

February 17, 2026

Support – House Bill 674 - Public Service Commission - Full Costs and Benefits Analysis of Sources of Electricity Generation

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support **House Bill 674 - Public Utilities - Alternatives to Construction of New Transmission Lines**. The bill requires the Public Service Commission (PSC) to conduct an analysis of the full costs and benefits of sources of electricity generation in the State. It also requires the Commission to include recommended policy changes to support the development of energy sources with the lowest costs and greatest benefits to the ratepayers of the State and report its findings and recommendations to certain committees of the General Assembly by December 1, 2027.

Pepco and Delmarva Power support the intent of the bill, to better understand cost and benefit projections of various sources of electricity generation, given that resource adequacy is a pressing issue nation-wide and is of particular concern in Maryland. With limited in-state generation and pending retirements of dispatchable resources, Maryland relies heavily on energy imports to meet demand. The North American Electric Reliability Corporation (NERC) forecasts show electricity peak demand and energy growth between 2024 and 2033 at the highest levels in a decade. PJM is already seeing significant demand growth due to electrification and energy-intensive data centers. To maintain reliability, new dispatchable generation, storage, energy efficiency, demand response, and hybrid solutions using clean fuels are essential.

Pepco and Delmarva Power believe the PSC is the appropriate state agency to lead the analysis effort and to provide recommendations to the General Assembly on the most cost-effective and most beneficial option(s) of electricity generation. The PSC has already created a Maryland Unified Benefit-Cost Analysis (UBCA) work group that was tasked with addressing the cost-effectiveness of all Distributed Energy Resources (DERs). It would be beneficial to incorporate analysis/feedback from this work group into the requirements set forth by the legislation.

Given the amount of energy legislation coming before the General Assembly, Pepco and Delmarva Power recommend a favorable report on House Bill 674 to ensure legislators have the information and resources required to make informed decisions on the future of energy generation in the state of Maryland.

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.