**MSC Narrative Template**

*– Using first two pages of Maryland Case content as dummy text*

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**Page 1:**

**Title: Hunting in the dark**

Chairman Douglas Nazarian sighed as he shuffled through the mail--a few pieces of junk here, some coupons to Giant there. He walked steadily up the driveway, pulling at the discomfort of his tie. June continued to deliver long, hot days, and this Monday had been no different. As evening settled in, the blanket of Maryland’s humidity seemed only to tuck itself tighter around the edges of this quiet Catonsville neighborhood.

“Hey!”

Doug looked up, surprised to see his daughter shoot intently into the lacrosse net tethered in the front yard. He smacked a mosquito from his neck and shook his head in disbelief.

“Lisa? There’s a heat warning in effect.”

“What? Whatever, Dad. Mom’s working tonight and she left you dinner.”

“Did Tracie and you eat already?” he questioned.

As soon as she responded with “Mhm,” she launched another shot and it was clear the conversation was over. Doug admired her determination to train despite the heat. He smiled and wandered inside, preferring the respite of their air-conditioned and bug-free home.

Nazarian noted that the kitchen smelled tempting as he slipped off his loafers. Wiping sweat from his forehead, and continuing to leaf through the notices and letters, Doug paused at a crisp envelope stamped in the top left with the bold green type of Baltimore Gas and Electric (BGE). “Well I’ll be...” he muttered, reaching blindly into the top drawer by the stove for a letter opener.

Since becoming Chair of the Maryland Public Service Commission (MPSC) two years ago, Doug always found it amusing to fall into the electricity consumer role. His days were filled with case briefings, filings, and court orders that regulated much of the utility industry in the state, and yet he still came home to pay his own bill to one of the same companies he had presided over not even a few hours earlier.

As Doug unfolded the bill to see the full month's damages, his mind drifted to tomorrow’s docket where he and his fellow Commissioners were slated to deliberate on BGE’s hefty proposal to roll out smart meters across its service area. The 445-page proposal was initially filed a year ago, and although the BGE Counsel had requested a timely legislative-style hearing to secure a decision by last fall, the multiple components within the proposal in conjunction with its price tag of almost $840 million required lengthy evidentiary proceedings that had dragged through until early this year. Since the reply briefs had been filed in February, Nazarian had been reviewing the documents alongside fellow Commissioners and the Commission’s attorneys. Tomorrow the Commission would meet in open session to discuss any remaining arguments and to cast a formal vote.

The sheer weight of the case hurt his head to consider. BGE was the largest electric service provider in the state and, with two other investor-owned utilities having filed similar proposals, this decision would surely set the precedent for the future of smart-grid technologies across Maryland. Not only was BGE proposing to roll out 1.36 million electric smart meters in the next three years, the company was also seeking approval to launch a mandatory “Smart Energy Pricing” (SEP) time of use rate, and to recover the full costs of this initiative by adding a surcharge to customer bills. On the one hand, smart meters were being rolled out nationwide--Detroit, Houston, and Miami to name a few places--and they had the potential to facilitate great reductions in state electricity demands. On the other hand, Nazarian and the other Commissioners were concerned that structuring cost recovery through a surcharge would shift all risks of the project to rate payers. Now what did that representative from the Office of People’s Counsel (OPC) say? Oh yeah, something about their proposal made it simply *too easy* for a business to make “pie in the sky” promises when the business bears no financial risk and pays no penalty if those promises are never fulfilled.

Sighing, he set down the BGE bill, but as he reached to open the cupboard for a plate, something caught his eye. “One hundred and fifty dollars?!” Doug exclaimed. He shook his head and wondered how their utility bill could jump so high in just thirty days. Abnormally high. Glaring at the white paper bearing the bad news, he thought about what could be to blame in his household of four. Sure, the air conditioning had been working overtime because of the recent heat wave, but it seemed essential to keep it on, especially with two athletic daughters charging through to cool off between camps, sports, and neighborhood games. Likewise, the refrigerator and electric stove served as the ‘hearth of the home’ and provided much-needed sustenance.

This thought piqued his interest and soon Commissioner Nazarian found himself padding barefoot around the house, seeking out the stray appliances and electronic devices that lurked in dark corners, on a father’s hunt to see what really needed to stay on. As he clicked appliances off slowly, he considered their value to the family’s daily life. It became clear that there were some things he was willing to pay a whole lot to have functional, whereas there were other items he could do without. As he thought about the family’s needs, tastes, and priorities, some things just weren’t worth the extra kilowatt-hours per month on his utility bill.

He continued his evaluation. Coffee machine? Critical. Laptop? Useful for the girls’ homework… but there was also a desktop. Flat screen TV? Perhaps a little excessive.

