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PUBLIC SERVICE COMMISSION

December 7, 2011

Mr. Michael Kormos
Senior Vice President
State & Member Services
PJM Interconnection LLC
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497

Re: Request for Reliability Evaluation

Dear Mr. Kormos:

The Maryland Public Service Commission Staff requests that PJM undertake a reliability evaluation of the potential deactivation of the C.P. Crane and H.A. Wagner coal generating facilities in Maryland. The purpose of this request is to identify any potential transmission system limitations that may impact Maryland electric reliability.

Our desire for a reliability evaluation was initially discussed during our meeting on November 28, 2011. At that time, we requested PJM to undertake a reliability evaluation with a completion date of January 13, 2012 to permit circulation of the results to parties in Case No. 9214 prior to PJM's testimony on January 30, 2012. While PJM has indicated its willingness to undertake the reliability evaluation on behalf of the Commission, we have been advised that PJM cannot commit to completion of the evaluation by January 13th as a result of five generation retirement studies that must be completed within thirty days of receipt as provided by its tariff. However, PJM will make every effort to complete the evaluation requested by the end of January 2012 and to make all completed portions of the evaluation available as part of its testimony on January 30, 2012.

The reliability evaluation should be undertaken in accordance with the assumptions presented and for three different operating scenarios. The three operating scenarios reflect deactivation of each generating facility, on a stand alone basis, and deactivation of both units simultaneously. As part of the reliability evaluation for each of the above scenarios we request that PJM provide an analysis of the impact of deactivation of the Crane and Wagner generation on energy prices resulting from any increases or decreases in congestion.

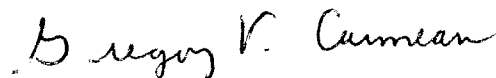
- Operating Scenario 1 assumes deactivation of all C.P. Crane generation capacity (approximately 400 MW) by May 31, 2015. This operating scenario should reflect continued operation of H.A. Wagner generation capacity (approximately 1,000 MW) beyond May 31, 2015.
- Operating Scenario 2 assumes deactivation of all H.A. Wagner generation capacity (approximately 1,000 MW) by May 31, 2015. This operating scenario should reflect continued operation of all C.P. Crane generation capacity (approximately 400 MW) beyond May 31, 2015.
- Operating Scenario 3 assumes deactivation of all H.A. Wagner generation capacity (approximately 1,000 MW) and C.P. Crane generation capacity (approximately 400 MW) by May 31, 2015.

The reliability scenario evaluations should be based on the 2011 Regional Transmission Expansion Plan assumptions except as discussed in this paragraph. The specific assumptions presented, common to all operating scenarios, are as follows:

1. The proposed MAPP and PATH transmission projects should be excluded from all operating scenarios.
2. All deactivations of the Benning, Buzzard Point, Potomac River and Indian River generation capacity should be completed as of May 31, 2015.
3. New generation capacity for Maryland should be limited to those facilities having a signed Interconnection Service Agreement (ISA). As part of its analysis PJM should provide a summary of those generation facilities having a signed Facilities Service Agreement (FSA) with an estimated in-service date no later than May 31, 2015 that were not included in the reliability evaluation.

We would ask that PJM include in its written response as much granularity as possible regarding specific transmission system impacts, affected facilities, potential solutions, estimated capital costs for new facilities, timelines for installing potential transmission solutions and estimated congestion costs. We greatly appreciate PJM's attention to this request and look forward to receiving its response.

Regards,



Gregory V. Carmean
Executive Director

cc: Raj Barua, OPSI