

KUMAR P. BARVE
CHAIR

FREDERICK H. HOOVER, JR.
BONNIE A. SUCHMAN
ODOGWU OBI LINTON
RYAN C. MCLEAN



PUBLIC SERVICE COMMISSION

Chair Marc Korman
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

RE: HB 1349 - Information - Public Service Commission - Implementation Plan to Convert Formerly Operational Fossil Fuel Generating Stations

Dear Chair Korman and Committee Members:

The Public Service Commission (the “Commission”) appreciates the opportunity to provide this informational testimony for HB 1349. This bill requires the Commission to develop an implementation plan through a public stakeholder process to convert formerly operational fossil fuel generation stations located in the State to natural gas generating stations. The Commission provides this testimony to outline some implementation considerations for this bill.

The Commission does not currently have staff specialized in generation development and operations, so in order to develop the bill’s implementation plan the Commission will require a consultant. The Commission anticipates that a consultant would have to analyze not only the feasibility and cost of conversion of plants, but also what it will take for these formally operational plants to participate in wholesale markets, which may require an assessment of future power markets. The consultant would be needed to assist in structuring the process, determining what information is necessary, and to assess the input to develop a meaningful plan for submission to the General Assembly.

Another important consideration when designing a plan to convert generation stations to natural gas is that it will require adequate natural gas pipe builds or extensions. The Commission’s process, including the work of a consultant, must include capital planning, siting, and cost considerations for this required off-site infrastructure.

The Commission notes that a submission date of January 1, 2027, will not be sufficient time to develop a robust and meaningful plan and would request additional time to conduct the process. It also notes that it may be more appropriate for the Maryland Energy Administration or the Power Plant Research Project to conduct this study. It is likely the process will be focused on determining what is necessary for a private entity—not an electric company—who does not have an obligation to unretire or sell for unretirement a formerly operational fossil fuel generator to take action. This implies incentives, grants, or other arrangements to motivate private market action that is not subject to Commission oversight.

Please contact Niki Wiggins, Director of Legislative Affairs, at irene.wiggins3@maryland.gov if you have any questions related to this informational testimony.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kumar", with a stylized flourish extending from the end.

Kumar P. Barve
Chair, Maryland Public Service Commission