

Comments of the Maryland Public Service Commission on the MCCC's MWG's Draft 2022 Recommendations

The Maryland Public Service Commission (Commission) appreciates the opportunity to comment on the 2022 draft regulations of the Mitigation Working Group of the Maryland Commission on Climate Change (MCCC). The Commission recognizes that many of the proposed recommendations relate to actions the Maryland General Assembly may take. The Commission and other state agencies implement policies set by the legislature and will continue to do so when technically feasible. Further discussion may help clarify which appropriate agency should be responsible for each task to ensure effective implementation with clear roles and responsibilities.

The Commission notes that costs and overall impacts to ratepayers are unknown for many of the recommendations without further study. Furthermore, the Commission would require additional staffing and resources to implement the recommendations.

Additionally, the Commission has both technical and legal concerns with several draft recommendations that may be difficult or impossible to implement. The Commission will make a staff representative available to discuss and resolve these concerns with the MCCC and/or the Maryland General Assembly, as needed.

Some points of clarification are as follows:

- No state agency has legal authority over PJM. However, the Commission can participate as a party in proceedings before the Federal Energy Regulatory Commission (FERC), the federal agency that has regulatory oversight over PJM. *See 9d, 19, 22a, 90.*
- The Commission does not have the legal authority to alter the compliance requirements of the RPS. The General Assembly sets the targets and the Commission reviews compliance by suppliers with those targets. *See 9l, 58.*
- Ratepayer impacts and overall costs should be a consideration in evaluating any MCCC recommendation. Unlike tax dollars, ratepayer dollars do not consider income of individuals. Requiring ratepayers to cover most or all of the costs of certain policies may have disparate impacts on low- and moderate-income ratepayers. *See 9f, 10, 29, 34.*
- The Commission does not regulate electric power generating resources and the Commission was not included in legislation previously considered by the General Assembly that would have set a timeline for phasing out coal generation in Maryland. It is unclear what it means to “implement a planning process[...].” The Commission also does not regulate electric transmission or the wholesale electricity markets, which is under the jurisdiction of the FERC. *See 19, 22.*
- When Maryland restructured electricity and gas utility markets and operations in 1999, a retail energy supply market was created in the State. Some MCCC recommendations are inconsistent with that policy and/or exclude the consideration of retail supply. *See 9f, 32.*
- The Commission does not have jurisdiction in customer homes. *See 41d.*

- The Commission does not regulate private appliance vendors and markets such as HVAC and water heater sales. EmPOWER can be a tool to influence customer behavior; however, fossil fuel appliances are widely available and legal to purchase in Maryland. *See 43, 44.*
- The Commission approves Certificates of Public Convenience and Necessity for distribution line siting, but each and every case is handled on its own timeline; there is no backlog. Utilities are responsible for interconnection to their distribution grids. *See 9e.*
- The Commission has a statutory obligation under the *Public Utilities Article* to balance the needs of both ratepayers and the utilities. The Commission can not implement MCCC recommendations that will cause financial harm to the gas utilities without direction from the General Assembly. *See 13.*

In sum, the Commission appreciates the MCCC's recognition of the Future of EmPOWER Workgroup findings and the Commission's recommendations to the General Assembly (*see recommendation 12*). The Commission also strives to implement the energy and climate policies of the State and looks forward to working to advance those policies while continuing to work on issues important to ratepayers and the public utilities regulated by the Commission.