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PUBLIC SERVICE COMMISSION

March 2, 2026

NOTICE OF HEARING AND INITIATING A PUBLIC CONFERENCE

On February 26, 2026, the Commission issued a notice postponing the March 4 and 5, 2026 DRIVE Act hearing (in Case No. 9761). The Commission has determined that additional time is needed to gather more information in alignment with the following direction.

The DRIVE Act is intended to promote the deployment of demand-side measures to improve grid function and to lower customer bills. Included within that Act is a requirement that investor-owned utilities file with the Commission temporary tariffs to implement time-of-use (“TOU”) rates as a way to avoid or defer electric distribution system capital projects.

The Commission is mindful that there are a number of proceedings in place that are intended to address system reliability and affordability, but the Commission is also concerned that the siloing of such proceedings could result in duplicative or less-than-effective programs. Pairing TOU rates with certain distributed energy resource (“DER”) programs could result in more cost-effective solutions. In fact, there could be situations where TOU rates would only be cost-effective if combined with other programs, but we would miss such an opportunity if those programs are considered separately.

DERs are expected to lower costs to ratepayers and improve the resiliency and reliability of the grid. DERs also have the advantage of rapid deployment, particularly when compared with more conventional generation. In a recent report by the U.S. Department of Energy, DER adoption

today is just a fraction of its potential. But to effectively tap into that potential, we must fully understand what can be done in Maryland, as well as what is being done in other states but not being proposed in Maryland, and where on the system deployment could achieve the greatest impacts (such as in reducing load congestion or capacity constraints).

With this in mind, the Commission institutes a new public conference, PC 77, Demand-Side Management Programs, Rate Design Measures, and Distributed Energy Resource Integration in Coordination with the DRIVE Act, to be considered alongside the DRIVE Act, as explained below, as well as other relevant proceedings. The purpose of this public conference is to catalog the current state of demand-side management programs as well as rate design measures intended to influence customer load behavior, such as time-of-use rates. In addition, the Commission directs the utilities to provide proposals to increase participation in these programs and rates, by August 2026. Finally, the Commission directs the utilities to offer new programs that would promote DERs and demand response.

Therefore, the Commission directs all electric companies, including Choptank, to file the following items in PC 77 by March 23, 2026 and be present for a joint hearing with Case No. 9761 on Tuesday, April 7, 2026, beginning at 10:00 a.m. and on Wednesday, April 8, 2026, beginning 10 minutes after the conclusion of the Commission's Administrative Meeting. Both hearings will be held in the Frank O. Heintz Hearing Room, William Donald Schaefer Tower, 16th Floor, 6 St. Paul Street, Baltimore, MD 21202. Parties and interested persons are invited to file comments by Wednesday, April 1:

- (1) An inventory of all existing demand-side management programs and rate design measures designed to influence customer behavior. This should include:
 - (a) a description of the program;

- (b) Case No. associated with the program;
 - (c) current budget;
 - (d) device participation;
 - (e) megawatt (“MW”) reduction potential (on- and off- summer peak, on- and off-winter peak); and
 - (f) an explanation of assumptions and methodology associated with calculating MW reduction potential.
- (2) Anticipated MW reduction potential from expansion of existing programs or launch of new programs during summer peak hours for 2026. Please include a narrative describing the assumptions and methodologies used to develop estimates, the necessary steps to achieve such expansion, potential complications, and potential budgets (if available) necessary to expand participation. Please also include any impacts on the current DRIVE Act proposals, if applicable.
- (3) Anticipated MW reduction potential from expansion of existing programs or launch of new programs during summer peak hours for 2027 and 2028. Please include a narrative of what needs to occur, potential complications, and potential budgets (if available) necessary to expand participation during summer and winter peak hours in 2027 and 2028 including device participation and budget necessary to achieve these reductions. Please include a narrative of what needs to occur, potential complications, and potential budgets (if available) necessary to expand participation in addition to the impacts on the current DRIVE Act proposals, if applicable.

The hearing under PC 77, which will occur after the DRIVE Act hearings, will focus on potential and strategy to increase participation in programs for the summer of 2026. The hearing will also address demand-side management programs and other rate design measures for 2027 and 2028. To the extent these proposals may impact the current DRIVE Act proposals, this should also be discussed.

Additionally, the Commission directs Baltimore Gas and Electric Company (“BGE”) and requests Southern Maryland Electric Cooperative (“SMECO”) to submit proposals in Case No. 9761 for consideration to move their EmPOWER demand side management programs into the DRIVE Act proceeding as proposed by Potomac Electric Power Company (“Pepco”), Delmarva Power and Light Company (“Delmarva”), and Potomac Edison Company (“Potomac Edison”). As demand response is a statutory requirement of the EmPOWER program, BGE, SMECO, Pepco,

Notice of Hearing & Initiating PC 77
Case No. 9761
March 2, 2026
Page 4 of 4

Delmarva, and Potomac Edison shall also make filings providing an explanation as to how the movement and potential expansion of these programs complies with the EmPOWER statute.

Parties interested in providing oral testimony at the hearing should notify Annika Barth (annika.barth@maryland.gov) by COB, April 3, 2026.

By Direction of the Commission,

/s/ Amanda Best

Amanda Best
Deputy Executive Secretary