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For Immediate Release

Maryland PSC Appeals FERC Decision on PJM's Capacity Market

(BALTIMORE, MD-January 21, 2020) – The Maryland Public Service Commission today filed a <u>request for rehearing and clarification</u> of the Federal Energy Regulatory Commission's (FERC) December 2019 order on PJM's capacity market. The order establishes rules on how certain generating resources that benefit financially from state policies could participate in PJM's market. In its request, the PSC argues that any rules that could frustrate state policies—especially those related to Maryland's renewable energy goals—exceed FERC's authority under federal law.

In the coming months, PJM will develop details on how and when it can carry out FERC's rules, and FERC is expected to issue another order on these details later this year. At that point, the Commission will have a better understanding of the revised market rules and can begin to address the implications of FERC's order on Maryland ratepayers.

As background: PJM's Minimum Offer Price Rule (MOPR) sets a default floor price for energy generation to clear the capacity resource market in PJM, the regional grid operator whose footprint includes 13 states, including Maryland and the District of Columbia. The capacity market includes generators who commit to provide energy three years ahead to ensure an adequate supply of electricity for the regional grid. The FERC decision could not only be detrimental to new renewable energy resources, such as Maryland's offshore wind projects, but could also stifle innovation of new energy conservation and efficiency products, by effectively pricing them out of the market and making them prohibitively expensive to ratepayers.

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About the Public Service Commission:

The Maryland Public Service Commission regulates electric and gas utilities, telephone companies (land lines), certain water and sewer companies, passenger motor vehicle carriers for hire (sedans, limousines, buses, Uber, Lyft), taxicab companies (in Baltimore City and County, Charles County, Cumberland and Hagerstown) and bay pilot rates.