



Senate Energy & Transportation Committee

Remarks provided by Marcus Beal, Regional Vice President Delmarva Power
March 12, 2025

Good morning, Chairwoman Hansen and members of the Senate Energy & Transportation Committee. My name is Marcus Beal, Regional Vice President Delmarva Power and I appreciate the opportunity to speak to you today about Senate Bill 59.

Delmarva Power, a subsidiary of Exelon Corporation, delivers safe, reliable, and resilient transmission and distribution service to more than 340,000 electric customers in Delaware and nearly 140,000 natural gas customers in northern Delaware. Exelon is the nation's largest utility company, serving more than 10.7 million customers through six fully regulated transmission and distribution utilities in five states and the District of Columbia.

I'm here today to testify on Senate Bill 59, which proposes a prudence standard for Delaware's regulated utilities and revoking the business judgement rule successfully utilized in the state for nearly 100 years.

Utility costs and expenditures are highly regulated through a distribution rate review process managed by the Delaware Public Service Commission. All rate cases take place through a public and transparent legal proceeding where expenditure documentation and financial information are reviewed prior to determining if investments will be recovered.

Both the judgement and prudence rate case process are costly to administer. In 2024, Delmarva Power proposed an alternative form of rate recovery, a Performance-Based Plan that would reduce costs and the frequency of rate reviews for Delaware customers. This widely used model provides a more cost-effective alternative to SB59 and we would urge you to consider this alternative.

Delmarva Power, the Public Service Commission and the Public Advocate are uniquely qualified to determine the needs of the distribution system to ensure reliable energy service for Delaware. Senate Bill 59 is based on inaccurate information and is an overstep into the necessary and fair separation between the legislature and the Public Service Commission's jurisdiction.

Delmarva Power's nearly 1,400 employees work hard every day to ensure safe and reliable electric and natural gas service for our customers. This includes monitoring grid performance, making necessary upgrades and restoring service following storms, in often challenging and complicated conditions requiring highly skilled expertise. It is difficult to understand why our elected officials would seek to interfere in the day-to-day operations of the utility. We recognize your role creating energy policy, the PSC's role as a regulator and respectfully ask that you recognize our experts' role in knowing the grid and its constraints.

**PUBLIC COMMENT ON SB59 FOR SENATE ENVIRONMENT, ENERGY AND
TRANSPORTATION COMMITTEE**

March 12, 2025

By Mary Graham, Weldin Farms Homeowner

Dear Senators Hansen and Huxtable, and Members of the Committee:

For almost two years, I have battled with my electric utility (Delmarva) before the Public Service Commission (PSC) on behalf of my neighborhood in North Wilmington to get Delmarva to make demonstrably prudent improvements to its infrastructure. Delmarva clearly has little incentive in the current regulatory scheme to undertake improvements for existing customers, even where those improvements are relatively inexpensive and would overcome unreliable and unsafe conditions. I therefore support SB59 as giving the regulatory body a better tool to make sure that utilities like Delmarva undertake prudent infrastructure improvements while not spending money imprudently.

**HOW DELMARVA'S IMPRUDENT DECISION MAKING
ALLOWED FOR DAMAGING POWER SURGES**

Our Weldin Farms neighborhood of some 80 homes, served by Delmarva, suffered a mega power surge on March 14, 2023. The damage to our homes totaled well over \$100,000 and there was an evident risk of fire in some homes (e.g. smoking and flames from devices and outlets). Fortunately, no one was hurt. We also suffered significant disruptions to our lives from blown out furnaces, hot water heaters, solar panels, electric outlets, electric appliances and computers, electric floor heat, thermostats, etc. Other nearby neighborhoods also suffered considerable damage and disruption. Delmarva told homeowners, however, that it bore no responsibility whatsoever and, ignoring the fire risk and disruptions to our lives, told us to look to our homeowners' insurance.

Our State Senator, Sara McBride, stepped up and held a neighborhood Zoom meeting with Delmarva. Delmarva continued to wave off all responsibility, although Sen McBride took Delmarva on and vigorously disputed its positions.

We learned in this meeting that the reason for the mega surge was that our neighborhoods are served from a so-called overbuild configuration of power lines along Weldin and Talley Roads. "Overbuild" means that a super high power 34 kv line is strung on the same poles as a lower (underbuilt) 12 kv line that feeds into the neighborhoods. It doesn't take a rocket scientist to understand that, if a tree or branch falls on the upper power line and causes it to make electrical contact with the lower voltage line underneath, a mega surge is going to result to people's homes.

Long before March 2023, the electrical industry had known that there was a "simple solution" going a long way to mitigating damage from catastrophic power surges on an overbuild circuit. That solution is "substation class surge arresters" installed (in sufficient numbers) on the lower power line. These arresters are relatively inexpensive. (There is an additional mitigating solution some electric utilities take that is appropriate that I will not go into here called at-the-meter protection, as well as taking more aggressive steps with regard to trees.)