

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND**

Resource Adequacy

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Administrative Docket
No.: PC66

FURTHER COMMENTS OF THE OFFICE OF PEOPLE’S COUNSEL

The Office of People’s Counsel submits these further comments, responding to the Commission’s Notice of Request for Further Comments, dated December 20, 2024 (the “Notice of Request for Further Comments”). OPC previously filed its initial comments in this proceeding on November 8, 2024.

COMMENTS

In these comments, OPC focuses on immediate and short-run resource adequacy in Maryland with a preliminary look forward to 2031. OPC’s Initial Comments identified the uncertainties around Maryland’s resource adequacy outlook over the longer term. Moreover, we identified information that the Commission should request of PJM and Maryland utilities for the Commission and other State entities to better understand the resource adequacy situation in Maryland.

These comments focus on the short term. With the assistance of expert consultants, OPC has prepared a projection of the resource adequacy situation for the two most constrained zones in Maryland—Baltimore Gas and Electric Company (BGE) and

Potomac Electric Power Company (Pepco).¹ The resource adequacy outlook for a service territory is a function of forecasts for peak customer demand, the transmission transfer capability into the service territory, and the amount of supply resources in the service territory. The analysis presented here uses PJM’s 2024 load forecast for the BGE and Pepco zones, called local deliverability areas (LDAs).² That forecast includes PJM’s projections for load growth due to electrification efforts and increases in electric vehicle charging, as well as PJM’s projections—based on information provided by the utilities—on data center load growth. This analysis makes conservative assumptions regarding the amount of transfer capability into the BGE and Pepco LDAs during the coming years.

This analysis uses the current figures for transmission transfer capability and does not increase transfer capability to reflect the increases expected to come from the significant transmission projects that are already in PJM’s plans and approved by the Federal Energy Regulatory Commission.³ This analysis assumes the continued operation of the current generating resources located in the BGE and Pepco LDAs,⁴ including the Brandon Shores and Wagner power plants through their expected reliability must run

¹ Resource adequacy is evaluated based on locational deliverability areas (LDAs) as defined by PJM Interconnection LLC (PJM). The BGE area or service area described in the text is the BGE LDA. The Pepco LDA includes the Southern Maryland Electric Cooperative (SMECO) service territory.

² PJM has published preliminary data for the 2025 forecast that shows modest additional load growth for BGE and Pepco. PJM has not yet finalized and published the 2025 load forecast.

³ In its initial comments, OPC recommended that the Commission request further information from PJM on the expected increases in transfer capability from the projects in PJM’s plans. OPC has requested that information from PJM, but PJM has declined to deviate from its policy of only publishing that information just prior to the capacity auction for the year when the new line is expected to be in service.

⁴ The analysis does not include 126 MW submitted by BGE and the 70 MW submitted by Pepco in the last PJM capacity auction as Price Responsive Demand (PRD). PRD reflects utility programs that lower demand in the service territory during peak times. Those programs are expected to continue. The State also could take further actions to address resource adequacy through energy efficiency and additional demand response.

(RMR) terms.⁵ The analysis adds no resources from the PJM interconnection queue until the 2029/2030 delivery year and only adds 50% of the projects in the queue for the BGE and Pepco service territories. This analysis uses data that reflects the discount PJM applies to capacity resources, referred to as the Electric Load Carrying Capability (ELCC), which accounts for the lower contribution to reliability that certain resources provide compared to other resources.

Using the conservative assumptions just described, the analysis results show that for both BGE and Pepco, there is sufficient transmission and generation resources to meet the expected load in the service territory, plus the necessary reserve margin as calculated by PJM. The Commission and other entities in the State should, of course, continue to analyze the resource adequacy situation in Maryland as well as the situation for PJM as a whole. The tightening of the supply-demand balance facing PJM as a whole is being addressed through implementation of the package of reforms to the overall PJM capacity market currently under consideration by FERC.⁶ OPC has proposed or supported a number of changes to the PJM capacity market that would make the market better reflect the actual amount of capacity on the system available to serve load.⁷ OPC remains

⁵ For Brandon Shores, the RMR term is expected to run through the 2028/2029 Delivery Year. PJM has stated that the term of the Wagner RMR is tied to completion of very significant transmission projects in the group referred to as “Window 3” that are being developed primarily to due to significant data center load in northern Virginia. The analysis maintains the Wagner RMR through 2032. Maintaining Wagner in service in this analysis is a conservative proxy for the increased transfer capability that new transmission projects will provide between now and 2032.

