TESTIMONY OF THE PJM POWER PROVIDERS GROUP (P3)

IN OPPOSITION TO HOUSE BILL 470

BEFORE THE DELAWARE HOUSE NATURAL RESOURCES & ENERGY COMMITTEE

JUNE 10, 2026

The PJM Power Providers Group (P3)[1] submits this testimony in opposition to House Bill 470.

P3 is a non-profit organization dedicated to developing properly designed and well-functioning wholesale electricity markets in the PJM region. Our members own and operate diverse generation fleets across PJM, representing billions of dollars in private investment, in virtually all forms of generation. We write today to express our opposition to House Bill 470, which would permit regulated electric utilities to build, own, and operate generation assets—even if ostensibly limited only to energy storage systems.

While P3 fully supports the deployment of energy storage to support grid reliability and flexibility, allowing rate-regulated utilities to enter this space directly undermines the competitive market structure that has saved consumers billions of dollars and successfully shifted financial risk away from captive ratepayers.

1. The Pitfalls of Utility-Owned Generation and Storage

The core flaw of this legislation is that it allows utilities to build generation assets and recover 100% of their costs—plus a rate of return—directly from captive ratepayers through regulated rates. When a utility builds an asset, they bear virtually no financial risk. If a project runs over budget, experiences technical failures, or becomes economically obsolete before its useful life ends, ratepayers are stuck with the bill.

By contrast, competitive wholesale markets force private developers to bear 100% of the financial risk. If a private developer's battery facility fails or goes over budget, investors lose money—not families and businesses in Delaware.

[1] The views expressed in this testimony reflect the views of P3 as an organization, but not necessarily the views of any specific P3 member related to any specific issue. To learn more about P3: https://www.p3powergroup.com/.

Even if this bill attempts to limit utility ownership "just to storage," it is important to recognize that energy storage behaves as a generation asset when it discharges electricity back into the PJM wholesale market. Allowing utilities to own these assets creates several severe market distortions:

- **Crowding Out Private Capital:** Private developers cannot compete on a level playing field with an entity that has a captive ratepayer base and a regulated return on investment. Utility intrusion effectively freezes out competitive, private market investment.
- **Distorted Market Signals:** Utilities do not face the same economic discipline as competitive merchants. When a utility introduces ratepayer-subsidized assets into the PJM wholesale market, it artificially dampens price signals, making the market less attractive for other competitive resources that the grid desperately needs.
- **Lack of Innovation and Cost Efficiency:** Competitive developers are constantly innovating to reduce costs, optimize battery software, and maximize efficiency to survive in the market. Regulated utilities operating under a cost-of-service model face no such competitive incentives, leading to higher overall costs for consumers.

2. The Private Market is Already Responding to the Need for Storage

The most compelling argument against this legislation is that the state does not need utilities to build storage. The competitive market is already pouring tremendous resources into developing battery projects in the region.

According to data released by PJM Interconnection following the closure of its newly reformed, "first-ready, first-served" Cycle 1 interconnection process, developer interest in energy storage is unprecedented. PJM announced that 811 new generation projects applied to connect to the grid, representing 220 gigawatts (GW) of capacity.

Crucially, energy storage led all categories by a wide margin, accounting for 349 distinct projects representing 66.5 GW of nameplate capacity. (An additional 45 projects representing 8.9 GW were submitted as solar-storage hybrids).

Resource Type	Number of Projects	Nameplate Capacity (GW)
Battery Storage	**349**	**66.5 GW**
Natural Gas	157	105.8 GW
Solar	142	14.8 GW
Wind	65	4.7 GW
Solar-Storage Hybrids	45	8.9 GW
Nuclear / Other / Hydro	53	18.55 GW

Source: PJM Interconnection, Cycle 1 Reformed Interconnection Process Data (April 2026).

As PJM leadership noted, these numbers represent "significant interest from developers resulting from strong market signals." This massive influx of private capital proves that competitive wholesale market forces are working exactly as intended. The market has identified the need for quick-start flexibility and storage capacity, and private developers are moving aggressively to fill that need at their own financial risk.

Conclusion

Allowing rate-regulated utilities to build and own energy storage is a solution in search of a problem. It would intentionally introduce ratepayer risk, stifle innovation, and disrupt the competitive landscape at the exact moment private developers are lining up to deploy tens of gigawatts of storage capacity across the PJM footprint.

To protect ratepayers from unnecessary financial exposure and ensure a robust, competitively driven grid, P3 respectfully urges the Committee to reject House Bill 470.

Thank you for your consideration.