

FAVORABLE WITH AMENDMENTS
Education, Energy and Environment
2/28/2025

Senate Bill 909/House Bill 1037 - Energy Resource Adequacy and Planning Act

Baltimore Gas and Electric Company (BGE) supports Senate Bill 909/House Bill 1037 - Energy Resource Adequacy and Planning Act with amendments. This legislation proposes the creation of the Integrated Resource Planning Office (IRP) within the Public Service Commission (PSC). The IRP's main role is to develop a 25-year energy forecast, addressing the State's climate goals while ensuring grid reliability and cost-effectiveness. The bill mandates the PSC, in consultation with the IRP, to adopt regulations by December 1, 2025, requiring electric companies to submit integrated resource plans by July 1, 2026.

BGE advocates for transparent energy planning that aligns with State policy objectives. However, the bill's requirement for utilities to submit an integrated resource plan may assign responsibilities to utilities for factors that are outside of utility control. For example, the IRP requirement assigns responsibility for maintaining resource adequacy to utilities. However, utilities are not empowered to build, sustain, nor manage the timeline for retirement of generating facilities in the state. These and other factors make it nearly impossible for an electric company to effectively develop an integrated energy resource plan, as described in the bill. That said, BGE agrees that the planning functions required under the bill are critical and utilities have a role to play. Accordingly, we would support amendments to define an electric company's IRP responsibilities in alignment with the company's span of control.

Senate Bill 909/House Bill 1037 states that the IRP Director will be appointed by the Governor with the State's advice and consent. While BGE supports the policy, we are concerned about changes to the established roles of utilities, PJM, and regulators. The new office may alter the utility's role in energy planning, affecting system reliability, customer experience, and cost of proposed solutions. With the longstanding role of utilities and other stakeholders changing, there should be guardrails in place to ensure that the Director has significant utility industry and technical experience to make informed decisions, ensuring sound engineering decisions are made progress is not delayed.

The bill requires the PSC and IRP to adopt regulations by December 1, 2025, and for utilities to submit plans by July 1, 2026. Given the diverse requirements across states, BGE suggests

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

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Position Statement

extending the timeline to ensure the IRP Office is fully staffed and prepared. This extension will allow for better resource allocation and give utilities time to develop comprehensive plans that consider the unique needs of Maryland's electric companies. It will also allow the Commission adequate time to navigate the State's procurement process for the required consultants.

BGE will continue collaborating with the bill sponsor to enact a policy that advances state energy planning and addresses the stated concerns. With those amendments, BGE will support this legislation and respectfully request a favorable committee report.

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