

**BEFORE THE
MARYLAND PUBLIC SERVICE COMMISSION**

**Large Load Customer Regulations and
Tariffs Interconnecting to the Electric
System Servicing Maryland**

**ADMINISTRATIVE DOCKET
PC 72**

**MARYLAND OFFICE OF PEOPLE'S COUNSEL RESPONSE TO THE
COMMISSION'S REQUEST FOR COMMENTS**

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INTRODUCTION

The Maryland Office of People’s Counsel submits these comments in response to the Maryland Public Service Commission’s July 13, 2026 Request for Comments in Administrative Docket PC 72.¹ OPC appreciates the opportunity to provide comments responding to the questions presented.

The Commission’s Request for Comments is prompted by recent actions taken by PJM Interconnection, LLC and the General Assembly to address resource adequacy and cost issues resulting from large load customers: PJM’s development of a Reliability Backstop Procurement (“RBP”) proposal and the Utility RELIEF Act’s new requirements for large load customer tariffs.² Specifically, the Commission seeks information and feedback from Maryland electric utilities and interested parties regarding the load forecasts affecting PJM’s proposed RBP mechanism, how the capacity procured through the RBP and other capacity procurement mechanisms—including PJM’s main capacity market, the Reliability Pricing Model (“RPM”)—will be paid for, and compliance with the Utility RELIEF Act’s statutory requirements.³

OPC’s comments recommend immediate actions the Commission should take to protect Maryland customers from costs driven by large load customer additions in Maryland and PJM. We also include recommendations for the framework the Commission should apply when addressing utility and large load responsibilities as it

¹ Md. Pub. Service Comm’n, Request for Comments (PC 72, Jul. 13, 2026).

² *Id.* at 1.

³ *Id.*

relates to the RBP and other capacity procurement mechanisms serving customers in PJM. These comments are organized into three main parts: an executive summary; a background section addressing the relevant provisions of the Utility RELIEF Act and highlighting the resource adequacy and financial risks to customers caused by large load and PJM's proposed actions to address those risks; and a comments section that responds to s to each of the six questions stated in the Commission's Request for Comments.

EXECUTIVE SUMMARY

As the General Assembly recognizes, the development of new large load customers in Maryland creates risks of higher electricity costs for all customers. The Utility RELIEF Act directs the Commission to take the actions necessary to prevent Maryland ratepayers from bearing costs and risk attributable to the development of new large load customers. With PJM's proposed RBP, Maryland ratepayers face significant cost risks for projections of data center demand growth that were never intended to be used for a 15-year procurement period and for which there is little information known to the Commission. PJM's proposal demands immediate Commission action to protect Maryland ratepayers.

The Commission should take immediate action to help insulate Maryland customers from the outcomes of PJM's RBP by mandating, for large loads that fail to make binding commitments to pay their full share of the 15 years of RBP costs, load flexibility for large load customers to take advantage of an "opt-out" PJM includes in its proposal. Such action means promptly exercising the Commission's existing authority

and its new authorities under the 2025 Next Generation Energy Act (“NGEA”) and the 2026 Utility RELIEF Act. As currently proposed, PJM will procure RBP capacity by December 2, 2026.⁴ Unless the Commission acts, this procurement will lock in costs for two Maryland zones—Potomac Edison (“PE”) and Baltimore Gas and Electric (“BGE”)—for a 15-year term. If PJM meets its RBP target of 6,831.3 megawatts (“MW”) of capacity, it will assign the costs for 116.5 MW of RBP capacity to the PE zone and the costs for 18.9 MW of RBP capacity to the BGE zone.⁵ OPC estimates that PJM’s proposed methodology, if the RBP capacity is procured at the maximum price of \$555/MW-day, exposes PE and BGE residential customers to as much as \$483.2 million and \$79.6 million in additional costs, respectively, over the next 15 years.

Importantly, the risks of the more than a half billion dollars that Maryland customers could bear under PJM’s RBP proposal over *the next 15 years* are compounded by the uncertainty of the Maryland data center growth projections that underly the RBP costs that will be allocated to Maryland customers. The projections are based on Maryland utility submissions for PJM 2026 load forecast. Those submissions were intended to secure capacity in the near term for a single delivery year—not for a term extending over 15 years into the future—and rely on information that is largely unavailable to the public and that has not been vetted by the Commission.

⁴ PJM Interconnection, L.L.C., Reliability Backstop Procurement to Address Resource Adequacy Concerns Stemming from Large Loads, Transmittal Letter, FERC Docket No. ER26-3380-000, Accession No. 20260731-5214 (July 31, 2026) (“PJM July 31 Transmittal Letter”).
https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20260731-5214.

⁵ PJM July 31 Transmittal Letter, Attachment C (Affidavit of Danielle Croop) (“Croop Aff.”) at 13. These amounts could be reduced based on opt-out or offset adjustments.

Residential customers should be fully protected from bearing 15 years of costs attributed to the 2025 LLAs submissions to PJM that were not intended—or vetted—for allocating backstop capacity costs. The only way to eliminate the financial risk of RBP to Maryland customers is for Maryland’s utilities to opt out of the RBP through the vehicle provided under PJM’s proposal—the “opt-out” for large loads participating in qualifying peak-shaving reduction programs. The requirement should cover any data center that fails to commit, by October 21, 2026, to taking on the 15-year RBP costs through appropriate contracts and security.

Eliminating RBP risks for existing customers requires the Commission to mandate that the large-load demand included in BGE’s and PE’s 2026 large-load forecasts, which are not subject to a Commission-approved binding commitment between the relevant large-load customer and the utility to fully pay their associated RBP costs, will be subject to peak-shaving adjustment programs consistent with PJM’s PJM Open Access Transmission Tariff (“OATT”) Attachment DD-2. The order should direct BGE and PE to communicate those requirements to PJM before October 21, 2026. Stated otherwise, OPC recommends that the Commission issue an order that directs utilities to file large load tariffs—as anticipated under the NGEA and RELIEF Acts—that will require new large load customers to provide the necessary load flexibility to qualify for the RBP opt-out if the large load customers do not commit to taking on the full RBP costs attributable to their forecasted maximum demand, exclusive of any ramping period.⁶

⁶ PJM has stated that in order to take advantage of the opt-out, the utility must demonstrate that the peak shaving adjustment program will be effective during the 2028/2029 delivery year. www.pjm.com/-

Importantly, the recommended Commission order would enable prospective large load customers in Maryland that do not want to participate in a peak load reduction program to take on the RBP cost responsibility instead of providing load flexibility. The customers would make a binding commitment before October 21, 2026 to pay those RBP costs and the utility could forego seeking an opt-out for the amount of capacity supported by commitments. By taking such action, the Commission can prevent PJM from procuring RBP capacity on behalf of Maryland customers and mitigate the possibility that all customers in the PE or BGE zones will be charged for that capacity.

