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PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE EXPLORATION *
INTO THE BENEFITS AND COSTS OF *
DISTRIBUTED SOLAR AND THE *
ASSOCIATED POTENTIAL RATE DESIGN *
OPTIONS APPLICABLE TO THE SERVICE *
TERRITORIES OF THE MARYLAND *
ELECTRIC COOPERATIVES *

BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND

PC 48

Issue Date: February 24, 2017

NOTICE OF PUBLIC CONFERENCE AND OPPORTUNITY TO COMMENT

To: All Interested Persons

The Public Service Commission of Maryland (“Commission”) hereby initiates Public Conference 48 (“PC 48”) to complete its study of the exploration of the benefits and costs of distributed solar, specific to the service territories of the Maryland electric cooperatives, and further, to assess potential rate design options and alternative compensation models that could facilitate solar deployment in the electric cooperatives’ service territories with minimal impact to non-participating ratepayers. The purpose of convening PC 48 is to receive comments on the report of the Commission’s independent consultant, Daymark Energy Advisors (“Daymark”), as well as make the comments publicly available in the same location as Daymark’s report and the Commission's final report, which is due in March 2017.

Currently, there are two mechanisms by which Maryland law provides compensation for distributed solar providers: participation as an eligible customer-generator in the State’s net

energy metering (“NEM”) program, and through the sale of solar renewable energy credits (“SRECs”) as part of the State’s Renewable Energy Portfolio Standard (“RPS”). In various proceedings, however, certain stakeholders have expressed concern regarding whether current policies contribute to intra- and inter-class cross subsidies; specifically, whether cost-shifting is occurring between distributed solar providers and non-participating ratepayers. Conversely, other stakeholders opine that the current compensation models may undervalue or improperly value the contributions of distributed solar. The Commission is interested in exploring this topic further, and concludes that the valuation of costs and benefits associated with distributed solar, as well as an investigation into alternative rate design and compensation models, in the electric cooperatives service territories is warranted.

To assist with this endeavor, the Commission engaged independent consultant Daymark Energy Advisors to conduct a study regarding these matters on behalf of the Commission. Daymark filed a Report of its evaluation on February 24, 2017, which is available in the PC 48 docket and electronically on the Commission’s website. The Commission invites all interested parties to file written comments regarding the Daymark Report on or before March 15, 2017. The Commission agreed to provide its findings and recommendations pertaining to these matters to interested members of the General Assembly in a report to be filed in March, 2017.

An original and seventeen (17) copies, and an electronic copy, of all filings, identified as PC 48, shall be filed with the Commission no later than March 15, 2017 and addressed to David J. Collins, Executive Secretary, Maryland Public Service Commission, William Donald Schaefer Tower, 6 St. Paul Street, 16th Floor, Baltimore, Maryland 21202. Five of the copies shall be

three-hole punched. The interested parties are encouraged to use the Commission's "e-file" system that is available on the Commission's website, www.psc.state.md.us.

By Direction of the Commission,

/s/ David J. Collins

David J. Collins
Executive Secretary