

ORDER NO. 89865

In The Matter of Transforming	*	BEFORE THE
Maryland’s Electric Distribution	*	PUBLIC SERVICE COMMISSION
Systems to Ensure that Electric Service	*	OF MARYLAND
is Customer-Centered, Affordable,	*	_____
Reliable and Environmentally	*	
Sustainable in Maryland	*	PC44
_____	*	_____
	*	
	*	
Distribution System Planning for	*	Case No. 9665
Maryland Electric Utilities	*	
_____	*	_____

Issue Date: June 23, 2021

ORDER INITIATING DISTRIBUTION SYSTEM PLANNING WORK GROUP

1. On March 25, 2021, the Commission held a legislative-style hearing to discuss the application to Maryland of the recommendations contained in the final report (the “Report”) of the Task Force on Comprehensive Electricity Planning (“Task Force”). Having considered the Report and the recommendations of stakeholders, the Commission now establishes a Distribution System Planning Work Group in Case No. 9665.

I. Background

2. The Task Force was formed by the National Association of Regulatory Utility Commissioners (“NARUC”) and the National Association of State Energy Officials (“NASEO”). The goal of the Task Force is to bring together state regulatory and energy policy agencies to develop ways for states to both increase involvement in distribution system planning, and to further align planning processes with state goals and the proliferation of distributed energy resources.

3. On February 11, 2021, the Task Force released its final Report, titled the *Blueprint for State Action*. Among other things, the Maryland representatives on the Task Force recommended that the Commission consider the findings of the Task Force Report in relation to the objectives of PC44 and convene the previously contemplated¹ Distribution System Planning (“DSP”) Work Group after the conclusion of the technical conference.

4. On March 11, 2021, the Commission received comments from stakeholders regarding the Report and its recommendations. On March 25, 2021, the Commission held a virtual technical conference to consider the Report and the recommendations of the Maryland representatives to the Task Force.

II. Participant Recommendations

A. Commission Staff

5. Commission Staff recommended that the Work Group should focus on resilience and distributed energy resources (“DERs”). Among other things, Staff proposed that the Work Group could develop a resiliency initiative focused on community lifelines – a term developed by the Federal Emergency Management Administration (“FEMA”) for a broad array of social, governmental, and utility infrastructure – which are currently dependent on the electrical grid.

B. Potomac Edison

6. Potomac Edison recommended that, while it is open to new modes of input from stakeholders, public utilities should remain in control of the infrastructure planning

¹ Docket PC44 – Item No. 64, Commission Notice dated January 31, 2017, at p. 13.

process in the interests of security and effectiveness. Potomac Edison also recommended that utilities continue to play a role in electric vehicle charging infrastructure and DERs.

C. Exelon Utilities²

7. The Exelon Utilities recommended that utilities should retain authority over distribution system planning and the investment decisions. They recommended that, where a stakeholder process exists, it should be: 1) defined in advance; 2) time bound; 3) transparent; and 4) under Commission jurisdiction.

8. The Exelon Utilities also supported convening the DSP Work Group under PC44 and recommended following the framework delineated in the Report: 1) identify goals and starting point; 2) establish vision; and 3) develop an action plan for achieving the vision. The Exelon Utilities recommended that Staff initiate the DSP Work Group with a strawman proposal of the goals and objectives to accelerate these initial steps.

D. Maryland Energy Administration

9. The Maryland Energy Administration (“MEA”) supported efforts to increase transparency in utility distribution planning and to better align that planning with State policy. In particular, MEA proposed an exploration of the potential benefits of locational value analyses and a comparison of the values of DERs versus traditional wired infrastructure.

E. Office of People’s Counsel

10. The Maryland Office of People’s Counsel (“OPC”) recommended that the Commission establish a proceeding or work group to develop a distribution planning

² The Exelon Utilities consist of: Baltimore Gas and Electric Company, Potomac Electric Power Company and Delmarva Power & Light Company.

process for use in Maryland (using the NARUC-NASEO Task Force Process as a starting point). OPC also stated that a new distribution planning process presents opportunities to better balance competing electric distribution goals, but also presents risks for consumers arising from the information asymmetry between consumers and other stakeholders.