Additionally, OPC recommends that the Commission immediately establish a process to review utility Large Load Adjustments (“LLAs”) before they are submitted to PJM, beginning with the LLAs due September 4, 2026, for use in the 2027 PJM Load Forecast. The large-load tariffs address large-load customers that may be distinct from the *potential* large load customers that are included in utility submissions provided to PJM. Those LLA submissions can include data centers that may decide to abandon their project without making a commitment to fully cover the costs they cause.⁷ The root of higher costs at the wholesale level—capacity and transmission costs—are the LLAs.

/media/DotCom/committees-groups/cifp-rbp/2026/20260810/20260810-pjm-and-cra-reliability-backstop-procurement-presentation.pdf (slide 17). The Commission’s order should require the utilities to make their submission consistent with PJM’s requirements for qualifying for the opt-out.

It is OPC’s position that the large-load tariffs required under the 2025 NGEA as amended by the 2026 Utility Relief Act provide the statutory language necessary to support PJM’s opt-out for peak load shaving adjustments. To the extent that any parties assert that Maryland does not have such a statute, the Commission should seek clarification or modification of PJM’s RBO proposal in a filing with the Federal Energy Regulatory Commission.

⁷ See, e.g., Christine Condon, Amazon Abandons Plans for a Data Center at Calvert Cliffs, Md. Matters (Aug. 4, 2026), <https://marylandmatters.org/2026/08/04/amazon-abandons-plans-for-a-data-center-at-calvert-cliffs/>.

Indeed, it is the LLAs submitted by Maryland utilities in 2025 (for use in the 2026 PJM Load Forecast) that are the basis for the proposed allocation of RBP costs to Maryland zones. More immediately, the LLAs that the utilities will submit by September 4, 2026, will result in future capacity procurement and transmission costs. Higher LLAs sent to PJM, including both actual and speculative load, result in higher wholesale energy and transmission costs, and ultimately, higher retail rates for all Maryland customers.

Before a large load may be included in a forecast used for RPM procurement or transmission planning, the Commission should require the large-load customer to execute a binding, Commission-jurisdictional agreement secured by collateral sufficient to cover the load's full PJM-level cost obligations if the project is delayed, reduced, or abandoned. Additionally, the customer should be required to meet its capacity needs through a bring your own new capacity ("BYONC") requirement or through qualifying participation in an existing PJM demand-response or peak-shaving program.⁸ These requirements are directionally aligned with PJM's Interim Resource Adequacy Service ("IRAS") proposal, which proposes the exclusion of large loads from future RPM planning parameters if they are not supported by BYONC or an RBP commitment. Maryland-level protections are also necessary to address large loads included in RPM forecasts *before* PJM's proposed reforms become effective, in the event PJM's proposals are not approved by the Federal

⁸ BYONC refers to a requirement that new large loads interconnect with commitments sufficient to cover the large load's capacity needs.

Energy Regulatory Commission (“FERC”), to ensure that residential customers are not exposed to capacity costs during the transition to potential new frameworks.⁹

The LLAs that the Maryland utilities will submit to PJM in early September are due before the July 1, 2027, date by which the Commission must institute a large load registry by the Utility RELIEF Act and establish when project registration is complete and can be included as an LLA.¹⁰ The LLAs submitted before then, in September, however, will have cost consequences for all customers based on wholesale mechanisms that are already known—such as capacity markets and transmission planning—and, potentially, new mechanisms, like the RBP, that are implemented by PJM and create costs for all customers. By exercising oversight over utility LLAs before they are submitted to PJM in just a few weeks, the Commission can mitigate the risk of customer costs increasing due to large load that never materializes.

With respect to the large-load tariffs themselves, the Commission should adopt provisions that ensure the new large load customers that connect in Maryland cover the costs they cause. If new large load customers in Maryland are interconnected at the scale and timing forecasted in the LLAs, the Commission can, primarily through the large load tariffs, assign the costs of the RBP and regular capacity procurements to those large load customers. The Commission should also require new large load customers to pay for the cost of supplemental transmission projects required to serve them—either by requiring

⁹ Maryland-level protections must also address large loads that fall between Maryland’s (25 MW) and PJM’s (50 MW) size threshold to identify large load, among other differences in identification criteria.

¹⁰ PUA § 7-233(a), (i).

them to stay on the system long enough to cover the costs of any required supplemental projects or through an exit fee. This would ensure that transmission rates do not increase for all Maryland customers due to local infrastructure necessary to serve large loads that do not take service at expected levels.¹¹ OPC appreciates Staff’s leadership in filing model large load tariff provisions that address many of these issues.¹² These provisions, however, will not fully insulate Maryland customers from costs caused by the development of new large load customers in Maryland.

Apart from the recommendations discussed above, there are other measures the Commission could take, but they would not fully protect Maryland customers. Options include (1) obligating that prospective large load customers immediately provide sufficient financial security to meet potential RBP obligations irrespective of when they ultimately take service; and (2) requiring that all RBP costs allocated within the State initially be assigned to the utilities rather than to individual load-serving entities (“LSEs”), with each utility tracking RBP costs attributable to large-load customers in a regulatory asset or other Commission-approved deferral account. The Commission would then require that prospective large load customers reimburse the utility for such deferred RBP costs, including applicable carrying costs, once they commence service or otherwise become obligated to pay. Neither of these approaches fully protects residential customers

¹¹ Complaint of the Maryland Office of People’s Counsel v. PJM Interconnection, L.L.C. (“OPC Transmission Allocation Complaint”), Docket No. EL26-63, Accession No. 20260507-5026 (May 7, 2026) , <https://opc.maryland.gov/Portals/0/Files/Publications/Others/20260507%20-%20RTEP%20complaint%20-%20FINAL%20932.pdf> (challenging PJM’s Schedule 12 allocation of regional transmission expansion costs driven by data center load growth).

¹² PSC Technical Staff, Model Large Load Rate Schedule (PC 72, August 3, 2026).

in the event that large load customers do not submit to the above commitments and do not materialize.

BACKGROUND

A. Large Load under the Utility RELIEF Act.

Through the Utility RELIEF Act, the General Assembly took specific actions to expand the State’s oversight over large load customers and to mitigate the risk that the costs caused by large loads will be borne by other, non-large load customers. The Act declares the General Assembly’s intent “that residential retail electric customers in the State should not bear the financial risks associated with large load customers interconnecting to the electric system serving the State.”¹³ The General Assembly further declared an intent that large load customers “not providing 100% of its electricity needs” be allocated the costs associated with “capacity procurement, including backstop reliability procurement,” and “costs associated with the interconnection process, including transmission costs.”¹⁴

The Act’s consumer protective measures depend on the development of a large load tariff, as required in the Next Generation Energy Act enacted in 2025.¹⁵ Among other things, the Utility RELIEF Act broadens the large load customer class to include customers with monthly maximum load in excess of 25 MW, and requires the Commission to consider the extent to which proposed large load tariffs allocate “any increased or avoided costs” including transmission and capacity costs, and “any direct or

¹³ PUA § 4-212(b).