⁶ See *Tariff Revisions for Reliability Resource Initiative*, FERC Docket No. ER25-712; *Tariff Revisions Regarding Surplus Interconnection Service*, FERC Docket No. ER25-778.

⁷ See *Complaint of Sierra Club, Natural Resources Defense Council, Public Citizen, Sustainable FERC Project and Union of Concerned Scientists*, FERC Docket No. EL 24-148-000 (asserting that PJM’s capacity market rules are unjust and unreasonable because they fail to account for the resource adequacy

concerned that additional reforms will be necessary for the PJM capacity market to produce just and reasonable prices.

The following table shows the results of OPC’s analysis. For each service territory and each year, the table shows the amount of capacity in excess of the reserve requirement—projected load plus reserve margin—that can be expected to be available.

of contributions of reliability must-run units in the RPM); Complaint of the Joint Consumer Advocates, FERC Docket No. EL25-18 (asserting that PJM’s capacity market rules are unjust and unreasonable, including the lack of new resource entry and seeking a package of remedies to address PJM capacity market’s dysfunction); Complaint of Governor and Commonwealth of Pennsylvania, FERC Docket No. EL25-46 (further alleging that PJM’s capacity market design is unjust and unreasonable, including the lack of new resource entry, and seeking redesign of the RPM market price cap formula by specifying the reference resource used to derive the variable resource requirement (“VRR”) curve used to set demand in the BRAs) (collectively, the “Pending Complaints”); and, finally, PJM’s own filings under section 205 of the Federal Power Act (“FPA”): *PJM Interconnection, L.L.C.*, Revisions to Reliability Pricing Model, FERC Docket No. ER25-682-000 (Dec. 9, 2024); *PJM Interconnection, L.L.C.*, Tariff Revisions for Reliability Resource Initiative, FERC Docket No. ER25-712-000 (Dec. 13, 2024); *PJM Interconnection, L.L.C.*, Proposed Tariff Amendments for Surplus Interconnection Service, Docket No. ER25-778-000 (Dec. 20, 2024); *PJM Interconnection, L.L.C.*, Extending the Capacity Must-Offer Requirement to All Generation Capacity Resources, Docket No. ER25-785-000 (Dec. 20, 2024).

Table 1: Resource Adequacy (Surplus in MWs - 2026/27 to 2031/32) for the BGE and Pepco Locational Deliverability Areas

Delivery Year	LDA	MWs of surplus compared to LDA reserve requirement
2026/2027	BGE	996
	PEPCO	1,884
2027/2028	BGE	948
	PEPCO	1,820
2028/2029	BGE	1,231
	PEPCO	2,258
2029/2030	BGE	242
	PEPCO	2,587
2030/2031	BGE	202
	PEPCO	2,554
2031/2032	BGE	142
	PEPCO	2,511

As the table describes, the BGE and Pepco LDAs, under a conservative set of assumptions, will likely meet their reliability requirements over the next six years. This table assumes that (i) the Brandon Shores power plant operates under an RMR arrangement until the end of the 2028/2029 delivery year; (ii) transmission facilities, allowing the termination of operation of the Brandon Shore plant, go commercial at the end of 2028 enabling a restoration of transfer capacity into the BGE LDA,⁸ (iii) the Wagner plant operates under a RMR arrangement until 2032; and (iv) 50% of the projects located in BGE and Pepco currently in the PJM interconnection queue go commercial in

⁸ Under PJM's FERC-approved plan, the Brandon Shores transmission solution is planned for completion by the end of 2028.

2029; and (iv) the projection of the BGE and Pepco reliability requirements are based on PJM's 2024 load forecast.

The additional transmission capacity into BGE enabled by the transmission facilities constructed to obviate the need for the Brandon Shores power plant RMR is conservatively assumed to be equivalent to the capacity provided by Brandon Shores as adjusted by ELCC. The period for RMR operation of the Brandon Shores power plant conforms with PJM's current planning. The period for RMR operation of the Wagner plant also conforms with PJM's current planning, as PJM has tied Wagner's definitive deactivation to completion of some portion of the 2022 RTEP Windows 3 transmission projects, which may extend several years past the end of 2028.

Respectfully submitted,

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