commission review each plan to determine its cost effectiveness, impact on rates, impact on jobs, and impact on achieving greenhouse gas reduction targets is a great idea. This will help mitigate having unreasonable goals or programs, and it should also provide the utilities flexibility in meeting those goals. Providing updates every 6 months on plan implementation and notifying customers of the energy efficiency and conservation charges and benefits every year is also appropriate. It is important to ensure that customers are part of the equation as these programs will have an impact on their bills.

Potomac Edison / FirstEnergy supports the advancement of technologies to help electrify and replace fossil-fuel powered equipment where suitable. Helping customers with the efficient use and conservation of energy through utility programs is smart and will be good for the State of Maryland.

For the above reasons, Potomac Edison / FirstEnergy respectfully request a **Favorable** vote on Senate Bill 0905.