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For Immediate Release

Maryland PSC Statement on FERC Ruling on PJM Capacity Resource Market

(BALTIMORE, MD-December 20, 2019) – The Maryland Public Service Commission (PSC) is expressing disappointment with a decision yesterday by the Federal Energy Regulatory Commission (FERC) that the PSC expects will slow Maryland's efforts to enact its ambitious clean energy goals. Jason M. Stanek, Chairman of the Maryland PSC issued the following statement:

"We are deeply concerned that FERC's decision to expand PJM's Minimum Offer Price Rule to include new renewable resources, and others, will undermine Maryland's aggressive clean energy goals in the years to come. Like Maryland, an increasing number of states are prioritizing long-term policies and actions to address climate change and improve the health and welfare of their citizens. Fundamentally, we believe states have a right to determine their own resource mix, a right clearly recognized under the Federal Power Act. FERC's decision targets, and effectively nullifies, that prerogative and only confirms our misgivings regarding the future of PJM's capacity market. Maryland is committed to a clean and renewable energy future, and we are considering legal options to protect the public interest of Marylanders."

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.