

February 21, 2025

112 West Street  
Annapolis, MD 21401

**Oppose— House Bill 1225 – Public Utilities – Electric Distribution System Plans – Establishment (Affordable Grid Act)**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) respectfully oppose **House/Senate Bill Public Utilities – Electric Distribution System Plans – Establishment (Affordable Grid Act)**. House Bill 1225 requires the Public Service Commission (Commission) to adopt regulations or issue orders on or before December 31, 2025, that require electric companies to, every three years, develop an electric system distribution plan to be approved by the Commission and provide the Commission with annual progress reports. It also requires the Commission to adopt regulations or issue orders adopting metrics to monitor and assess electric distribution system plans.

Pepco and Delmarva Power oppose this legislation as it is duplicative to the existing thoughtful and inclusive distribution planning process currently active under the direction of the Commission. The Commission's Distribution System Planning (DSP) Work Group is charged with development of the state's DSP process for Maryland electric utilities. The Work Group process has proven to be transparent, inclusive, and considerate of Maryland state policy goals. Since June 2021, it has effectively brought together diverse stakeholders to work collaboratively to address distribution system planning topics such as distributed energy resources/electric vehicle integration, equitable access to clean energy, decarbonization, consideration of non-wires alternatives, demand response, and resiliency, among other topics.

In December 2024, the Work Group filed its latest report with the Commission describing the status of its efforts regarding development of the state's DSP process. On January 21, the Commission issued Order No. 91490, ruling on the remaining recommendations from the DSP Work Group and directed the Work Group to develop draft regulations by May 1, 2025. The Work Group is now actively working towards that May 1 date.

This legislation is not necessary as the current DSP Work Group process allows for diverse perspectives to come to the table and work collaboratively to ensure the state's distribution system planning is done responsibly and thoughtfully. Additionally, House Bill 1225 is overly prescriptive in ways that would potentially impose transition costs on ratepayers and limit utilities needed decision-making flexibility to maintain system reliability.

If enacted, House Bill 1225 would derail the inclusive process that has been underway since 2021. Furthermore, it would hamper the Commission and utilities' ability to respond to emerging concerns, opportunities, and technologies in the DSP process.

For these reasons, we respectfully request an unfavorable report for House Bill 1225.

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.

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