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PUBLIC SERVICE COMMISSION

March 5, 2024

Chair C.T. Wilson
House Economic Matters Committee
231 House Office Building
Annapolis, MD 21401

RE: HB 1315 – Information - Public Service Commission - Electricity Generation Facilities - Premature Retirement (Keep the Lights On Act)

Dear Chair Wilson and Committee Members:

HB1315 requires the Maryland Public Service Commission (PSC) to consider certain factors before authorizing or approving any agreement related to the premature retirement of an electricity generation facility and prohibiting the PSC from authorizing or approving an agreement related to premature retirement of an electricity generation facility under certain circumstances. The Public Service Commission offers informational comments on this bill.

In 1999, Maryland passed the Electric Customer Choice and Competition Act (“Electric Choice Act”), which effectively took generation out of the state utilities’ combined service, and “unbundled” the electric service into its generation, transmission, and distribution components. The generation component was deregulated and divested by electric utilities, but the transmission and distribution components remained regulated. With restructuring, generation resources were now considered competitive and the competitive market is relied upon to provide new generation resources to meet load requirements. The Public Service Commission does not have authority over generation facilities in Maryland with regards to either activations or deactivations, except for in the case of siting a new plant. Facility deactivation decisions are made by facility owners as business decisions and not determined by State or Federal entities. A generator will make the ultimate decision to retire or not unilaterally based on costs, performance risk, and other applicable market forces, without being required to seek permission from the Public Service Commission.

The Public Service Commission appreciates the opportunity to provide this informational testimony on HB1315. Please direct any questions you may have to Christina Ochoa, Director of Legislative Affairs, at christina.ochoa1@maryland.gov

Sincerely,



Frederick H. Hoover, Chair
Maryland Public Service Commission

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