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PUBLIC SERVICE COMMISSION

February 25, 2024

Chair C.T. Wilson
Economic Matters Committee
Room 231 House Office Building
Annapolis, MD 21401

RE: **HB 1367 – Favorable - Public Utilities - Certificates of Public Convenience and Necessity - Energy Storage Devices**

Dear Chair Wilson and Committee Members:

During the 2023 Legislative session, the Maryland General Assembly passed HB 910, which requires the Public Service Commission (PSC) to establish the Maryland Energy Storage Program and set targets for the cost-effective deployment of new energy storage devices in the State with a goal of achieving at least a cumulative total of 3,000 MW by the end of 2033. The program must be implemented by July 1, 2025. HB1367 adds additional safeguards to the development process by requiring all projects greater than 1MW obtain approval from the Public Service Commission (PSC). The PSC requests a Favorable vote on House Bill (HB) 1367, as it will allow for greater review of such projects before being deployed in the State.

HB 1367 amends § 7-207 of the Public Utilities Article by requiring developers of “energy storage devices” to obtain a Certificate of Public Convenience and Necessity (CPCN) from the PSC prior to construction. The bill defines “energy storage device” as a device that “(i) is capable of absorbing electrical energy, storing it for a period of time, and delivering the energy for use at a later time as needed, regardless of where the resource is located on the electric system; (ii) has a minimum energy storage capacity of 1 megawatt; and (iii) is installed behind or in front of the meter.”

HB 1367 incorporates energy storage devices within the PSC’s existing CPCN process, through the inclusion of application notice requirements and the cohesion with public comments and hearings. It requires due consideration for existing statutorily enumerated factors, including the recommendation of the governing body for applicable counties or municipal corporations; effects on electric system stability and reliability, economics, aesthetics, historic sites, aviation safety, applicable air quality and water pollution; and climate change. It additionally provides that counties or municipal corporations may not condition approval of CPCN-required local permits on conditional use, special exception, or floating zone approvals for any aspect of the proposed devices.

Although HB 1367 likely creates new and incremental workload that cannot be absorbed by existing PSC resources, the PSC feels the value added by the extensive review during the CPCN process, along with the statutorily required public and community input, will create greater opportunities for successful projects.

The Public Service Commission asks that you consider these comments when reviewing the language proposed in HB 1367 and requests a Favorable report. Please direct any questions you may have to Christina Ochoa, Director of Legislative Affairs, at christina.ochoa1@maryland.gov.

Sincerely,

A handwritten signature in blue ink that reads "Frederick H. Hoover". The signature is written in a cursive style with a large initial 'F' and 'H'.

Frederick H. Hoover, Chair
Maryland Public Service Commission