

Letter of Information  
Economic Matters  
2/29/2024

## **House Bill 1367 – Public Utilities – Certificates of Public Convenience and Necessity – Energy Storage Devices**

Baltimore Gas and Electric Company (BGE) is providing information for *House Bill 1367- Natural Gas – Public Utilities – Certificates of Public Convenience and Necessity – Energy Storage Devices*. House Bill 1367 would expand the requirement of obtaining a certificate of public convenience and necessity (CPCN) from the Public Service Commission (PSC) to energy storage construction. Currently, the PSC has the authority to issue a CPCN for the construction or modification of generating stations and high-voltage transmission lines.

A person or entity is not prohibited to begin construction of a generating station or an overhead transmission line designed to carry more than 69 kV without the approval of the PSC, which is secured through the CPCN. The purpose of the CPCN is to require public notice to certain state and federal agencies, governing bodies of county or municipal corporations, General Assembly members representing any part of a county, and to each landowner and each owner of adjacent land when the CPCN application is submitted. The PSC posts notices of applications on its website and on its social media platforms. There is also a requirement for at least 1 hearing for public comment. A series of evidentiary hearings and briefings occur and eventually, a Public Utility Law Judge issues a proposed order, which may be appealed to the PSC. This is a very lengthy process with extensive stakeholder engagement.

It is worth noting that there is a CPCN exemption process for generating stations so that every construction project is not subject to this extended regulatory process. If the generation capacity is less than or equal to 2 megawatts, the project can be exempted. BGE recommends that energy storage devices follow a similar exemption process for consistency. House Bill 1367 states that energy storage devices with a minimum capacity of 1 megawatt would be required to file a CPCN. It would be prudent to alter the language to require the minimum capacity to be of 2 megawatts or equal, in alignment with the generating station requirement.

BGE looks forward to continuing discussions with the bill sponsor on how best to achieve transparency and stakeholder engagement to provide a premier experience to our customers.