

HOUSE BILL 1112

C5

4lr2475

By: **Delegate Charkoudian**

Introduced and read first time: February 7, 2024

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission – Energy Storage Devices – Acquisition**

3 FOR the purpose of requiring the Public Service Commission to determine whether the
4 deployment of energy storage devices could help to avoid or limit a
5 reliability–must–run agreement with an energy generating system or facility in the
6 State under certain circumstances; requiring the Commission to facilitate the
7 acquisition of energy storage devices under certain circumstances; subjecting certain
8 contracts entered into under this Act to a certain project labor agreement; and
9 generally relating to the acquisition of energy storage devices.

10 BY adding to

11 Article – Public Utilities

12 Section 7–216.2

13 Annotated Code of Maryland

14 (2020 Replacement Volume and 2023 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Public Utilities**

18 **7–216.2.**

19 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
20 **INDICATED.**

21 **(2) “ENERGY STORAGE DEVICE” HAS THE MEANING STATED IN §**
22 **7–216 OF THIS SUBTITLE.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(3) “RELIABILITY–MUST–RUN AGREEMENT” MEANS A CONTRACTUAL**
2 **AGREEMENT OR ARRANGEMENT INTENDED TO KEEP AN ENERGY GENERATING**
3 **SYSTEM OR FACILITY OPERATING PAST ITS PLANNED RETIREMENT DATE TO MEET**
4 **RELIABILITY CRITERIA.**

5 **(B) (1) THE COMMISSION SHALL DETERMINE, IN ACCORDANCE WITH**
6 **PARAGRAPH (2) OF THIS SUBSECTION, WHETHER THE DEPLOYMENT OF ENERGY**
7 **STORAGE DEVICES COULD HELP TO AVOID OR LIMIT A RELIABILITY–MUST–RUN**
8 **AGREEMENT WITH AN ENERGY GENERATING SYSTEM OR FACILITY IN THE STATE.**

9 **(2) THE COMMISSION SHALL MAKE A DETERMINATION UNDER**
10 **PARAGRAPH (1) OF THIS SUBSECTION:**

11 **(I) ANY TIME THAT PJM INTERCONNECTION, LLC RECEIVES A**
12 **DEACTIVATION NOTICE REGARDING AN ENERGY GENERATING SYSTEM OR FACILITY**
13 **WITHIN THE STATE; OR**

14 **(II) WITHIN 3 YEARS OF AN EXPECTED RECEIPT OF A**
15 **DEACTIVATION NOTICE REGARDING AN ENERGY GENERATING SYSTEM OR FACILITY**
16 **WITHIN THE STATE.**

17 **(C) (1) IF THE COMMISSION DETERMINES THAT THE USE OF AN ENERGY**
18 **STORAGE DEVICE IS A COST–EFFECTIVE SOLUTION OR PART OF A COST–EFFECTIVE**
19 **SOLUTION TO AVOID OR LIMIT A RELIABILITY–MUST–RUN AGREEMENT, THE**
20 **COMMISSION SHALL:**

21 **(I) FACILITATE THE ACQUISITION OF THE ENERGY STORAGE**
22 **DEVICES, INCLUDING REQUIRING AN INVESTOR–OWNED ELECTRIC COMPANY TO**
23 **CONSTRUCT, ACQUIRE, LEASE, OR CONTRACT FOR AN ENERGY STORAGE FACILITY;**

24 **(II) COORDINATE WITH PJM INTERCONNECTION, LLC TO**
25 **IMPLEMENT THE OTHER PARTS OF THE COST–EFFECTIVE SOLUTION; AND**

26 **(III) DETERMINE THE APPROPRIATE AMOUNT OF COST**
27 **RECOVERY FROM CUSTOMERS IN THE STATE.**

28 **(2) IN FACILITATING THE ACQUISITION OF ENERGY STORAGE**
29 **DEVICES UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE COMMISSION SHALL**
30 **CONSIDER THE MOST COST–EFFECTIVE OPTION OF THE FOLLOWING MODELS:**

31 **(I) A “UTILITY–ONLY” MODEL UNDER WHICH THE ELECTRIC**
32 **COMPANY WOULD OWN THE PROJECT, CONTROL THE PROJECT FOR ELECTRIC**
33 **DISTRIBUTION SYSTEM RELIABILITY, AND OPERATE THE PROJECT IN WHOLESALE**

1 MARKETS OR FOR OTHER APPLICATIONS WHEN NOT PROVIDING ELECTRIC
2 DISTRIBUTION SYSTEM SERVICES;

3 (II) A “THIRD-PARTY OWNERSHIP” MODEL UNDER WHICH THE
4 ELECTRIC COMPANY WOULD:

5 1. CONTRACT WITH A THIRD PARTY FOR A PROJECT
6 THAT IS OWNED BY THE THIRD PARTY AND THAT PROVIDES ELECTRIC DISTRIBUTION
7 SYSTEM RELIABILITY; AND

8 2. ALLOW THE THIRD PARTY TO OPERATE THE PROJECT
9 IN WHOLESALE MARKETS OR FOR OTHER APPLICATIONS WHEN THE PROJECT IS NOT
10 PROVIDING ELECTRIC DISTRIBUTION SYSTEM SERVICES; OR

11 (III) ANY OTHER OPTIONS OR COMBINATION OF OPTIONS THAT
12 THE COMMISSION DETERMINES IS BENEFICIAL TO ELECTRICITY CUSTOMERS.

13 (3) EACH CONTRACT ENTERED INTO UNDER THIS SUBSECTION FOR
14 THE CONSTRUCTION OF ENERGY STORAGE DEVICES OR FACILITIES SHALL BE
15 SUBJECT TO A PROJECT LABOR AGREEMENT THAT REQUIRES ALL CONTRACTORS
16 AND SUBCONTRACTORS ON A CONTRACT TO:

17 (I) PAY THE PREVAILING WAGE AS DETERMINED BY THE
18 MARYLAND DEPARTMENT OF LABOR; AND

19 (II) HIRE REGISTERED APPRENTICES TO PERFORM AT LEAST
20 12.5% OF THE TOTAL WORK HOURS REQUIRED FOR THE CONSTRUCTION OF THE
21 BATTERY STORAGE DEVICE OR FACILITY.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2024.