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112 West Street
Annapolis, MD 21401

Support – House Bill 1417 – Department of General Services – Clean Energy Procurement Program – Establishment

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support **House Bill 1417 – Department of General Services – Clean Energy Procurement Program – Establishment**. This bill requires the Department of General Services (Department), in consultation with the Maryland Green Purchasing Committee, the University System of Maryland, and the Maryland Clean Energy Center, to establish a Clean Energy Procurement Program in the Department on or before January 1, 2026. The program's purpose is to procure biogas for use as a fuel in the state's transportation and building sectors to evaluate environmental and economic benefits and cost of replacing natural gas with biogas on a short-term and long-term basis. The bill authorizes the Department to enter into a contract to procure biogas.

While the state continues to pursue its clean energy goals, it is also facing significant resource adequacy concerns, due, in part, to the retirement of dispatchable generation facilities without sufficient dispatchable energy replacement, as well as growing energy demand. Innovative and thoughtful approaches must be considered as the state works to identify viable solutions to address its resource adequacy needs. This bill presents an opportunity to evaluate the viability of biogas as an alternative fuel source to natural gas and its potential to provide critical continued in-state energy generation, while prioritizing the state's net-zero greenhouse gas emissions reduction goals.

Through the procurement of biogas, the bill directs the Department to evaluate the environmental and economic benefits of utilizing biogas as a replacement of natural gas in the state's transportation and building sectors. Pepco and Delmarva Power believe this is a responsible approach to help address the varied energy needs of the state in a manner that considers both the immediate and long-term needs, as well as maintaining the useful life of an asset. Maintaining resource adequacy is fundamental to maintaining a reliable and resilient energy grid, protecting public safety, and supporting continued economic growth. Pepco and Delmarva Power support the advancement of viable solutions that provide reliable energy supply, address affordability, and advance jurisdictional climate goals.

For these reasons, Pepco and Delmarva Power respectfully request a favorable report on House Bill 1417.

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. Pepco Holdings is a subsidiary of Exelon Corporation, one of the nation's leading energy services companies.

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