



An Exelon Company

Position Statement

Support with Amendments SB 54
Finance
January 19, 2021

Local Government – Clean Energy Loan Programs – Grid Resilience Projects

Baltimore Gas and Electric Company (BGE) supports with amendments *Senate Bill 54: Local Government – Clean Energy Loan Programs – Grid Resilience Projects*. This legislation seeks to expand the existing clean energy loan program.

Under the existing program, a county or municipality may establish a clean energy loan program that provides loans for residential and commercial property owners to finance energy efficiency and renewable energy projects. This legislation would make “grid resiliency projects” eligible for loans, provided they are installed with energy efficiency or renewable energy projects.

BGE is supportive of energy efficiency, distributed renewable energy, and grid resiliency as essential components of a clean, reliable, and sustainable electric distribution system.

However, Senate Bill 54’s failure to define “grid resilience project” exposes electric companies and their customers to risk that loan recipients would install equipment that is inconsistent with the safe operation of the electric grid. Further, this legislation does not explicitly require eligible grid resiliency projects to comply with utility interconnection and franchise requirements designed to protect central Maryland’s critical electric infrastructure.

BGE proposes amendments that define a “grid resilience project” as an energy capital improvement investment that may include distributed renewable energy generation, energy storage, demand management, or other functions that improve reliability or provide service during a disruption to electrical service.

With the attached, proposed amendments, BGE supports Senate Bill 54 and respectfully requests a favorable committee report.

- (E) “GRID RESILIENCE PROJECT” MEANS AN ENERGY CAPITAL IMPROVEMENT INVESTMENT THAT:
- (1) INCLUDES ONE OR MORE OF THE FOLLOWING COMPONENTS:
 - (I) DISTRIBUTED RENEWABLE ENERGY GENERATION;
 - (II) ENERGY STORAGE;
 - (III) DEMAND MANAGEMENT; OR
 - (IV) OTHER FUNCTIONS THAT IMPROVE RELIABILITY OR PROVIDE SERVICE DURING AN ELECTRICAL SERVICE DISRUPTION; AND
 - (2) IS INSTALLED CONSISTENT WITH APPLICABLE MARYLAND PUBLIC SERVICE COMMISSION AND ELECTRIC COMPANY REQUIREMENTS, INCLUDING BUT NOT LIMITED TO INTERCONNECTION AND FRANCHISE REQUIREMENTS.

BGE, headquartered in Baltimore, is Maryland’s largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 natural gas customers in central Maryland. The company’s approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation’s leading competitive energy provider.