¹⁴ PUA § 4-212(e).

¹⁵ 2025 Md. Laws, Ch. 626 (codified at PUA § 4-212).

indirect, costs, fees, and obligations” to the large load customer.¹⁶ The Act further requires the Commission to establish a “voluntary large-load interruptible interconnection process.”¹⁷

Additionally, the Act requires the Commission to establish a large load customer registry to provide information relevant to planning, and assist in ensuring accurate load forecasts at the electric distribution, State, and PJM levels.¹⁸ The Commission must establish a registration process that applies to new or expanded interconnection of large load customers and requires large load customers to, among other things, explain how the large load customer’s energy and capacity needs will be served; describe any anticipated arrangements, including with third parties; and describe any new or existing generation and energy storage, whether located onsite or offsite, that is expected to serve the above needs.¹⁹

The process must also require large load customers to disclose the energy characteristics of the customer, describe the large load customer’s operation, and provide any other information the Commission considers necessary for planning and assisting in ensuring accurate load forecasts at the electric distribution, State, and PJM levels.²⁰ The Act also requires utilities to disclose each of the large load customer’s duplicative interconnection requests and any associated information. Beginning on October 1, 2027, the Commission is required to issue annual reports detailing the information disclosed by

¹⁶ PUA § 4-212(f)(3).

¹⁷ PUA § 4-212(h)(1)(iii).

¹⁸ 7-233(a).

¹⁹ 7-233(b).

²⁰ PUA §§ 7-233(a), (b)(2)(ii).

large load customers reflected in the registry.²¹ Critically, as of July 1, 2027, Maryland utilities cannot submit an LLA request to PJM unless the customers reflected in the adjustments have completed the registration process.²²

B. Large load-driven resource adequacy constraints underlie increasing customer costs.

1. Customers are already experiencing the financial impacts of large loads reflected in PJM capacity market costs.

PJM’s Reliability Pricing Model procures capacity to meet forecast peak load plus a reserve margin that is calibrated to minimize any loss of load expectation. The resulting procurement target is referred to as the reliability requirement. Large load interconnections increase the forecast load that drives the reliability requirement, thereby increasing the quantity of capacity that must be procured. Without a corresponding increase in available supply, increases in the forecasted load result in higher auction clearing prices.

Forecasts of high growth in large load customers have led to resource adequacy concerns for PJM. For the first time in its history, PJM cleared short of the reliability requirement in the Delivery Year (“DY”) 2027/2028 Base Residual Auction (“BRA”). The results of the DY 2028/2029 BRA were similar.²³

²¹ PUA § 7-233(j)

²² PUA § 7-233(i).

²³ PJM Interconnection, L.L.C., *2028/2029 Base Residual Auction Results Report*, Table 2 (July 14, 2026), <https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2028-2029/2028-2029-bra-results-report.pdf>.

Unsurprisingly, customers are already paying higher prices due to tight capacity markets. Indeed, within the past four years, capacity prices have already increased by more than an order of magnitude:²⁴

Delivery Year	Price (\$/MW-day)
2024/2025	\$28.92
2025/2026	\$269.92
2026/2027	\$329.17
2027/2028	\$333.44
2028/2029	\$325.00

The prices in the three most recent cleared auctions (covering DY 2026/2027 through DY 2028/2029) reflect a negotiated price cap and floor.²⁵ Absent the cap, PJM estimates that the most recent capacity auction (for DY 2028/2029) would have cleared at nearly \$555/MW-day.²⁶ The cleared value of PJM's capacity market has risen from \$2.2 billion for DY 2024/2025 to \$16.4 billion for DY 2028/2029, an increase of over 645 percent.²⁷ The remarkable shift in the last several years corresponds with sudden and sharp upward increases in load forecasts (i.e., demand) coupled with compounding

²⁴ Ethan Howland, *PJM Capacity Prices Hit Record High as Grid Operator Falls Short of Reliability Target*, Utility Dive (Dec. 18, 2025), <https://www.utilitydive.com/news/pjm-interconnection-capacity-auction-data-center/808264/>; Ethan Howland, *PJM Capacity Prices Hit Price Cap, Reserve Shortfall Grows*, Utility Dive (July 15, 2026), <https://www.utilitydive.com/news/pjm-capacity-auction-price-cap-reserve-shortfall/825282/>.

²⁵ PJM Interconnection, L.L.C., *Capacity Market Demand Curve Adjustments Pursuant to Proposed Settlement* (Special Members Comm. presentation, Feb. 7, 2025), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mc/2025/20250207-special/item-01a---1-capacity-market-demand-curve-adjustments-pursuant-to-proposed-settlement.pdf>.

²⁶ PJM Interconnection, L.L.C., *2028/2029 Base Residual Auction Report* (July 2026), <https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2028-2029/2028-2029-base-results-report.pdf>.

²⁷ *Id.* at 5, Table 2.

supply issues related to new resource interconnection, resource retirements, and capacity accreditation.

While the challenges associated with PJM’s capacity market are complex, the impacts of new large load interconnections are straightforward. If supply additions lag load growth, the market tightens and capacity prices rise. Associated capacity costs are allocated to third-party retail suppliers and default service providers serving retail customers, typically based on their respective customers’ contributions to PJM’s peak load (and related peak-load measures). These costs, in turn, are reflected in default service supply rates and rates within competitive retail contracts.

But for data center growth (both actual and forecast), the capacity market would not have seen the same tight supply and demand conditions or the same high prices in any of PJM’s recent capacity auctions.²⁸ PJM’s Independent Market Monitor (“IMM”) found that across the last four BRAs, from DY 2025/2026 through DY 2028/2029, data center load has resulted in approximately \$29.4 billion in capacity market charges, equal to 46.2 percent of total capacity market charges over those four auctions.²⁹

2. Forecasted, not actual, data center demand underlies exorbitant capacity costs.

The rise in capacity costs applies even if large loads do not materialize within the planning windows expected. This is because including LLAs in PJM’s forecast is

²⁸ Monitoring Analytics, LLC, *2026 Quarterly State of the Market Report for PJM: January through March* at 2 (May 2026),

https://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2026/2026q1-som-pjm.pdf.

²⁹ Monitoring Analytics, LLC, *Market Monitor Report* at 3–4 (July 28, 2026),

https://www.monitoringanalytics.com/reports/presentations/2026/IMM_MC_Market_Monitor_Report_20260728.pdf.

sufficient to instigate procurement of additional capacity resources. Similar impacts also apply to transmission costs insofar as forecasted load drives transmission expansion through both regional planning and supplemental project processes.³⁰

PJM procures capacity for individual delivery years on the basis of load forecast requirements and associated reliability standards. While PJM develops its own forecast incorporating a variety of demand and supply projections, that forecast is subject to modification from LLAs submitted by utilities. Historically, such adjustments were relatively minor.³¹ However, in recent years, utility LLAs reflect staggering load growth driven by new data center customers. These LLAs have a substantial, and material, impact on PJM's forecast and capacity market outcomes.

