

**OPPOSE – House Bill 1225**

**HB1225 – *Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act)***

**Economic Matters Committee**

**Friday, February 21, 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.

**Unfavorable**

Potomac Edison / FirstEnergy appreciates the opportunity to submit this letter in opposition to House Bill 1225 - *Public Utilities - Electric Distribution System Plans - Establishment (Affordable Grid Act)*. While the company appreciates efforts to enhance electric grid planning and infrastructure development, we have several concerns regarding the bill's scope, feasibility, and potential impacts.

**Potomac Edison / FirstEnergy requests an Unfavorable report on HB-1225 for the following reasons.**

This legislation could disrupt the collaborative process of the Public Service Commissions (PSC) existing Distribution System Planning (DSP) Work Group. This group has been meeting for over a year, working on what is already in statute, as a result of the Climate Solutions Now Act of 2022. The DSP Work Group has been a collaborative effort between diverse stakeholders and is already making substantial progress towards ideas in this bill.

The complexity and volume of data required by HB-1225 would place a significant burden on utilities, without clear benefits. To be in full compliance, the reporting requirement to produce an Electric Distribution System (EDS) Plan every three years, would take nearly three years per cycle to complete -- meaning this becomes a continuous report. The bill's mandate for a circuit-by-circuit review of reserve capacity to develop capacity maps is another area of concern. This requirement is extremely difficult to implement, as hosting capacity analysis varies significantly by circuit, making the process overly complex and resource intensive.

In addition to the EDS Plan, there are separate annual performance updates we believe to be exceedingly burdensome and duplicative of existing work to be done by the PSC and the DSP Work Group. Factoring in the heavy lift of the engineering and forecasting provisions required, the internal labor costs of compliance would be significant, and explicit cost recovery language would be necessary. We assume additional labor costs would also need to be budgeted for the PSC to manage all this additional work.

Information security is also a concern for Potomac Edison / FirstEnergy, as this legislation requires detailed geographic information mapping of electric and gas infrastructure. Providing such data poses a security risk to critical infrastructure and increases vulnerabilities to potential threats. The information-sharing framework outlined in the bill does not include provisions for public access, raising concerns about the intended use and distribution of such data. This type of risk related to critical infrastructure is unacceptable.

We strongly oppose the requirement to include gas utility information in our electric system distribution plans. Relying on a competing industry's cooperation to comply with regulatory reporting requirements is problematic – and having the gas utility involved in our planning processes would likely yield minimal understanding or cooperation.

**Given these significant concerns, we respectfully request an Unfavorable report on House Bill 1225.** The legislation is overly prescriptive in ways that could impose unnecessary transition costs on ratepayers, while limiting the flexibility utilities require to make decisions to maintain system reliability. Potomac Edison / FirstEnergy looks forward to the General Assembly allowing the collaborative DSP Work Group to complete their work, and then propose further actions in the 2026 legislative session if necessary.