

# Public Service Commission Topics of Interest

Before the Senate Finance Committee

January 22, 2019

# Discussion Areas

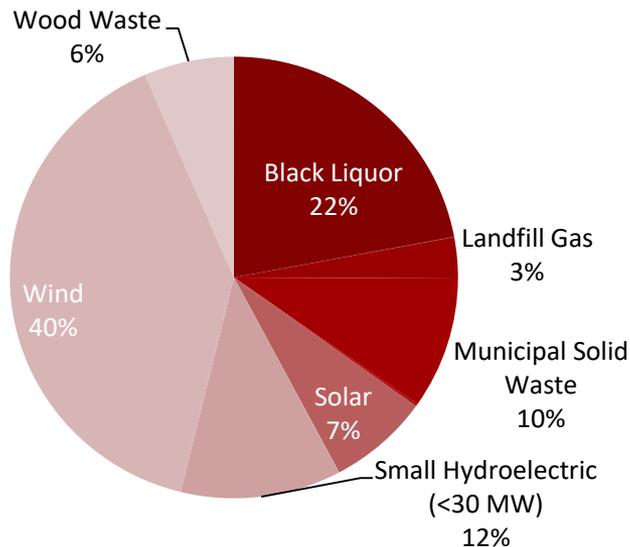
- Renewable Portfolio Standard
- PJM Capacity Market Litigation
- Competitive Energy Suppliers

# Maryland's RPS Program

- Based on the current law, the RPS requirements are scheduled to increase.

Year	Tier 1 Non-Solar	Tier 1 Solar	OSW	Tier 2	Total
2018	14.30%	1.50%	0.0%	2.50%	18.30%
2019	18.45%	1.95%	0.0%	N/A	20.40%
2020	22.50%	2.50%	0.0%	N/A	25.00%
2021+	20.47%- 21.90%	2.50%	0.60% - 2.03%	N/A	25.00%

- Maryland utilities met the RPS requirements for program year 2017 through the purchase of RECs or the remittance of alternative compliance payments.



# Regional Capacity Market

- PJM's Capacity Market ensures sufficient electric generation is available to meet overall bulk power system reliability needs.
  - ~20% of wholesale electricity costs.
- FERC order in June 2018 found that PJM's Capacity Market rules are:
  - unjust and unreasonable,
  - distort market prices, and
  - fail to protect the integrity of market competition from out-of-market support to some generation resources.

# Regional Capacity Market, con't.

- FERC suggests state-subsidized generation can meet a state's capacity needs outside of the PJM market.
- PSC filed comments in October 2018
  - FERC fails to contemplate difficulties with this approach
    - Potentially hundreds of affected generators across PJM region
    - Would need complex enabling statutes to implement
  - Maryland is deregulated and relies on competitive markets
  - Proposed Competitive Carve Out Approach (CCOA)
    - Separate competitive market for capacity for generation meeting policies common to all PJM states

# Competitive Markets & Customer Choice (PC 44)

- Enhancing access to competitive markets and expanding utilization of customer data
- Retail choice suppliers & third-party non-supply providers
- Enhancements to existing supplier regulations
- Oversight and investigation of fraudulent activity and practices

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