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PUBLIC SERVICE COMMISSION

October 10, 2024

Resource Adequacy

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Administrative Docket
PC 66

Issue Date: October 9, 2024

**NOTICE CONVENING A PUBLIC CONFERENCE, NOTICE OF HEARING,
AND REQUEST FOR COMMENTS**

At the Commission’s recent Technical Conference on co-location,¹ several participants discussed concerns related to resource adequacy. In Maryland and in the larger PJM region, demand for electricity is increasing due to electrification and to an influx of large loads including data centers looking to connect to the grid. Simultaneously, deactivation of historic generating resources is impacting electricity supply.

It’s been over a quarter of a century since restructuring was adopted in Maryland. In that timeframe, utilities functionally separated or divested their generation services, and their integrated resource plans (IRPs) were replaced with a reliance on bulk power transmission planning and wholesale competitive markets to ensure electricity is provided reliably and at low cost. Since then, our State has also adopted ambitious clean energy goals, with achievement relying on use of existing resources like nuclear generation and the attraction of new resources like offshore wind. However, the pace of transition to a cleaner grid—especially within Maryland—has been met with

¹ Part of Public Conference PC 61.

some obstacles. Planned generation has had difficulty interconnecting to the bulk power grid, distributed energy resource additions have yet to achieve their potential, FERC Order No. 1000 has not facilitated transmission planning reflecting public policies in this region, FERC Order No. 1920 has yet to be implemented, and Maryland has become heavily dependent on the broader region as a net importer of electricity, a portion of which is generated by emitting resources in some of our neighboring states.

Concern over resource adequacy is even more pronounced given the recent results of the PJM capacity auction. This regional market auction is intended to deliver a price signal that attracts enough new resources to meet projected demand. The latest auction clearing price was at a historic high, indicating that not enough resources are showing up to meet grid needs. All of this highlights the urgent need to consider State action to promote the rebalance of supply and demand on the grid while bringing new, clean generating resources online in a timely manner.

Accordingly, the Commission initiates Public Conference 66 (“PC 66”), and invites interested persons to file comments that include advice, suggestions, innovative approaches from key stakeholders, or any other information relevant to this matter, to help the Commission understand how to better wield control of clean resource development within the State, by November 8, 2024. Comments must be electronically filed² on the Commission’s website and addressed to Andrew S. Johnston, Executive Secretary, Maryland Public Service Commission, William Donald Schaefer Tower, 6 St. Paul Street, Baltimore, Maryland 21202, and reference “PC 66” in the subject line. At the conclusion of this conference, the Commission would like to have

² Details of the e-File system can be found on the Commission’s website, www.psc.state.md.us.

identified possible mitigating strategies as well as which State or regional entity might have jurisdiction to impact these strategies (or should be authorized by the State to have this jurisdiction).

The Commission will hold a technical conference to consider stakeholder comments on Tuesday, December 3, 2024, beginning at 10:00 a.m., in the Commission's 16th Floor Hearing Room, William Donald Schaefer Tower, 6 St. Paul Street, Baltimore, Maryland 21202. Persons interested in participating in this conference as panelists are requested to notify Sophie MacDonald at sophie.macdonald@maryland.gov and to provide a brief summary of intended discussion topics by November 8, 2024.

By Direction of the Commission,

/s/ Andrew S. Johnston

Andrew S. Johnston
Executive Secretary