
FAVORABLE WITH AMENDMENTS – House Bill 1561

HB1561– Electricity Generation and Storage – Investor-Owned Electric Companies and Front-of-the-Meter Storage (Affordable Energy Act)

**Environment and Transportation Committee
Tuesday, March 10, 2026**

Potomac Edison serves approximately 293,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington) and is dedicated to safety, reliability, and operational excellence.

Favorable with Amendments

Potomac Edison appreciates and supports the General Assembly’s taking steps to address resource adequacy. We believe that Marylanders benefit when additional generation is developed, however, cost allocation is an important factor. We believe that costs associated with this development should only be recovered from customers of the investor-owned utility making the investment and should not be allocated to customers of other utilities.

We believe it is the intent of this legislation to reflect that reality, but we respectfully propose the following addition to clarify that concept.

A) SUBJECT TO SUBSECTION (B) AND (C) OF THIS SECTION, AN INVESTOR-OWNED ELECTRIC COMPANY REQUIRED OR AUTHORIZED TO CONSTRUCT, ACQUIRE, OWN, OR LEASE AND OPERATE ENERGY STORAGE DEVICES OR ITS OWN GENERATING FACILITIES UNDER § 7-510 OF THIS TITLE MAY RECOVER ALL OF THE PRUDENTLY INCURRED OR EXPECTED TO BE INCURRED COSTS PURSUANT TO AN APPROVED RESOURCE ADEQUACY PLAN INCURRED BY THE INVESTOR-OWNED ELECTRIC COMPANY IN CONSTRUCTING, ACQUIRING, OWNING, OR LEASING AND OPERATING THE ENERGY STORAGE DEVICES OR GENERATING FACILITIES PLUS A REASONABLE RETURN. **ANY COST RECOVERY AUTHORIZED UNDER THIS SUBSECTION SHALL BE COLLECTED SOLELY FROM THE CUSTOMERS OF THAT INVESTOR-OWNED ELECTRIC COMPANY, AND MAY NOT BE ASSESSED AGAINST, OR RECOVERED FROM, THE CUSTOMERS OR RATEPAYERS OF ANY OTHER INVESTOR-OWNED ELECTRIC COMPANY IN THE STATE.**

BGE and Pepco Holdings support this proposed change that further clarifies cost allocation, and with this change we offer our contingent support for this legislation.

Potomac Edison respectfully requests a Favorable with Amendments report on HB-1561.