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**SUPPORT – Senate Bill 0474**

**HB 0579 – Certificate of Public Convenience and Necessity and Related Approvals - Definition of Generating Station (Critical Infrastructure Streamlining Act of 2024)**

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

**Thursday, February 22, 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**

Potomac Edison / FirstEnergy supports Senate Bill 0474 – *Certificate of Public Convenience and Necessity and Related Approvals - Definition of Generating Station (Critical Infrastructure Streamlining Act of 2024)*. SB-474 alters the definition of "generating station" for the purpose of exempting the construction of emergency backup generators from the requirement to obtain a certificate of public convenience and necessity.

**Potomac Edison / FirstEnergy requests a Favorable report on HB 0474 for the following reasons:**

The attraction of jobs and investment into Potomac Edison's service territory has always been an important part of our company's mission. When customers find gainful employment, it offers them the ability to purchase things, pay their utility bills, pay their taxes, and help improve their local communities. We believe SB-474 is a pro-economic development piece of legislation that will help in attracting good paying jobs and capital investment into the State of Maryland.

Critical infrastructure, including backup diesel generators, are necessary for large energy intensive projects to be successful. When there are power disturbances or outages on the utility's electrical system, critical industries like hospitals, military installations, datacenters, and manufacturing operations rely on backup power generation to keep their facilities running. In the United States, there are currently no practical alternatives to using backup diesel generators for critical reliability, which is why this legislation is so important.

SB-474 helps distinguish significant differences between private backup diesel generators, which are not connected to the utility grid, and public utility "generating stations", which are. We agree with the bills intent to exempt backup diesel generators from the requirement to obtain a certificate of public convenience and necessity. A set of diesel generators that are not directly connected to the utility's lines, and are only used for backup purposes, should not be considered a "generating station."

Potomac Edison / FirstEnergy strongly supports the Governor's Critical Infrastructure bill, as passage of this legislation will help attract jobs and investment into our service territory. By simplifying the regulatory process, this bill promotes Maryland's regional competitiveness, and ensures that the technology industry can, and will, locate in the state.

**For the above reasons, Potomac Edison / FirstEnergy respectfully request a Favorable vote on SB-474.**