PJM stakeholders, including OPC, have raised concerns about the load reflected in the LLAs. PJM has historically adopted the LLAs put forward by utilities with minimal review.³² Additionally, there is no standard methodology utilities use to determine which loads to include in their LLAs or the likelihood that a prospective data center load will actually materialize. Indeed, Exelon Corporation recently announced an 11-gigawatt

³⁰ Across three recent PJM regional transmission expansion planning windows, PJM's cost allocation rules assigned Maryland ratepayers \$2.0 billion in capital costs, which will raise Maryland customer bills by \$1.6 billion in revenue requirements over 10 years, for transmission infrastructure driven overwhelmingly by data center load growth occurring outside Maryland. Maryland residential customers alone will pay an additional \$823 million, or \$345 per average customer, and BGE and Potomac Electric Power Company ("Pepco") customers together will pay \$1.2 billion. For additional information, *see* OPC Transmission Allocation Complaint at 1–3.

³¹ Md. Office of People's Counsel, Letter to PJM Board dated Oct. 14, 2025 ("OPC Letter") at 1-2, <https://opc.maryland.gov/Portals/0/Files/Publications/Others/MPC%20letter%20to%20PJM%20and%20comments%20re%202026%20cycle%20Load%20Forecasting%20FINAL%2010142025.pdf?ver=dH4rBUdCK1fC9WK8QoE6vQ%3D%3D> (documenting the unprecedented scale of the 2026 large load adjustment requests relative to prior forecasts).

³² *Id.* at 9-13.

(“GW”) reduction in its projected “high probability” data center load due to increased efforts to weed out speculative projects.³³ Yet, the DY 2027/2028 and DY 2028/2029 BRA results are still based on forecasts that likely include speculative load that should otherwise have been removed.

Moreover, the LLAs rely on information that is largely unavailable to the public and that has not been vetted by the Commission. For example, Exelon’s data center projections were submitted to PJM on September 16, 2025.³⁴ Its public filing consists of seven slides summarizing projected large loads for each of its six utilities. They include nothing more than a number—0.1 GW projected in 2028 for BGE.³⁵ The slides provide no insight on contractual obligations or security or collateral, much less the name of the customer, location, ramping period, or site control. FirstEnergy’s September 2025 public submission is equally short on details.³⁶ It lists 12 “forecast score criteria” questions, stating that it includes in its forecast any large loads for which five of 12 answers are positive.³⁷ Of the seven Maryland projects (identified only by a customer number), none had signed energy service agreements.³⁸

³³ Ethan Howland, *Exelon 'High Probability' Data Center Load Falls 40%*, Utility Dive (July 31, 2026), <https://www.utilitydive.com/news/exelon-data-center-load-new-jersey-battery-earnings/826686/>.

³⁴ Exelon Corporation, *Exelon Large Load Adjustment Proposal – 2026 PJM Load Forecast* (Sept. 16, 2025), <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/las/2025/20250916/20250916-item-04d---exelon-large-load-request.pdf>.

³⁵ *Id.*, Appendix.

³⁶ FirstEnergy, *PJM LAS Large Load Adjustment Presentation* (Sept. 16, 2025), <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/las/2025/20250916/20250916-item-04h---first-energy-large-load-request.pdf>.

³⁷ *Id.* at 3.

³⁸ *Id.*

PJM has since revised its vetting of utility projections of large load growth for its 2027 forecast. But PJM’s revisions came *after* the utility’s 2025 LLA submissions, which PJM will rely on to allocate RBP costs for new capacity resources to be paid out over 15 years, from 2028/2029 to 2043/2044.

C. White House and PJM Governors Statement of Principles.

In light of concerns about resource adequacy challenges and ensuing increases in customer costs, the National Energy Dominance Council and 13 governors of states within PJM, including Maryland Governor Wes Moore, executed a Statement of Principles advocating for specific reforms at PJM in January 2026.³⁹ The Statement recommended PJM hold an RBP for new capacity resources, with the costs of such new capacity going primarily to LSEs with new data centers that have not self-procured new capacity or agreed to be curtailable.⁴⁰ The Statement further recommended improvements to load forecasting to ensure that speculative load is not reflected in capacity auction results, including a requirement that only large loads included in the forecast demonstrate “a meaningful and verifiable commitment, such as an executed Energy Service Agreement, credit/collateral support, or a similar significant financial commitment.”⁴¹

Following the Statement of Principles, the White House revealed the Ratepayer Protection Pledge on March 4, 2026. This pledge, signed by data center developers and electric utilities, established further principles to address resource adequacy and customer

³⁹ Nat’l Energy Dominance Council & Governors of the PJM States, *Statement of Principles Regarding PJM* (Jan. 16, 2026), <https://www.energy.gov/documents/statement-principles-regarding-pjm>.

⁴⁰ *Id.* at 1.

⁴¹ *Id.*

costs. Under the pledge, data center companies will build, bring, or buy the new generation resources and electricity needed to satisfy their new energy demands, paying the full cost of those resources whether by building, or buying from, new or otherwise additive power plants.⁴² The pledge also provides that where possible, these companies will also add more capacity that serves the broader public by increasing supply.⁴³ On July 23, 2026, the White House announced an expansion of the signatories to the pledge, which includes Exelon Corporation and FirstEnergy as well as Amazon, Google, Meta, and Microsoft, among other data center developers.⁴⁴

However, given that the pledge is voluntary (and lacks any enforcement mechanism), it remains to be seen whether the pledge will have any actual impact on resource adequacy constraints in PJM and costs customers may be forced to pay.

D. PJM’s proposed actions to address data center-driven resource adequacy concerns.

On April 8, 2026, the PJM Board of Managers (“PJM Board”) initiated a Critical Issue Fast Path (“CIFP”) process to address the need for an RBP. The PJM Board issued its CIFP decision letter on July 27, 2026. The Board’s decision addressed three actions relevant to these requested comments: implementation of the one-time RBP, a mandatory curtailable service construct for new large loads renamed IRAS (formerly called Connect

⁴² See The White House, *Ratepayer Protection Pledge Proclamation*, <https://www.whitehouse.gov/presidential-actions/2026/03/ratepayer-protection-pledge-proclamation/> (Mar. 4, 2026).

⁴³ *Id.*

⁴⁴ *Ratepayer Protection Pledge*, The White House, <https://www.whitehouse.gov/ratepayer-protection-pledge/#coverage> (last visited Aug. 10, 2026).

and Manage, or C&M), and a PJM-maintained Large Load Registry.⁴⁵ PJM filed its proposed RBP for FERC approval on July 31, 2026,⁴⁶ and anticipates a separate FERC filing for approval of the IRAS.⁴⁷

1. Reliability Backstop Procurement Mechanism

The proposed RBP is a “one-time mechanism” to procure capacity to address the reliability shortfall observed in the DY 2028/2029 BRA.⁴⁸ The RBP will procure unforced capacity (“UCAP”) commitments for a fixed 15-year term,⁴⁹ from DY 2028/2029 through DY 2042/2043.⁵⁰ Additionally, PJM proposes a voluntary bilateral matching process that will run in parallel to the RBP, with capacity obtained through bilateral matching offsetting the final RBP target.⁵¹ PJM will set the procurement target at 6,831 MW—the 2028/2029 BRA shortfall⁵²— subject to reduction for documented

⁴⁵ PJM Board Decisional Letter (July 27, 2026), at 1-3.

