February 13, 2025
Maryland Senate
Education, Energy, and Environment Committee

SB 316
Abundant Affordable Clean Energy - Procurement and Development (AACE Act)
Sponsor: Senator Ben Brooks

Katie Mettle
Policy Principal, Advanced Energy United

FAVORABLE WITH AMENDMENTS

Dear Chair Feldman, Vice Chair Kagan, and esteemed members of the Education, Energy, and the Environment Committee:

Advanced Energy United is an industry association that represents companies operating in the clean energy space. Our mission is to accelerate the transition to a 100% clean energy economy. Our members represent the full suite of technologies that are powering this transition. They include, but are not limited to, companies which manufacture, install, and maintain batteries and solar panels, as well as wind turbines, geothermal systems, EVs, EV chargers, and smart grid technologies.

On behalf of our member companies and in alignment with our mission, we support SB 316, with amendments, for broadly the following reasons:

1. The two battery procurement targets will benefit our member companies in the battery industry. It will also allow our state to meet energy demand in a flexible way.

2. Revamping the current Renewable Portfolio Standard system will better support the needs of different types of solar projects. Furthermore, an administratively

determined incentive will provide greater stability and predictability for solar companies than a tradeable renewable energy certificate.

That said, while we do broadly support SB 316, we would like to request some amendments. Some are substantive, whereas others request points of clarification. We have discussed our desired amendments with the House sponsor.

1. We have requested clarity from the House sponsor on the date the existing RPS system would be replaced with the changes outlined in this bill, and whether that transition would be gradual or overnight.

2. Pages 4-7: We anticipate offering language for a clarifying amendment that specifies the battery storage referenced in this section will all be distribution-connected and in front-of-the-meter, which aligns with the sponsors' intention.

3. Pages 4-7: We anticipate offering language for an amendment that would ensure the distribution-connected, front-of-the-meter energy storage goals work equally well for short- and long-duration energy storage.

4. Page 5: The House sponsor has indicated there will be an amendment to specify the goal that at least 30% of distribution-connected, front-of-the-meter batteries will be owned by third parties, not a maximum of 30%. We support this amendment.

5. Page 6: We may offer language for an amendment for a more robust cost-benefit analysis for the construction or procurement of energy storage devices.

Page 10, lines 15-19: We anticipate offering language for an amendment to include the consideration of advanced transmission technologies. Our preferred definition of "advanced transmission technology" is:

"Advanced transmission technologies" means a set of hardware and software technologies that increase the capacity, efficiency, reliability, or resilience of an existing or new transmission facility, including, but not limited to:

a. Advanced conductors;
b. Grid-enhancing technologies; and
c. Any other technology as determined by the Commission.

"Advanced conductor" means a conductor that has a direct current electrical resistance at least 10 percent lower than existing conductors of a similar diameter, while simultaneously increasing capacity by at least 75% on the system and may include rebuilding support structures or other associated facilities.

"Grid-enhancing technology" means a hardware or software technology that reduces congestion or enhances the flexibility of electric transmission and distribution systems by increasing the capacity of a line or rerouting electricity from overloaded to uncongested lines, while maintaining industry safety standards. This includes, but is not limited to:

a. *Dynamic line ratings;*
b. *Advanced power flow controllers;*
c. *Topology optimization; and*
d. *Other technologies that increase grid reliability, flexibility, and capacity.*

6. Page 15: We anticipate offering language for an amendment to clarify that electric companies may only pay the ACP if they are unable to purchase a REC for below that amount.

7. Page 20: While we generally believe that deployment of distributed energy resources like solar will provide benefits to the distribution system, we do not believe it is necessary for the Public Service Commission to make this determination, in light of other provisions related to the 5% net rate impact cap, which already will take such benefits into consideration. We are concerned that if a project doesn't pass whatever criteria the Public Service Commissions sets, that would endanger the State's ability to meet our goal. In addition, it creates an administrative burden, and extra layer of bureaucracy, for the Public Service Commission to make that determination.

8. Page 25: We have asked the House sponsor for clarification about aspects of the front-of-the-meter energy storage program, specifically where the money comes from for the State to enter into contracts, how those costs will be recovered from customers, or if there will be some kind of rate cap.

9. Page 27: We have been informed that the House sponsor is shaping a clarifying amendment regarding the pricing schedule for solar, which we look forward to seeing.

We respectfully request the Committee issue a favorable report, with amendments. Thank you for your time.

Best Regards,

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