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Letter of Information - House Bill 1036
Public Utilities - Generating Stations - Generation and Siting (Renewable Energy Certainty Act)
Economic Matters Committee
Friday, February 28, 2025

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 285,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, New York, West Virginia, and Maryland.

Thank you for the opportunity to provide this Letter of Information on HB1036. Potomac Edison / FirstEnergy appreciates the bill's intent to enhance Maryland's renewable energy landscape and support community solar initiatives. However, we believe that a few targeted amendments are necessary to ensure its smooth implementation.

Recommended Amendments:

1. Adjusting the Implementation Timeline related to Utility Consolidated Billing
 - This bill is proposed to take effect before Maryland's Utility Consolidated Billing system is operational. Given the complexity of integrating these new processes, this will create significant implementation challenges.
 - **Potomac Edison / FirstEnergy recommends pushing the effective date to April 2026.**
 - This mirrors New Jersey's approach of allowing a transition period of 4 months between Utility Consolidated Billing and Auto-Enrollment. This phased approach will provide utilities, solar organizations, and stakeholders the necessary time to align systems, reducing administrative burdens and potential disruptions.
2. Refining the Community Solar Credit Banking Process (Page 16, Lines 10-21)
 - The provision allowing community solar organizations to bank credits for one year before allocating to one or more subscribers presents operational challenges. If allocation does not occur, then banked credits will be purchased by the utility under the existing process of purchasing output from qualified facilities.
 - Again, learning from New Jersey's approach, **Potomac Edison / FirstEnergy recommends:**
 - **Allow banking in the first 12 months and then freezing the bank at month twelve.**
 - **Cashing out any excess generation in months 13+.**
 - **Process the cashing out of any remaining bank at the end of month twenty-four.**
 - This would ensure flexibility while maintaining a predictable structure for credit allocation.

3. Clarification of Utility Interaction with Subscriber Organizations (Page 16, Lines 28-30)
- **Potomac Edison / FirstEnergy recommends the bill explicitly state that utilities are required to only work with one Subscriber Organization (SO) per project to avoid administrative confusion.**
 - Without this clarification, multiple entities could attempt to solicit customer enrollment or unenrollment, creating conflicts, potential oversubscription issues (exceeding 100% capacity), and inconsistent customer status updates. Ensuring a single point of interaction per project will enhance efficiency and reduce operational risks for all involved.

HB1036 presents a strong framework for advancing Maryland's clean energy goals, but careful refinements are needed to align implementation with utility systems, ensure operational efficiency, and optimize credit banking processes. By adopting these amendments, Potomac Edison / FirstEnergy believes this legislation will be better positioned to support Maryland's renewable energy transition without undue administrative burdens.