⁴⁶ FERC Docket No. ER26-3380-000 (July 31, 2026), Accession No. 20260731-5214.

⁴⁷ PJM Interconnection, L.L.C., *CIFP Framework for Service During Periods of Insufficient Resource Adequacy – Executive Summary* (July 31, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260731/20260731-item-02b---cifp-framework-for-service-during-periods-of-insufficient-resource-adequacy---executive-summary---redline.pdf>. PJM will submit the Interim Resource Adequacy Service proposal in a separate FPA Section 205 filing; that filing had not been docketed as of the date of these comments.

⁴⁸ PJM July 31 Transmittal Letter at 26.

⁴⁹ UCAP measures a resource's accredited capacity after accounting for its expected outage rate. PJM compensates capacity resources based on the UCAP quantity of capacity eligible to satisfy PJM's reliability requirement.

⁵⁰ The PJM delivery years run from June 1 through May 31.

⁵¹ PJM July 31 filing at 30-31.

⁵² PJM Interconnection, L.L.C., 2028/2029 Base Residual Auction Report (July 2026), <https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2028-2029/2028-2029-bra-results-report.pdf>. The BRA is PJM's primary forward capacity auction and is followed by much smaller incremental auctions.

new supply and demand-side commitments. The RBP bid window runs September 30 to October 21, 2026, with commitments finalized by December 2, 2026.

PJM will assign each zone a fixed share of the total RBP cost obligation based on the LLAs submitted by utilities during the 2026 PJM load forecast process.⁵³

Specifically, PJM will compare the 2028 and 2026 LLA summer peak forecast in Table B9b in the 2026 PJM load forecast and use the difference to determine each zone's proportional obligation.⁵⁴ The initial allocation provided by PJM in its FERC filing projects a 18.9 MW and 116.5 MW RBP obligation for the BGE and PE zones, respectively.⁵⁵ The responsibility to pay the costs of the RBP is referred to as a Reliability Backstop Obligation ("RBO").⁵⁶

PJM will exclusively rely on coordination between state regulators and utilities to establish RBO cost assignment procedures. Because the LLA data submitted to PJM identifies only incremental load at the zonal level and is not attributable to specific prospective customers, PJM's approach does not assign RBP costs directly to large load customers. Instead, PJM will create an RBO for each zone for cost and credit requirement assignment purposes.⁵⁷ The RBO reflects the final RBP target for each utility zone. The utilities are responsible for reporting to PJM the RBO allocation for each LSE within a

⁵³ Croop Aff. ¶¶ 43, 46.

⁵⁴ *Id.* ¶¶ 43.

⁵⁵ *Id.* ¶ 46. There is no RBP allocation to the Pepco and Delmarva Power and Light zones.

⁵⁶ PJM July 31 Transmittal Letter at 98, n. 235.

⁵⁷ Croop Aff. ¶ 52.

utility's zone,⁵⁸ subject to any allocation framework established by state regulators. If a state has not established an allocation framework, PJM will allocate the RBO "to all load in the zone/area (including non-Large Loads)" based on existing capacity market allocation methodologies.⁵⁹ In other words, unless individual states act to protect non-large load customers, all customers, including residential customers, will be financially exposed to RBP costs.

PJM's proposal currently permits two pathways for utilities to opt out of the above RBP obligations.⁶⁰ *First*, non-state regulated utilities with written support from the interconnecting large load, state governor, and applicable regulatory authority, may request exemption after demonstrating that costs cannot be allocated to large load customers. *Second*, a utility may request to opt out the quantity of load that participates in a peak-shaving adjustment program "codified in state law" that satisfies certain requirements set forth in the PJM Open Access Transmission Tariff ("OATT"), Attachment DD-2.⁶¹ If an opt-out is approved, PJM will reduce the overall procurement target for the RBP and reduce the allocation percentages to the zone where there has been an opt-out.

⁵⁸ In Maryland, LSEs include utilities providing standard offer service to customers as well as any retail electricity supplier serving customers in the state.

⁵⁹ PJM Board July 27 Decisional Letter at 4; PJM July 31 Transmittal Letter at 99, Croop Aff. ¶ 52.

⁶⁰ Notably, signed bilateral contracts between individual large load customers and new supply resources will not decrement an individual zone's fixed RBP obligation after the procurement window closes. For further documentation of what constitutes qualifying bilateral capacity, PJM July 31 Transmittal Letter, Attachment A (Proposed Tariff, Attachment DD, § 18.2).

⁶¹ PJM July 31 filing at 33, 45. PJM Tariff, Attachment DD-2 establishes the eligibility, documentation, verification, and reporting requirements for peak-shaving adjustments to PJM's load forecast. *See* PJM OATT, Attachment DD-2, <https://agreements.pjm.com/oatt/32931>.

Unless the opt-out option is utilized, PJM will create an RBO for each zone, irrespective of whether the LLAs included in BGE and PE’s 2026 PJM Load Forecast submissions materialize or are delayed. Customers in those zones will be responsible for the costs of that RBO in the delivery years when RBP capacity is supplied. Consequently, non-large load customers in Maryland face material risk of being assigned a portion or the entirety of RBP costs. OPC estimates this extent of this financial exposure as \$562.8 million in additional costs to Maryland consumers over 15 years, assuming PJM procures the entire 6,831-MW RBP procurement target at the proposed RBP price cap (i.e., \$555/MW-day UCAP cleared). BGE and PE customers potentially face approximately \$5.3 million and \$32.2 million in additional nominal costs per year, respectively. This is equivalent to approximately \$0.39 or \$10.63 per month increase in electric bills for BGE and PE residential customers, respectively, if all RBP costs are allocated to residential customers.⁶²

2. Interim Resource Adequacy Service Proposal

Beyond the one-time RBP, the PJM Board also directed PJM to implement IRAS as an ongoing mechanism to ensure “[e]xisting consumers should not bear higher capacity costs caused by new Large Loads that do not bring, or otherwise contract for, the new supply necessary to serve them.”⁶³ IRAS applies to new loads of 50 MW or more

⁶² Assumes 1,143,710 and 252,583 residential customers served by BGE and PE, respectively, based on the average monthly number reported in EIA-861M for calendar year 2025.