“Daddy, what are you doing?” Tracie giggled as she watched her father creep in front of the television, unaware of her presence. Her voice brought Doug back to reality so he stopped what he was doing and smiled, finding that he had grown hungry for food and that his appetite for this ‘useful versus useless’ electronics hunt was waning.

“Oh nothing, honey,” and with that, Doug returned to his kitchen for a heap of spaghetti and resolved to put aside the upcoming commission deadline--and all utility concerns for that matter--until tomorrow.

**Page 2:**

**Title: Power to the People with Peaker Plants**

“It’s going to be another scorcher. Today is forecast to reach a high of 95 with a heat index of almost 99. Health officials recommend staying safe and keeping cool. Representatives from BGE say we are approaching our peak power usage this week, and while we are not in danger of any blackouts or brownouts just yet, the utility company is asking you to conserve in some very specific ways.”

At that moment, the churn of the coffee machine drowned out the WBAL-TV 11 morning news, and Commissioner Nazarian welcomed the smell of fresh coffee, having not slept well the night before. How timely that he should be deliberating on a smart meter rollout proposal just as the city around him approached peak demand for electricity, straining BGE’s transmission systems and risking life-threatening blackouts and brownouts across Baltimore.

Hoping to get a head start on what was sure to be a long and challenging day, Doug hustled to suit up for the office, straighten his tie, and head out the door. Despite his early efforts, the traffic that morning was grueling coming from the western suburbs where several highways converge on the approach to downtown. As he inched along I-95 approaching his exit onto I-395 North, he glanced out of the passenger side window and saw in the distance a jumbled mass of high-voltage transmission lines and transformers sprawled near the shore of the Patapsco River.

Although most drivers suffering in traffic next to him took no notice of the facility, Commissioner Nazarian knew all too well that this was the Westport Generating Station, one of many natural gas peaker plants that speckled the edge of the city and that were used to supply power during peak electric demand periods. Indeed, nearby sat the Gould Street Generating Station, another plant that remained idle except when extreme summer heat and humidity drove up demand for air conditioning, when it then kicked into overtime to help prevent blackouts and brownouts. “All that capital investment for a plant that only turns on a few times per year…” Commissioner Nazarian mused as he drifted past.

Unfortunately, the problem of peak demand wasn’t going away anytime soon. Central Maryland had been plagued for years by a shortage of local electricity generation and the state needed to import power from other regions in the PJM Interconnection, a regional electric transmission system and wholesale electricity market covering much of the Mid-Atlantic and eastern Midwest. Furthermore, with climate change threatening to increase the frequency of extreme weather, and to raise the average regional temperatures, summer electricity demand could be expected to rise in the future.

It might sound all well and good that Maryland could fire up peak power plants as well as rely on electricity sources from the regional transmission grid, but these “solutions” came with their own challenges. Importing large volumes of power during peak demand periods tended to clog the overburdened transmission system, leading to congestion costs that were ultimately borne by utility customers in the form of higher electric rates. In 2008, BGE alone paid upwards of $92 million in these costs to service their customers at peak demand times.[[1]](#footnote-1)

Additionally, because the primary fuel for ramping up electricity supply to meet peak demand is natural gas, the wholesale prices that BGE pays for electricity to deliver to its customers are deeply vulnerable to spikes in natural gas prices, like the summer 2008 spike that saw the maximum natural gas price double compared to the minimum the previous winter. These costs, too, are ultimately borne by utility customers. In the wake of the 2008 financial market collapse and recession, any increase in electricity bills puts significant strain on many struggling Maryland households and businesses.

Doug also knew that, beyond immediate costs, there were significant environmental implications associated with peak electricity generation: because natural gas is a fossil fuel, it contributes to global warming, both through combustion and methane leakage in the production and distribution network. In addition, building new generating facilities and transmission lines sometimes came with land use change and habitat destruction. There had to be some alternative way to address peak demand to alleviate these costs on the consumers and the environment.

“I guess these plants should be firing up soon in this weather,” he muttered to himself. “I suppose it makes sense that hot days should increase demand for electricity. After all, I’m more willing to pay for air conditioning in June than in January.” As his car lurched forward in the cacophony of honks, Commissioner Nazarian thought more about city-wide electricity demand, and how weather played an important role.

[Please follow the same structure to continue putting in other pages.]

1. Monitoring Analytics, LLC, “2008 State of the Market Report for PJM Volume 1: Introduction,” (independent market report for PJM, 2009), 53. <http://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2008/2008-som-pjm-volume1.pdf> [↑](#footnote-ref-1)