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112 West Street
Annapolis, MD 21401

Letter of Information – Senate Bill 37: Electric Companies - Regional Transmission Organizations - Report (Utility Transparency and Accountability Act)

Exelon and its utility delivery companies, Baltimore Gas and Electric (BGE), Potomac Electric Power Company (Pepco), and Delmarva Power & Light Company (Delmarva Power) submit this letter of information on **Senate Bill 37- Limitations on Cost Recovery by Public Service Companies and Reports on Votes Cast at Meetings of Regional Transmission Organizations (Utility Transparency and Accountability Act)**. Senate Bill 37 requires each electric company in Maryland to submit an annual report to the Maryland Public Service Commission (PSC) of each vote cast at a meeting of a regional transmission organization (RTO) and all votes cast by an affiliate of the electric company. The report would include all votes cast by the public service company, regardless of whether the vote is non-decisional and has no binding effect on the activities of the RTO.

Exelon is committed to transparency, collaboration, and accountability. We consistently demonstrate these values while delivering reliable energy services to our customers. Exelon is a member of PJM, the regional transmission organization, formed at the approval of the Federal Energy Regulatory Commission. PJM coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. The purpose of an RTO is to promote economic efficiency, regional energy grid reliability, and non-discriminatory wholesale energy markets. PJM holds over 400 stakeholder meetings annually. These meetings are open to the public and are accessible both in person (for those meetings with an in-person option) and virtually. PJM regular meetings with stakeholders are integral to developing and refining PJM's rules, policies, and processes. Additionally, many different subcommittees and groups that are part of PJM's governance structure help administer an open grid and transparent market hold hundreds of meetings throughout the year. In the lower-level PJM committees and groups, which are open for public observation and participation, individual company votes are not formally recorded because they are merely indicative and non-decisional.

Requiring a utility to submit information to the PSC on every vote taken at PJM's lower-level committee meetings, subcommittees and task forces will be an administrative burden and costly. Exelon is willing to submit an annual report to the Commission of recorded votes cast by the Company in the spirit of transparency; however, there are concerns that Senate Bill 37 directly conflicts with the FERC jurisdictional PJM rules and code of conduct regarding the stakeholder process.

Further, the legislation requires disclosure of BGE, Pepco, and Delmarva Power's affiliate votes, even votes that are outside of Maryland. This could potentially exceed the PSC's regulatory authority and create conflicts with laws in other states where our affiliates operate. The Committee may want to consider language that limits the specificity of affiliate votes to only those affiliates conducting business in Maryland.

Exelon looks forward to continuing conversations with the bill sponsor and all stakeholders involved and hope this information is helpful to the Committee

Exelon (Nasdaq: EXC) is a Fortune 200 company and the nation's largest utility company, serving more than 10.5 million customers through six fully regulated transmission and distribution utilities — Atlantic City Electric, BGE, ComEd, Delmarva Power, PECO, and Pepco. Exelon's 20,000 employees dedicate their time and expertise to supporting our communities through reliable, affordable and efficient energy delivery, workforce development, equity, economic development and volunteerism.