⁶³ PJM Interconnection L.L.C., *CIFP Framework for Service During Periods of Insufficient Resource Adequacy – PJM Proposal*, Executive Summary at 1(July 27, 2026), <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260727-cifp-framework-for-service-during-periods-of-insufficient-resource-adequacy-executive-summary.pdf>.

peak load at a single site that are not in service by June 1, 2027, and that neither bring their own new capacity nor obtain RBP credit.⁶⁴ Such loads would be subject to curtailment before Pre-Emergency Load Management. PJM also proposes to exclude these loads from the demand uses in the DY 2029/2030 RPM auction, currently scheduled for December 2026, and beyond unless sufficient new supply is brought or otherwise contracted to serve it. The quantity of new large load excluded from the DY 2029/2030 RPM and subsequent auctions would be limited to incremental new large loads relative to the forecast utilized for the DY 2028/2029 BRA (i.e., the 2026 PJM Load Forecast). These provisions will be further detailed in PJM's forthcoming filing to FERC addressing IRAS and the load registry.

PJM will support implementation of both the RBP and IRAS by establishing a new Large Load Registry to record each qualifying load's BYONC quantities, RBP obligations, and IRAS status. Existing large loads in service before June 1, 2027 must register by March 1, 2027, while new large loads must submit their final registered quantity before entering service and before PJM finalizes the load forecast for the applicable RPM auction. The Registry is also intended to provide states with information needed to develop retail cost allocation mechanisms insofar as "PJM does not have jurisdiction to allocate retail costs directly to individual data centers" but can provide registry, settlement, and billing data.⁶⁵

⁶⁴ *Id.* at 1-2.

⁶⁵ PJM July 27 Decisional Letter at 3.

RESPONSES TO COMMISSION QUESTIONS

Question 1: The amount of load that is anticipated to be bid/procured for or has the potential to be bid/procured for in PJM's upcoming capacity auction and backstop capacity procurement. The utilities will categorize this load between large load as defined in PUA § 4-212(a)(3) and non-large load. Individual large loads shall be identified by size (in MW), capacity zone, and expected date on which they will each receive electricity service. For each large load identified that is not currently receiving electricity service or which is receiving electricity service but not at its projected capacity:

- i. What assurances does the utility have that the large load identified will start operating by the dates identified?**
- ii. Please identify what risk exists that the large load will not materialize either on the date identified or at all.**
- iii. If the utility is aware of the large load being a duplicative load that may be examining different interconnection points on the grid such that there is a risk the load is double-counted in PJM load forecasts.**

Response to Question 1: Only large load backed by a Commission-jurisdictional Agreement and supported by sufficient collateral to cover all capacity obligations entered on the large load's behalf should be included in the planning parameters used for RPM.

The Commission should align Maryland's large load registration requirements with PJM's Large Load Registry and require interim disclosure before PJM's September 4, 2026 deadline for Large Load Adjustment submissions applicable to the 2027 PJM Load Forecast.

As discussed above, PJM procures capacity on the basis of load forecasts and associated reliability standards. Those forecasts reflect LLAs submitted by utilities. Historically, PJM has adopted the LLAs put forward by utilities with limited scrutiny.⁶⁶ PJM, in response to stakeholder concerns,⁶⁷ has recently adopted a variety of reforms to

⁶⁶ Md. Office of People's Counsel, Letter and Comments to the PJM Board of Managers Regarding Large Load Adjustments for the 2026 Load Forecast (Oct. 14, 2025), available at <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2025/20251015-md-office-of-peoples-counsel-re-large-load-adjustments-for-the-2026-load-forecast.pdf>.

⁶⁷ PJM Board of Managers, Board Decisional Letter on Critical Issue Fast Path – Large Load Additions (Jan. 16, 2026), available at <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260116-pjm-board-letter-re-results-of-the-cifp-process-large-load-additions.pdf>.

improve the process by which it reviews and incorporates the LLAs provided by utilities, including the incorporation of a state review process.⁶⁸ Even with these improvements, PJM continues to rely on utility submissions. These submissions face a wide variety of risks that are well documented, including that large loads will not materialize at the level or on the schedule projected, or at all.⁶⁹ The information underlying these submissions is largely unavailable to the public—let alone the Commission—and the Commission has no current mechanism to vet the accuracy and reliability of these submissions to PJM. The consequences of large load failing to materialize as expected, including substantial stranded costs that would be allocated to non-large load customers under PJM’s RBP proposal, directly contravene the Utility RELIEF Act’s requirement that costs caused by large load customers be allocated to large load customers.

In the face of these risks, it is essential that the Commission exercise oversight over LLAs and establish a consistent standard for all Maryland electric utilities: that each large load customer must make a credible, binding commitment prior to a utility incorporating the load into its forecasts used for PJM capacity procurement or transmission planning. At a minimum, the customer should execute a Commission-jurisdictional agreement and provide the financial security described below and in OPC’s response to Question 3.

⁶⁸ PJM Interconnection, Load Adjustment Requests Summary for the 2026 Load Forecast – Preliminary, Load Analysis Subcommittee (Nov. 24, 2025), available at <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/las/2025/20251124/20251124-item-03---large-load-adjustment-requests-summary.pdf>.

⁶⁹ OPC Letter at 3-7.

Regarding assurance requirements (see Question 1.i), the amount of the financial assurance will vary by individual customer but, in all cases, must be backed by a letter of credit, surety bond, or equivalent security to fulfill the entirety of the large load's cost responsibility over the complete agreement contract term, with draw rights if the large load fails to materialize.⁷⁰ The assurance must apply from the *first* date that the load is incorporated into PJM planning parameters. Notably, a letter of authorization or construction contract, even if backed by security sufficient to cover all utility costs in conducting the load study or developing adequate distribution service infrastructure, is not adequate to protect non-large load customers. Rather, these costs appear to pale in comparison to the far more substantial capacity and transmission costs incurred on behalf of the typical large load customer at a PJM-level simply through the inclusion of the large load in the LLA.

The above recommendations are complementary to the requirements explicitly set forth by the Utility RELIEF Act, including requirements that the large loads submit to a load study and show evidence of site control, including ownership or exclusive right to use a site, in advance of entering a service contract.⁷¹ The security should be of a magnitude that matches the size of the maximum amount of requested service, not the ramp level or timing, in so far as the maximum amount drives PJM capacity costs and transmission planning. A FERC-jurisdictional maximum amount drives PJM capacity

⁷⁰ PJM proposed a \$555/MW-day UCAP price cap for RBP resources, which can be used as a reference point when estimating security obligations. PJM July 31 Transmittal Letter at 61-62.

⁷¹ PUA § 4-212(f).

costs. A FERC-jurisdictional Transmission (“TSA”) is also not sufficient to protect customers because TSAs (as so far presented) only address transmission infrastructure—and, even then, not all transmission costs caused by large load customers⁷²—and they do not address resource adequacy costs resulting from the capacity market and the proposed RBP.

