

ORDER NO. 82936
ERRATA

IN THE MATTER OF THE COMMISSION'S INVESTIGATION OF INVESTOR-OWNED ELECTRIC COMPANIES' STANDARD OFFER SERVICE FOR RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS IN MARYLAND.	*	BEFORE THE PUBLIC SERVICE COMMISSION OF MARYLAND
	*	_____
	*	CASE NO. 9117

IN THE MATTER OF WHETHER NEW GENERATING FACILITIES ARE NEEDED TO MEET LONG-TERM DEMAND FOR STANDARD OFFER SERVICE	*	_____
	*	CASE NO. 9214
	*	_____

To: The Parties of Record and Interested Parties in Case No. 9117

On July 6, 2009, CPV Maryland, LLC (“CPV”) filed a Motion requesting that the Public Service Commission (“Commission”) order one or more investor-owned utilities (“IOUs”) to enter into 20-year contracts for the output from a proposed 640 megawatt (“MW”) combined-cycle natural gas-fired generating station that it proposes to build in Charles County, Maryland (“Motion”). In the alternative, CPV requests that if the IOUs should fail to execute such a contract that the Commission itself should negotiate one or more such contracts on behalf of the IOUs. According to CPV, such contracts are necessary in the current credit and financing marketplace to secure new generation, which CPV asserts will provide consumers with economic, environmental and reliability benefits.

A number of parties filed responses to the Motion (collectively, “Responses”). Technical Staff of the Commission (“Staff”) urges rejection of the Motion citing

procedural defects, a lack of evidence and changing circumstances. The Office of People’s Counsel (“OPC”), noting its continued advocacy of a long-term planning approach to electricity supply, questions evaluating resource options one at a time and notes flaws in the CPV proposal, but concludes that it may be in the best interest of customers at this time to evaluate the CPV proposal. Other parties raised various issues, including matters involving competition and procurement.

The Commission recognizes that, as part of its statutory obligation to oversee the procurement of Standard Offer Service for residential and small commercial customers, it may “require or allow an investor-owned electric company to construct, acquire, or lease, and operate, its own generating facilities, and transmission facilities necessary to interconnect the generating facilities with the electric grid, subject to appropriate cost recovery.” § 7-510(c)(4)(ii)(6) of the Public Utility Companies Article (“PUC”), *Annotated Code of Maryland*. It may also “require or allow an investor-owned electric company to procure electricity for [residential and small commercial customers] directly from an electricity supplier through one or more bilateral contracts outside the competitive process.” PUC § 7-510(c)(4)(ii)1.B. The Commission concludes that its examination of whether Maryland needs new generating facilities should not be limited to CPV’s proposal.

Because, as Staff points out, the focus of this proceeding is on the broad policy issues surrounding Standard Offer Service (“SOS”) procurement, rather than on a specific source of supply, the Commission hereby commences a new proceeding to investigate whether it should exercise its authority to order electric utilities to enter into long-term contracts to anchor new generation or to construct, acquire, or lease, and operate, new

electric generating facilities in Maryland. The Commission hereby directs all parties interested in making proposals for new Maryland-located electric generating facilities pursuant to PUC §§ 7-510(c)(4)(ii)(6) or 7-510(c)(4)(ii)1.B. to file such proposals in a new docketed proceeding, which the Commission has initiated as Case No. 9214. The proposals should address the following factors, at a minimum: the location of the proposed facility, the number of megawatts to be produced, the type of generation technology to be utilized, the Commercial Operations Date, and for long-term contracts, the contract length. The Motion and the Responses thereto filed in this case shall be docketed in the new proceeding and need not be re-filed. Case No. 9117 remains open for additional consideration and orders on the issue of the best method to procure Standard Offer Service for residential and small commercial customers.

IT IS THEREFORE, this 29th day of September, in the year of Two Thousand Nine by the Public Service Commission of Maryland,

ORDERED: (1) That a new proceeding is initiated as Case No. 9214, and the Motion filed by CPV and all responses or other filings associated with the Motion filed in Case No. 9117 shall be deemed to have been filed in Case No. 9214;

(2) That all Petitions to Intervene filed in Case No. 9117 filed by persons asking to respond to the Motion are hereby granted, and those persons are considered parties in Case No. 9214 and all parties of record and interested persons in Case No. 9117 are deemed parties of record and interested persons in Case No. 9214, respectively; and

(3) That any proposals for new Maryland-located electric generating facilities pursuant to PUC §§ 7-510(c)(4)(ii)(6) or 7-510(c)(4)(ii)1.B., as set forth herein, shall be filed by December 1, 2009.

By Direction of the Commission

/s/ Terry J. Romine

Terry J. Romine
Executive Secretary