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**PUBLIC SERVICE COMMISSION**

December 11, 2025

Resource Adequacy

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Administrative Docket  
PC 66

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**NOTICE REQUESTING COMMENTS ON RECA GENERATION  
PROCUREMENT MODELS STUDY**

**I. BACKGROUND**

During the 2025 Session of the Maryland General Assembly, the Public Utilities – Generating Stations–Generation and Siting Act (“Renewable Energy Certainty Act” or “RECA”) was passed. Among other matters, RECA requires the Public Service Commission of Maryland (“Commission”) to conduct a Generation Procurement Models Study (“Study”) to establish a process by which the Commission may establish power purchase agreements, partnerships between electric companies and electricity suppliers, or other procurement models for electricity generation projects (*i.e.*, collectively referred to as “procurement models”).<sup>1</sup>

The process established shall include a method for determining whether any of the procurement models specified will contribute to resource adequacy by increasing by 100 megawatts or more the electricity supply in the State that is accredited by PJM Interconnection, LLC (“PJM”).<sup>2</sup> Additionally,

<sup>1</sup> See Senate Bill 931/ House Bill 1036 (2025) as codified in § 9–2017 of the State Government Article.  
<sup>2</sup> The process established shall also require that a generating station constructed under any of the procurement models specified shall be connected to the electric system in the State and also require that an electricity supplier in a partnership with an electric company shall construct the generating station. The process established shall also require that an electricity supplier and electric company using a procurement model specified shall jointly seek and receive a positive credit rating assessment from a credit rating agency. The Commission is also required to identify the potential rate impact and prioritize procurement models specified that have little or no impact on customer rates.

the process established requires that the Commission’s certificate of public convenience and necessity procedures, government agencies’ review processes, and electric companies’ processes be modified to connect the generation stations through expedited timelines.<sup>3</sup>

Finally, on or before December 1, 2026, the Commission is required to report on the results of the Study to the Governor and the General Assembly in accordance with § 2-1257 of the State Government Article.

## **II. PROPOSED STUDY APPROACH**

The proposed study approach includes a “multi-criteria decision analysis” to analyze and evaluate multiple options against a diverse set of criteria to provide a framework for incorporating various factors and stakeholder feedback. The proposed study’s approach also includes “least regrets planning” where options are considered and prioritized that would entail the least regret by projecting into the future and considering the consequences of each model on future Maryland resource adequacy and customer rates. The proposed study’s approach also envisions a stakeholder feedback collection process culminating in a Technical Conference convened by the Commission later in 2026.

Finally, the proposed study’s approach requires that, at a minimum, the following generation procurement models shall be evaluated against a “business as usual” (“BAU”) base case model which is defined as the current PJM Base Residual Auction (“BRA”) Model<sup>4</sup> for securing generation without

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<sup>3</sup> The RECA requirements as codified in § 9–2017 of the State Government Article requires that the Commission expedite all proceedings for the review and approval of a certificate of public convenience and necessity for a generating station proposed by a partnership under any of the procurement models specified and prioritize these proceedings, if necessary, over other matters with the Commission taking final action on a certificate of public convenience and necessity for a generating station proposed by a partnership under any of the procurement models specified not later than 180 days after the Commission determines that the generating station qualifies as a partnership to procurement model that will provide resource adequacy, among other requirements for State Agencies and intervenors to expedite their reviews.

<sup>4</sup> The BRA model is an annual auction where electricity suppliers commit to providing power in the PJM region,

using any additional generation procurement models in Maryland:

1. partnerships where an electric generation developer constructs a generating station for an electric company that becomes utility-owned, rate-based Generation;<sup>5</sup>
2. partnerships where electric companies enter into purchased power agreements (“PPAs”)<sup>6</sup> for in-state generation with electricity suppliers;
3. partnerships between electric companies and electricity suppliers such as, but not necessarily limited to, tolling agreements;<sup>7</sup>
4. a model where the Commission establishes generation capacity credits (“GCCs”) for generation solicited by the State of Maryland from generation developers using tolling agreements or other methods and requires that each electricity supplier purchase these credits in proportion to the electricity supplier's capacity obligation,<sup>8</sup> and
5. any other promising industry generation procurement methods [.] that have merit.

The Commission is currently seeking technical consulting services to perform the Study in an RFP solicitation<sup>9</sup> that is currently in progress.

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typically three years in advance of the delivery year. PJM uses the BRA to secure enough generating capacity, including a reserve margin, to meet future electricity demand and maintain grid reliability at the lowest possible cost. The auction pays winning suppliers a market price for their commitment of capacity, which is then passed on to customers as a capacity charge on their energy bills.

<sup>5</sup> Utility rate-based generation refers to generating assets that are included in its rate base. This asset value is regulated by a Commission, allowing the utility to earn a fair return on investment on these power-generating facilities by determining the rates charged to customers.

<sup>6</sup> A Power Purchase Agreement (“PPA”) is a contract where an electricity buyer (the utility) agrees to purchase a fixed volume of power at a predetermined price from a generator over an extended period, providing financial security for the generator and a stable supply for the buyer.

<sup>7</sup> A generation full tolling agreement involves an asset owner renting out their power generation facility to a toller, who then controls its operation, pays a fee, and takes on the financial risk of market price fluctuations and physical energy inputs. In some cases, a partial tolling agreement may be utilized that only involves certain market products, such as capacity but not energy or ancillary services.

<sup>8</sup> In PJM, an electricity supplier's capacity obligation is its share of the total amount of installed generation or demand response capacity needed to meet the region's peak electricity demand, plus a reserve margin, for a given delivery year.

<sup>9</sup> Maillog No. 324048.

### **III. REQUEST FOR COMMENTS**

In order to meet the deadlines established by the General Assembly for the RECA Study, the Commission is requesting feedback now in advance of securing a consultant. The Commission requests comments regarding the use of generation procurement models and key procurement model design elements including qualification, bidding rules, selection criteria, and contract terms, among other factors that should be considered in this analysis or as an output of the study. Comments are also requested on the effectiveness of procurement models currently in use in other jurisdictions and if the types of generation potentially procured in Maryland through this process have specific technology factors that should be considered. Comments are also requested regarding how participation in PJM capacity, energy and ancillary markets should be evaluated and credited for generation procured through this process.

Any party wishing to submit comments in response to this Notice shall e-file using the Commission's e-File system by January 23, 2026. Comments should be addressed to Andrew S. Johnston, Executive Secretary, Maryland Public Service Commission, William Donald Schaefer Tower, St. Paul Street, 16th Floor, Baltimore, Maryland 21202, and reference "PC 66" in the subject line.

By Direction of the Commission,

*/s/ Andrew S. Johnston*

Andrew S. Johnston  
Executive Secretary