



February 21, 2025

112 West Street  
Annapolis, MD 21401

**Opposition— House Bill 1219 - Maryland Co-Location Energy Innovation and Reliability Act**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) submit this letter of opposition on **House Bill 1219 -Maryland Co-Location Energy Innovation and Reliability Act**. House Bill 1219 requires the Public Service Commission to adopt regulations related to the construction of a generating station that is co-located with a data center but is not interconnected with the electric transmission system or electric distribution system.

Maryland is currently facing critical challenges in maintaining resource adequacy. Given the limited local generation within Maryland and the pending retirements of dispatchable generation, our state is heavily reliant on energy imports from the PJM Interconnection. The loss of existing generation resources, without adequate replacement, could create severe supply shortages resulting in higher costs for Maryland customers.

HB 1219 exacerbates these challenges by permitting the construction of generating stations that are co-located with data centers but are not interconnected with the electric transmission or distribution system. Additionally, by excluding these generating stations from participating in Maryland's broader energy system, House Bill 1219 undermines the efficiency of the existing grid and may lead to localized reliability concerns.

House Bill 1219 would allow data centers to operate independent generating stations without connecting to the broader electric grid, thereby avoiding essential costs such as state-mandated distribution fees and Renewable Energy Portfolio Standard obligations. This exemption creates an unfair cost shift, forcing residential and business customers to shoulder a disproportionate share of infrastructure and energy transition expenses. At a time when Maryland is already grappling with resource adequacy and affordability challenges, HB 1219 would exacerbate strain on the grid by allowing large energy consumers to bypass their fair share of system costs, further increasing electricity prices and undermining the reliability of the state's energy network.

Pepco and Delmarva Power strongly urge the Committee to oppose HB 1219 due to its negative implications for Maryland's resource adequacy, system reliability, and affordability.

**Valencia McClure | Anne Klase | Allyson Black-Woodson | Poetri Deal | 410 980 5347**

Exelon (Nasdaq: EXC) is a Fortune 200 company and the nation's largest utility company, serving more than 10.5 million customers through six fully regulated transmission and distribution utilities — Atlantic City Electric, BGE, ComEd, Delmarva Power, PECO, and Pepco. Exelon's 20,000 employees dedicate their time and expertise to supporting our communities through reliable, affordable and efficient energy delivery, workforce development, equity, economic development and volunteerism.