Regarding double-counting (see Question 1.iii), it is a widely recognized risk that a single developer may file multiple service requests across sites in different utility service territories or even different wholesale markets as a way to hedge interconnection risk.⁷³ PJM’s IRAS proposal seeks to partially address this risk through a PJM-maintained Large Load Registry, with utilities required to provide information collected from large load customers that can provide a basis for PJM to assess potentially duplicative requests. The Commission should coordinate the § 7-233 registry data flow with PJM’s registry so the two require similar information from potential large loads. Maryland’s registry would also expand upon PJM’s registry by including additional customers between Maryland’s statutory threshold (25 MW) and PJM’s proposed threshold (50 MW). Moreover, the Commission should establish regulations creating a rebuttable presumption that any large load that is identified as potentially duplicative is,

⁷² See Complaint of the Maryland Office of People’s Counsel v. PJM Interconnection, L.L.C. (“OPC Transmission Allocation Complaint”), Docket No. EL26-63, Accession No. 20260507-5026 (May 7, 2026), <https://opc.maryland.gov/Portals/0/Files/Publications/Others/20260507%20-%20RTEP%20complaint%20-%20FINAL%20932.pdf> (describing how TSAs fall short of fully protecting existing customers from data-center-driven transmission costs).

⁷³ OPC Letter at 8; PJM Interconnection, L.L.C., *Third-Party Review of Large Load Adjustment Forecast* (“2026 LLA Review”) (July 13, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/las/2026/20260713/20260713-item-04---third-party-review-of-large-load-adjustment-forecast.pdf>.

in fact, duplicative and therefore must be excluded from utility load forecasts unless and until the customer verifies that the in-state project presents a distinct load.

Maryland law holds that, beginning July 1, 2027, a utility may not submit a Large Load Adjustment Request to PJM unless that customer has completed registration.⁷⁴

Because the anticipated RBP and upcoming RPM auctions precede that date, the Commission should implement equivalent disclosure on an interim basis before any large load estimate is relied upon for capacity procurement or transmission planning. This includes immediately establishing a process to review the LLAs being prepared by utilities for the 2027 PJM Load Forecasts, which are due September 4, 2026.⁷⁵

Question 2: How will the capacity procured via the RBP and capacity auctions be allocated across customer classes? Is there a need to develop procedures or rules as to how costs are allocated to customer classes?

Response to Question 2: RBP costs and risks should stay with Large Loads or their LSEs, not other customer classes.

The Commission should mandate that all new large loads must address their capacity needs through peak-shaving adjustment programs, and then require that affected utilities communicate those requirements to PJM before October 21, 2026.

PUA § 4-212(d)(3) requires that the Commission consider whether a proposed large load tariff directs allocation to the large load customer class any increased or avoided costs the Commission determines have been caused by that customer, including increased or avoided wholesale transmission and capacity costs. Section 4-212(e) further

⁷⁴ PUA § 7-233(i).

⁷⁵ 2026 LLA Review at 3 (stating LLA review workplan).

specifies that costs allocated under subsection (d)(3) include those associated with a “backstop reliability procurement.”⁷⁶

As discussed above, the RBP procurement target equals the capacity shortfall identified in the DY 2028/2029 BRA, reduced by signed contracts for new supply, approved Integrated Resource Plan supply, and large load sites committed to demand-side participation. Costs will be allocated to zones/areas *pro rata* by forecasted load additions and then to LSEs through a new RBO.⁷⁷ The PJM’s RBP filing acknowledges that it lacks jurisdiction to allocate retail costs directly to individual new data centers, making state action essential to ensure that RBP costs only apply to large load customers.⁷⁸ However, because the zone/area allocation follows the forecast and is fixed for the term, stranded cost risks remain if forecasted load does not materialize.

PJM’s approach conflicts with the intent of § 4-212(b). This conflict arises because PJM’s zonal allocation is based on LLAs that are not attributable to individual customers, while the resulting cost obligation is fixed for the full 15-year RBP term. Unless Maryland establishes an enforceable mechanism requiring the large loads that caused the forecasted need to bear those costs, PJM will allocate them across all load in the affected zone, including that of residential customers.⁷⁹ Moreover, those costs will not disappear if the forecasted large load is delayed, reduced, or never materializes; rather,

⁷⁶ PUA §§ 4-212(d)(3), (e).

⁷⁷ Croop Aff. ¶¶ 43, 46, 51.

⁷⁸ PJM July 31 Transmittal Letter at 99–100, 103

⁷⁹ PJM July 27 Decisional Letter at 4; Croop Aff. ¶ 52.

non-large load customers will have to pay them until the RBP term ends. This outcome exposes customers to precisely the financial risks that § 4-212(b) is intended to prevent.

OPC recommends a three-tiered approach, ranked in order of customer protection.

First, the Commission should eliminate Maryland's RBP exposure to the maximum extent possible. The only assured method of protecting residential customers is to avoid the RBP cost assignment altogether through the opt-out mechanism for peak-load shaving programs, consistent with OATT Attachment DD-2, as discussed above, for any large loads not fully committed in binding agreements to pay their full 15-year RBP obligations. The Commission should therefore require PE and BGE to implement qualifying peak-shaving adjustment programs and require that the new large load customers who do not commit to pay RBP costs will be required to participate in the program during the 2028/209 delivery year.⁸⁰ If BGE or PE provides documentation to the Commission that large loads included in their 2026 LLAs have fully committed to pay RBP costs through contractual obligations consistent with all the protective requirements set forth above in OPC's response to PSC question 1, those MWs of demand need not be included in an opt-out for qualifying peak-shaving adjustment programs. Finally, the Commission must direct BGE and PE to communicate the demand subject to the peak-shaving program requirement to PJM before the October 21, 2026 end date of the RBP opt-out and allocation assignment period.

⁸⁰ www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260810/20260810-pjm-and-cra-reliability-backstop-procurement-presentation.pdf (slide 17).

Second, if Maryland remains subject to an RBP obligation, the Commission should establish an RBO allocation framework that assigns all RBP costs exclusively to the responsible large loads or their designated LSEs. That framework should be in place before PJM begins assigning RBO-related credit and collateral requirements and, in all events, before RBP costs may begin to apply (i.e., DY 2028/2029). The Commission should also require the utilities' large-load tariffs to expressly assign all RBP costs to the new large-load customer class.

Third, if individual assignment cannot occur immediately, the Commission should require that Maryland RBP costs initially be assigned to the utilities and deferred for recovery from the responsible large loads. Each utility would track the portion attributable to prospective large loads in a regulatory asset or other Commission-approved deferral account, including applicable carrying costs. Through tariffs, contracts, or other enforceable agreements, the Commission would then require the responsible large load customers to reimburse the utility for all deferred costs and associated carrying costs once they commence service or otherwise become obligated to pay. The second and third approaches would provide a mechanism for identifying and recovering the costs from the large load class, but would not eliminate the risk that the responsible customers never materialize or lack an enforceable reimbursement obligation.

Question 3: What assurances and procedures does the utility have in place to fulfill the intent of the General Assembly as specified in PUA § 4-212(b) and ensure large load customers (as defined by PUA § 4-212(a)(3)), whether they are currently interconnected or anticipated to be interconnected, will pay RBP and capacity costs? If the utility does not have assurances and procedures in place what does the utility recommend to ensure compliance with the statute?

