

February 28, 2025

112 West Street  
Annapolis, MD 21401

**Support with Amendments – Senate Bill 909/House Bill 1037 – Energy Resource Adequacy and Planning Act**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support with amendments **Senate Bill 909/House Bill 1037 – Energy Resource Adequacy and Planning Act**. The bill establishes the Integrated Resource Planning Office (IRP) in the Public Service Commission (Commission). It requires the IRP to develop a 25-year Comprehensive Energy Forecast to analyze energy scenarios and policy options to address the state’s climate goals and ensure grid reliability and cost-effectiveness. It also requires the Office, in consultation with the Commission and the Maryland Energy Administration, to complete energy modeling, and requires the Commission to adopt regulations requiring each electric company to develop an integrated resource plan.

Pepco and Delmarva Power support the intent of the legislation to establish structure to the state’s energy planning efforts in a manner that carefully considers the state’s energy goals and needs. The legislation requires each utility to submit to the Commission an integrated resource plan. The IRP requirements as outlined in the bill fall outside of the utility’s existing control or ability to achieve as utilities do not own or operate generating facilities. To meet the bill’s directive for utility IRP plan development, the objectives must be clearly defined in a manner that ensures the responsibilities assigned are within the utility’s scope and can be feasibly executed.

Additionally, Pepco and Delmarva Power are concerned with the aggressive timeline proposed in the legislation. The bill requires the Commission, in consultation with the IRP, to adopt regulations by December 1, 2025, and for utilities to submit plans by July 1, 2026. The bill outlines numerous detailed considerations and actions that must be incorporated into the IRP process prior to regulation adoption and IRP plan submission. Pepco and Delmarva Power recommend extending the timeline to provide utilities the necessary time to develop thorough plans that consider all critical system planning needs and to ensure the IRP is sufficiently prepared to execute on the directive of the legislation.

The bill’s proposal to create the IRP and the appointment of a Director of the Office to oversee the development of a 25-year Comprehensive Energy Forecast, as well as numerous detailed system considerations, would result in substantial changes to the state’s existing structure. The state has an existing Distribution System Planning process that has proven to be transparent, inclusive, and considerate of Maryland state policy goals. When considering this proposal, Pepco and Delmarva Power encourages the Legislature to ensure that the transparency, collaboration and progress achieved in the existing process is not compromised. Utilities have an important role in energy planning, which is critical to ensuring system reliability. The proposed changes must be thoughtfully developed due to the important nature of the work and significant impact on Maryland’s energy future. Pepco and Delmarva Power encourage the Legislature to consider amending the legislation to make clear that the appointed Director of the Office has proven substantial utility industry and energy planning experience and technical expertise.

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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Pepco and Delmarva Power support the bill with the suggested amendments above and are committed to collaborating with the bill sponsors to advance legislation designed to appropriately resolve the state's resource adequacy challenges.

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