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**SUPPORT with Amendments – House Bill 1256**

**HB 1256 – Electricity – Tariffs, Distributed Energy Resources, and Electric Distribution System Support Services (Distributed Renewable Integration and Vehicle Electrification (DRIVE) Act)**  
**Economic Matters Committee**  
**Thursday, March 7, 2024**

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 285,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). 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 *HB 1256 – Electricity – Tariffs, Distributed Energy Resources, and Electric Distribution System Support Services (Distributed Renewable Integration and Vehicle Electrification (DRIVE) Act)*. HB-1256 will require electric utility companies to propose time-of-use tariffs for residential customers to the Public Service Commission on an “Opt-In” basis.

**Potomac Edison / FirstEnergy requests a Favorable, with Amendments report on HB-1256.**

Potomac Edison supports the intent of HB-1256. Requirements to institute Time-of-Use rates for residential customers, however, presents a major challenge for Potomac Edison given our current infrastructure. As the only major utility in the state that does not have Advanced Metering Infrastructure (AMI), it will be difficult for us to meet the requirements of this bill given the time and cost restraints as currently drafted.

The amendments proposed below would enable Potomac Edison to comply with the legislation in the most expeditious and cost-effective manner:

First, the investment to install AMI is significant, and concurrent cost recovery is necessary for a project of this magnitude. Suggested wording for the amendment would be: “ELECTRIC COMPANIES SHALL BE AUTHORIZED TO IMPLEMENT ADVANCED METERING INFRASTRUCTURE TO ENABLE TIME OF USE PRICING AND TO CONCURRENTLY RECOVER THEIR COSTS, INCLUDING A RETURN ON CAPITAL INVESTMENTS, OPERATION AND MAINTENANCE EXPENSES, DEPRECIATION EXPENSE, AND TAX EXPENSES DIRECTLY ATTRIBUTABLE TO THE ADVANCED METERING INFRASTRUCTURE INVESTMENTS.”

Second, additional time is needed by utilities that currently do not have AMI installed in their service territory. Suggested wording for the amendment would be: “THE COMMISSION SHALL GRANT A WAIVER SUBMITTED BY ANY ELECTRIC COMPANY THAT DOES NOT HAVE ADVANCED METERING INFRASTRUCTURE. SAID COMPANY MUST PREPARE A PLAN TO PARTICIPATE IN THIS PROGRAM WITHIN 5 YEARS.”

With amendments, Potomac Edison fully supports HB-1256. We have already established an AMI team to study and develop a long-term AMI technology roadmap. This group will research AMI capabilities, and assess deployment of next-generation meters across our service territories. Potomac Edison wants customers to be able to utilize innovative technologies that can help them save money, and use energy more efficiently.

**For the above reasons, Potomac Edison / FirstEnergy respectfully request a Favorable with amendments report on HB-1256.**