



February 21, 2025

112 West Street  
Annapolis, MD 21401

**Support with Amendments – House Bill 1217- Natural Gas Generating Facilities – Authorization**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support with amendments **House Bill 1217- Natural Gas Generating Facilities – Authorization**. House Bill 1217 authorizes the construction, permitting, and operation of natural gas generating facilities in the State until the State meets 50% of its energy needs from renewable energy resources. Additionally, it requires Maryland Energy Administration to work with the owners and operators of natural gas generating facilities in the State to decrease the production of energy from natural gas after the State meets 50% of its energy needs from renewable energy resources.

Resource adequacy is a pressing issue nation-wide and is of particular concern in Maryland. Given the limited local generation in Maryland and pending retirements of the dispatchable generation in the state, Maryland is dependent on generation imports to achieve its electric supply. Achieving resource adequacy requires a holistic view of solutions, including solutions from Maryland, PJM, and Maryland utilities. More resources are needed as soon as possible—power plants (renewable and natural gas), energy storage, and demand-side capabilities.

If the Committee elects to vote this bill out of Committee, Pepco and Delmarva Power recommend adding amendments that authorize utilities to recover in rates the prudently incurred costs for acquiring, constructing, owning, and operating regulated generation and language that establishes a process to protect utility customers from the rate impacts of project terms that harm the electric company's credit metrics.

Pepco and Delmarva Power are ready to partner with stakeholders to advance solutions that provide reliability electricity supply, address affordability, and advance jurisdictional climate goals.

Pepco Holdings, the parent company of Pepco, an electric utility serving Washington, D.C., and suburban Maryland; Delmarva Power, an electric and gas utility serving Delaware and portions of the Delmarva Peninsula; and Atlantic City Electric, an electric utility serving southern New Jersey. Anthony and his team are responsible for guiding the company's delivery of reliable and excellent service to more than two million customers in the Mid-Atlantic. Pepco Holdings is a subsidiary of Exelon Corporation, one of the nation's leading energy services companies.

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