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**OFFICE OF PEOPLE'S COUNSEL
C91H00
Fiscal Year 2021 Operating Budget**

**Response to Department of Legislative Services
Budget Analysis**

**Senate Budget and Taxation Committee
Public Safety, Transportation, and Environmental Subcommittee
Senator Cory V. McCray, Chair
February 6, 2020**

**House Appropriations Committee
Transportation and Environment Subcommittee
Delegate Marc Korman, Chair
February 05, 2020**

General Response of the Office of People's Counsel (OPC)

The Department of Legislative Services concurs with the Governor's allowance. OPC appreciates the careful review by Tonya Zimmerman, DLS budget analyst, and agrees with the DLS recommendation.

OPC Additional Comments on OPC Case Participation

Maryland law requires the Office of People's Counsel (OPC) to participate in all matters before the Public Service Commission that may affect the interests of residential utility customers. The vast majority of these proceedings are initiated by regulated entities or by the Commission itself, and OPC does not control the number of filings from year to year. In addition to Commission proceedings, OPC also has the discretion to represent utility customer interests in federal proceedings that affect those interests.

The Department of General Services noted in its analysis that in fiscal 2019, OPC's participation in regulatory matters shifted to a greater participation in federal cases. At the federal level, most of the activity occurs in matters before the Federal Energy Regulatory Commission (FERC), which regulates interstate electricity transmission and wholesale markets, as well as interstate gas pipelines. There has been an increase in the number of cases before FERC that affect the interests of Maryland residential customers. There has been an increase in the number of cases involving FERC transmission rates, including cases that resulted from the Tax Cuts and Jobs Act of 2017, and are continuing. There also has been a recent increase in cases involving proposals to change market rules for wholesale electricity markets. In addition to an increase in the number of federal cases, it is important to note that these regulatory matters typically extend over multiple years, whether rate cases, rulemakings or complaints. This extends the time period for when a "favorable" outcome occurs.

The Public Service Commission regulatory dockets have evolved over the past few years as well. There has been a steady stream of utility rate case filings through fiscal years 2009-2019, and several merger and acquisition cases.

However, a significant shift in the Commission’s dockets, and thus OPC’s workload, has occurred in the non-litigation dockets and post-decision work group settings. These shifts make it more difficult to identify “favorable” results, as opposed to consensus –based, or in many cases, mixed decision results. These include rulemakings and public conferences. As an example of the latter, the Commission’s PC44 docket had six ongoing workgroups, two of which evolved into case dockets (electric vehicles and storage), and the remainder are ongoing. These workgroups are time-intensive and require technical assistance. EmPOWER (energy efficiency) proceedings are continuous, with twice yearly extensive review of the programs of five electric companies, two gas companies and DHCD, as well as related workgroups. Similarly, as a result of 2013 STRIDE legislation, the three major gas companies have continuous dockets, with initial five-year plans, amended plans and annual reconciliations. Rate design, prepaid, electric vehicle and storage pilots also are ongoing. Therefore, the relationship between “favorable” decisions (e.g., simple wins and losses) and the overall work of the office has evolved in recent years.