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112 West Street
Annapolis, MD 21401

Support with Amendments – Senate Bill 951 – Investor-Owned Electric Companies – Generating and Transmission Facilities

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support with amendments **Senate Bill 951 – Investor-Owned Electric Companies – Generating and Transmission Facilities**. Senate Bill 951 authorizes investor-owned electric companies in the state to construct, acquire or lease, and operate their own generating facilities and construct, acquire or lease and operate transmission facilities necessary to interconnect the generating facilities with the electric system.

Resource adequacy is a pressing issue nationwide and is of particular concern in Maryland. Given the limited local generation and pending retirements of dispatchable generation in the state, Maryland is dependent on generation imports to achieve its electric supply. Achieving resource adequacy requires a holistic view of solutions, including contributions from Maryland, PJM Interconnection, and Maryland utilities. More resources are needed as soon as possible—power plants (nuclear, natural gas and other fuels), energy storage, and demand-side capabilities.

Maintaining a reliable electricity supply is a significant concern in Maryland. The state currently relies heavily on 40% imported power. The recent PJM Interconnection capacity auction highlighted these challenges, clearing at historically high prices and indicating a shortfall in resources to meet grid demands. Additionally, the planned retirements of the Brandon Shores and H.G. Wagner power plants will further strain Maryland's energy capacity. With these retirements, the State will lose a significant portion of its dispatchable generation, exacerbating its resource adequacy challenges and increasing reliance on imported electricity. This highlights the urgent need to bolster local generation resources to maintain grid reliability.

Pepco and Delmarva Power recommend adding amendments that authorize utilities to recover in rates the prudently incurred costs for acquiring, constructing, owning, and operating regulated generation and language that establishes a process to protect utility customers from the rate impacts of project terms that harm the electric company's credit metrics.

Pepco and Delmarva Power support with amendments Senate Bill 951 and are committed to collaborating with stakeholders to develop strategies that address resource adequacy challenges, maintain affordability, and align with the state's climate objectives.

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.

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