

**RE: Formal Comments of Potomac Electric Power Company  
Bill 13-22 Buildings – Comprehensive Building Decarbonization**

On behalf of Potomac Electric Power Company (“Pepco” or “Company”), thank you for the opportunity to provide formal comments on Bill 13-22, entitled, Buildings – Comprehensive Building Decarbonization. As introduced, the legislation would require the county to issue all-electric building standards for new construction, major renovations and additions by January 1, 2024. We, respectfully, submit our comments and look forward to ongoing engagement as the county considers this legislation.

Pepco is supportive of efforts being undertaken to decarbonize Maryland and the counties we are privileged to serve. While Bill 13-22 advances the county’s decarbonization efforts, we recommend that the legislation is considerate of the recently approved Senate Bill 528 - The Climate Solutions Now Act which was passed by the Maryland General Assembly in 2022. This Act, establishes a framework for studying the state’s decarbonization goals and development of a transition plan that involves engagement by a diverse set of stakeholders, including the utilities. The new law establishes a goal to reduce economy-wide greenhouse gas emissions by 60% from 2006 levels by 2031 and achieve net-zero by 2045. Another specific provision of the law requires the Commission to complete a general system planning study by September 2023. The study will assess the capacity of the larger electric company distribution systems under a managed transition to a highly electrified building sector. We believe that the evaluation of the results of the Commission’s study (due in September 2023) will allow the county and Pepco, as the electric distribution company, the opportunity to incorporate the results of the study into the county’s proposal and will help inform investments and upgrades required by Pepco to ensure a more reliable, resilient, secure and smart system to facilitate increased electrification and other decarbonization pathways for our valued customers. Accordingly, we, respectfully, oppose the legislation, based on the timeline that is set forth, which does not provide an opportunity for a study to be conducted to help inform the goals and outcomes of the proposed legislation.

Please know that Pepco supports Montgomery County’s leadership in addressing climate change, with a strategic focus on resiliency, as outlined in the Montgomery County Climate Action Plan (“MCCAP”). Our Company provided comments on the MCCAP, which are attached, and we look forward to being an active partner in helping the county reduce greenhouse gas (“GHG”) emissions. To achieve a decarbonized future, this will require further analysis regarding infrastructure investments as well as technology upgrades to advance a clean energy future. With an increase in significant weather events, as a result of climate change, our investments must be able to support a more resilient grid that can withstand the worst impacts of climate change on the operations of the electric distribution system and our customers. As the electric utility that serves the majority of Montgomery County, Pepco recognizes that we have a unique and important role in helping to make this transition to a more decarbonized future, equitable and affordable, through

our platform – the electric grid. Every day, we are working to make the grid smarter, stronger and cleaner, with affordability being foundational.

As part of the Exelon family of companies, in 2021, we announced a new goal targeting a reduction in GHG emissions of at least 50% below 2015 levels by 2030, and net zero emissions by 2050. At Pepco, we are working to align our operations, grid investments, and customer product offerings and services with Maryland’s climate change and clean energy goals. This means, reducing our own GHG emissions from operations on a trajectory that meets or exceeds the state’s reductions goals and working to inform and advocate for policies and processes that enable further decarbonization, in alignment with the goals set forth by the jurisdictions in which we take great privilege in serving. Additionally, we strive to support our customers and the larger community by providing the tools, programs and resources needed to enable the transition to a more equitable and inclusive clean energy future and enhanced resilience. In order to drive down GHG emissions to the level necessary to avoid the worst impacts of climate change, actions must be taken to decarbonize all sectors of the economy, while advancing efficiency, resilience, reliability, security, equity, inclusion, affordability and innovation.

Pepco has been a long-term supporter of helping our customers reduce their energy usage and consumption. For decades we have been implementing energy efficiency programs to support our customers. With the passage of the EmPOWER Maryland Energy Efficiency Act of 2008, Pepco has advanced additional programs that are saving our customers money, reducing their energy usage and greenhouse gas emission levels. This act authorizes and establishes the framework that allows Pepco to offer energy efficiency programs that provide cost-effective, long-term benefits, including reduced energy consumption and costs; smart investments in customer facing tools; job creation and contracting opportunities for local and diverse businesses; and enhancements to the local environment. Most recently, Pepco has worked with other stakeholders to recommend these programs adopt a greenhouse gas emission abatement target. EmPOWER MD programs are designed to deliver 2% energy savings to customers, annually. Pepco currently offers a robust portfolio of energy efficiency programs, including lighting and appliance rebates for homeowners, the Home Performance Program with ENERGY STAR (e.g., home energy assessments and 50% rebates for energy improvements like insulation and air sealing), commercial lighting rebates, and energy efficiency services for industrial facilities. Pepco has successfully engaged public and private sector entities on small- and large-scale energy efficiency projects throughout Montgomery County. Since 2008, Pepco has assisted our residential and business customers save energy through the completion of over 9,814 energy efficiency projects. These projects have saved over 333,676 MWhs of energy which is the equivalent of taking 50,952 cars off the road each year.

Electrification of the transportation sector is another key strategy in driving large scale decarbonization efforts. Pepco is well-positioned to be a partner in supporting programs, policy development, and the build out of infrastructure for mass transit electrification and increased electric vehicle use in the county by 2035 through its EVSmart program, which was approved by the MDPSC in 2019. Currently, Pepco has over 95 charging stations in the construction pipeline or deployed across the county. As the county seeks to electrify public transit buses, school buses and county fleet vehicles, this increases the need for a clean and resilient grid. In 2020, the Maryland Public Service Commission (“Commission”) issued an order approving six energy storage pilot projects in Maryland. One of the approved projects is a third-party owned and

operated battery storage system at the Montgomery County bus depot in Silver Spring. The Brookville Bus Depot is used to maintain, service, and house more than 200 county Ride-On buses. The Pepco battery storage pilot project, at this location, will support the charging of buses served by this site. This battery storage facility also represents the implementation of a “non-wires alternative” to defer the construction of an additional feeder to support charging facilities at this location. This battery storage pilot program will provide learnings on the effectiveness of this technology when deployed at appropriate sites and integrated into the utility’s electricity delivery operations. Batteries will assist distribution utilities in more readily accommodating additional solar and other distributed energy resources at a lower cost, as well as building a level of resiliency for these charging facilities. This type of innovative approach will be needed as the county looks to decarbonize the building sector.

In closing, we believe that these steps and the framework and study established by the Climate Solutions Now Act provide a pathway for achieving the decarbonization goals of Montgomery County and Maryland. Thank you again for the opportunity to share our formal comments for your consideration, as you review the proposed legislation. Pepco is committed to continuing our work and partnering with the county and other key stakeholders to advance a decarbonized and resilient future for our customers, the county, and the state.