Response to Question 3: Binding commitments, collateral posted before procurement, and curtailable service for non-committing loads will ensure large loads pay RBP and capacity costs.

As explained in OPC's Response to Question 1, each large load should execute a Commission-jurisdictional service agreement before the load is incorporated into PJM planning parameters. The agreement should obligate the large load, or its designated LSE, to pay all RBP and other capacity costs attributable to the load.

The agreement must be supported by a financial security sufficient to cover the customer's full potential cost responsibility, as also addressed in OPC's Response to Question 1. This financial security should apply regardless of when the customer ultimately begins taking service and whether it later elects to BYONC. It should remain available until the associated capacity obligation and stranded-cost risk have been retired and should include draw rights if the project is delayed, reduced, abandoned, or otherwise fails to satisfy its payment obligations.

The agreement should incorporate the ratepayer protections that the Commission is required to consider under PUA § 7-212(d): load ramp periods; minimum billing demand for distribution and transmission service set at a high percentage of contract capacity; long-term contractual commitments and exit fees; guarantee or collateral requirements; and penalties and reimbursement requirements if the customer delays or

cancels a project after buildout has begun. These requirements should be included in the applicable large load tariffs and in other Commission-enforceable agreements necessary to assign and collect the customer's cost responsibility.

If the Commission adopts the utility deferral account approach discussed in OPC's Response to Question 2, the agreement, tariff, or other enforceable agreement must also require the responsible large load to reimburse the utility for all deferred RBP costs, including applicable carrying costs. The associated financial security should be sufficient to support that reimbursement obligation even if the customer never commences service.

Large-load customers that do not BYONC or enter a binding financially commitment to absorb assigned RBP costs must be subject to a peak shaving service to protect the reliability of non-large load customers. For customers that meet PJM's eligibility criteria, each utility's large load tariff should establish this curtailable service consistent with the IRAS construct as approved by FERC. For Maryland large loads that are not subject to the PJM's IRAS proposal, such as customers between 25 MW and 50 MW, the Commission should require comparable State-jurisdictional protections. A large load that has not made one of these capacity commitments should not receive firm service backed by capacity costs borne by existing customers. As addressed in OPC's Response to Question 1, the load should also remain excluded from PJM forecasts unless and until the required agreement, collateral, registration, and other binding commitments are in place.

Question 4: What needs to occur prior to the RBP to ensure compliance with PUA § 4-212? What can be addressed after the auctions are conducted but prior to PJM billing these costs?

Response to Question 4: Binding commitments, collateral, deferral accounting, and/or retail cost-assignment rules must be in place before the RBP bid window closes on October 21, 2026.

The RBP bid window runs from September 30 through October 21, 2026, with commitments finalized by December 2, 2026.⁸¹ The Commission should act no later than October 21, 2026, for any determination affecting Maryland's opt-out status. The period before the RBP commitment becomes fixed is also critical for identifying potential large loads responsible for Maryland's forecasted additions and requiring that prospective customers meet the contractual and financial security obligations described above in OPC's Responses to Questions 1 and 3.

After procurement, but before PJM billing begins in DY 2028/2029, the Commission and utilities may finalize customer and LSE-specific billing assignments; establish deferral account and carrying-cost procedures, if required; confirm that the retail allocation assigns costs to the available large load customers rather than to other customers in the zone; and implement reimbursement, default, and collateral-draw procedures.

After-the-fact actions have limits: forecast-driven capacity and transmission costs are largely fixed once committed and do not unwind if the load fails to appear. The

⁸¹ PJM July 27 Decisional Letter at 1 (bid solicitation and procurement target adjustment window, Sept. 30 – Oct. 21, 2026); PJM July 31 Transmittal Letter at 48 (window opens on the targeted Sept. 30, 2026 date, contingent on FERC acceptance, and closes three weeks after).

principal protective measures (i.e., opting out where possible and requiring enforceable customer commitments where an obligation remains) must therefore occur before procurement. Later actions can administer an obligation that has already been incurred, but they cannot prevent that obligation or cause it to unwind if the forecasted load does not materialize.

Question 5: What, if any, interim rules or tariffs should the Commission establish while the large load tariffs that are to be filed on September 1, 2026 are being examined by the Commission for implementation?

Response to Question 5: The Commission should issue an interim order applying forecast-eligibility, registration, and financial assurance requirements.

The interim order should prohibit a Maryland utility from including a prospective large load in a forecast used for capacity procurement unless the utility demonstrates that the customer has completed the recommended interim registration requirements, executed a Commission-jurisdictional agreement, provided adequate financial security, and taken steps to either absorb (e.g., binding RBP commitments) or offset their capacity cost impacts (e.g., BYONC).

These interim requirements should remain effective until superseded by Commission-approved large load tariffs containing protections that are at least equally stringent. They would track the September 1, 2026, tariff requirements and prevent an uncommitted or insufficiently verified forecast from driving procurement while the tariffs remain under review.

For any large loads that do not formally commit to absorbing RBP costs, the Commission should mandate participation of those large loads in a peak shaving

adjustment program that satisfies the criteria in PJM OATT, Attachment DD-2. Doing so would ensure that Maryland's RBP obligation is reduced by the amount of megawatts not covered by a firm cost allocation agreement.

Question 6: Any other information or proposals that the Commission should consider related to the potential RBP or capacity auctions prior to enactment of the September 1, 2026 tariffs.

Response to Question 6: Additional proposals for the RBP and the capacity auctions

As discussed above, several near-term PJM deadlines require Commission action. As discussed above, several near-term PJM deadlines require Commission action.

- At a minimum, the Commission should immediately: Require in-state large loads that do not make a binding commitment to bear the RBP costs attributable to their forecasted load to participate in a mandatory peak shaving adjustment program;
- Direct the BGE and PE to seek an opt-out of RBP costs for the amount of load subject to the mandatory peak shaving adjustment program;
- Establish interim forecast-eligibility requirements that prohibit prospective large loads from being included in utility load forecasts unless supported by appropriate registration, a Commission-jurisdictional agreement, adequate financial security, and commitments sufficient to address the capacity costs attributable to the load; and
- Establish procedures to assign RBP and other capacity costs to the responsible large loads or their LSEs, rather than residential and other non-large-load customers.

CONCLUSION

The Utility RELIEF Act directs the Commission to protect residential customers from the financial risks created by large load interconnections. The upcoming PJM load-forecast, RBP, and capacity-procurement deadlines make immediate action necessary. OPC respectfully requests that the Commission adopt the interim protections described

above to ensure that speculative or insufficiently committed large loads do not drive costs for other customers, that large loads bear the capacity and transmission costs attributable to their development, and that Maryland utilities take all available steps to either reduce RBP obligations that would otherwise be borne by Maryland ratepayers or secure binding commitments from large load customers that they will pay associated costs.

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