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Maryland PSC Commends Federal Court Decision That Could Benefit Eastern Shore Utility Customers

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(BALTIMORE, MD) – The U.S. Court of Appeals for the D.C. Circuit issued a decision this week indicating that federal regulators erred in denying a Maryland Public Service Commission complaint that would have set a path forward towards significantly reducing electricity bills for customers on the Delmarva Peninsula.

In 2022, PJM Interconnection, the wholesale electricity market facilitator for the Mid-Atlantic region, noticed an anomaly in its capacity market protocols that would have required these customers to pay over \$180 million for unneeded generating capacity. After the Federal Energy Regulatory Commission (FERC) agreed to allow PJM to repair this effect, FERC's decision was successfully challenged in the 3rd Circuit by a group of electric generating plant owners claiming that FERC's decision was improperly made. The PSC filed a complaint at FERC indicating that, regardless, the Federal Power Act requires FERC to address unjust and unreasonable rates.

While FERC acknowledged the excessive costs to Delmarva customers, it explained that their hands were tied by the 3rd Circuit's decision. But this week's DC Circuit decision supported the PSC's assertion that the Federal Power Act does, in fact, provide a means towards protecting Maryland's ratepayers and FERC should address the PSC's complaint. The matter is now remanded to FERC to address the complaints of the PSC and other parties.

This victory reflects just one measure the PSC has taken to contain consumer costs for Marylanders. Most recently, the PSC denied excessive utility rate hikes in the Baltimore region and is currently working with other state agencies on Governor Wes Moore's initiative to forge a path towards reliable, affordable and clean energy for Maryland citizens.

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About the Public Service Commission:

The Maryland Public Service Commission regulates electric and gas utilities and suppliers, telephone companies (land lines), private water and sewer companies, passenger motor vehicle carriers for hire, taxicab companies in some jurisdictions and bay pilot rates. The

Commission implements the energy policy of the State and also regulates the siting of energy generating facilities and high-voltage transmission lines.

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