11. OPC stated that a new distribution planning process should be transparent and objective (with decisions based on data) and involve stakeholders in decision-making. OPC also stated that consumer representative involvement should be expressly provided for in any distribution planning process, including the early establishment of stakeholders' roles and procedural guidelines. OPC recommended that the Commission establish requirements for future distribution plans developed under the new distribution planning process.

F. Sunrun

12. Sunrun, a residential solar provider, stated that it generally supports the procedural and stakeholder recommendations in the *Blueprint*, including an inclusive stakeholder process at the outset of any planning reform to ensure a sure-footed approach to balancing the interests of stakeholders and defining objectives of the process. Sunrun also stated that utilities need better visibility into the foreseeable and likely impacts of climate change on the distribution system. Sunrun also recommended that comprehensive electric system planning should both integrate additional DERs and leverage existing and future DERs to facilitate grid benefits.

III. Commission Decision

13. Having considered the Task Force's Report and the recommendations of stakeholders, the Commission finds that a comprehensive examination of distribution system planning in Maryland is warranted. A work group process will provide valuable stakeholder input into possible reforms of the distribution planning process. The Commission therefore formally establishes a Distribution System Planning docket in Case No. 9665. Within that docket, the Commission also establishes the Distribution System Planning Work Group ("DSPWG"), which will be led by an external Commission-selected facilitator.

14. The Commission directs the Work Group to engage in an iterative process with frequent opportunities for feedback from the Commission. At this time, the DSPWG's first task will be to review the Jade Process Map³ and consider its relevance and application to Maryland's electric distribution utilities. The Work Group is further directed to develop and propose any changes or modifications to the Jade Process Map to best align with Maryland's public policy goals and existing processes, including interactions with existing dockets concerning electric reliability, EmPOWER, and other PC44 activities. The Work Group is further directed to consider possible processes whereby stakeholders can participate in discussions with utilities regarding Performance Incentive Mechanisms ("PIMs") that may be proposed by utilities.⁴ After this general review is conducted and the results are filed for consideration, the Commission will

³ The Jade Process Map was part of the Report. The Jade Process Map describes an idealized electricity distribution planning process for the hypothetical state of Jade, a deregulated state located within a federally regulated market.

⁴ The Commission established a pilot for utilities to propose PIMs in Case No. 9618, part of PC51.

provide additional guidance on developing and refining a Maryland-specific version of the Jade Process Map, as appropriate.

15. The Commission will provide specific, substantive guidance throughout the DSPWG process. However, it is appropriate to identify several overarching policies at the outset to frame this process. First, an important goal of exploring and developing a Maryland-specific Distribution System Planning process is to increase opportunities for early, meaningful stakeholder engagement through increased transparency and coordination. Second, the Commission agrees that the utilities should retain control of distribution system planning, as well as risk of cost recovery, since they bear responsibility for providing safe, reliable and affordable service. Finally, while the Commission intends to develop and approve a standard Maryland-specific planning process, it recognizes that this process will need flexibility to meet the needs and characteristics of Maryland's electric distribution utilities.

16. The Commission will identify workgroup leadership and set timelines at a future date. Any stakeholders who are interested in participating in the workgroup should contact Likweli Green (likweli.green@maryland.gov) to join the DSPWG listserv for future communications.

IT IS THEREFORE, this 23rd day of June, in the year Two Thousand Twenty-One, by the Public Service Commission of Maryland,

ORDERED: (1) That the Commission establishes Case No. 9665 – Distribution System Planning for Maryland Electric Utilities; and

(2) That the Distribution System Planning Work Group is hereby established with direction provided herein.

/s/ Jason M. Stanek _____

/s/ Michael T. Richard _____

/s/ Anthony J. O'Donnell _____

/s/ Odogwu Obi Linton _____

/s/ Mindy L. Herman _____

Commissioners