

## EPSA, P3 counter Maryland PUC's anti-market report

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With Maryland's power market under fire, some groups are warning against moving to re-regulation as a solution.

A report by the PUC to lawmakers trashing the market (RT, 12/5) warned of the possibility of blackouts in the next four to five years.

The hope is that the PSC looks at solutions other than re-regulation since the competitive market doesn't seem to be the place to lay blame, said Glen Thomas, president of P3 -- the PJM Power Providers Group.

"Attributing the blame to restructuring, as some have done, for Maryland's current situation misses the point and ignores the very significant factors that have yielded the state's current supply-demand imbalance," he added.

"Building new generation in Maryland is an expensive and cumbersome proposition independent of

market structure."

EPSA's pushing for regulators to keep the state out of the picture as a market participant.

A number of challenges exist in today's marketplace for generation capacity and environmental issues, said EPSA President John Shelk to Finance Committee Chairman Thomas Middleton yesterday.

But careful reading of the PUC report "confirms that the realities that confront all of us will not go away through adoption of more interventionist regulatory policies."

EPSA did agree with some of the reports conclusions including depicting the power market as facing rising construction costs, uncertainty over regulation of greenhouse gas emissions and difficulties in the siting of power plants and transmission lines.

These forces can impact how to

meet future generation needs, agreed EPSA, and it shared the PSC's position in favor of prudent infrastructure development for both generation and transmission.

EPSA joined the PSC report in noting that certain areas in the PJM Interconnection, including Maryland, have narrowing generation reserve margins.

But the industry is responding with project proposals that would provide new power to Maryland consumers, said EPSA.

Those include a proposal by Competitive Power Ventures to build a combined-cycle gas turbine plant, Constellation's agreement with Conectiv to buy power from a new CCGT plant in neighboring Pennsylvania and Semptra Generation's Catoctin project.