



February 27, 2023

Honorable Brian J. Feldman, Chair
Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Re: CHESSA Letter of Support for SB 697, Energy Storage- Targets and Maryland Energy Storage Program

Dear Chair Feldman and Members of the Education, Energy, and Environment Committee:

The Chesapeake Solar and Storage Association (CHESSA)¹ appreciates the opportunity to testify in support of SB 697, addressing energy storage targets for the State.

Energy storage is going to be an essential tool to effectively decarbonize the Maryland energy mix. Even as leaders like Governor Moore contemplate moving Maryland to a pure 100% clean energy or renewable energy standard, those efforts will not necessarily achieve decarbonization aspirations if reliance is put on fossil-fired power generation to help balance and integrate a high renewables scenario. The best way to maximize the actual use of clean energy resources within the Maryland energy mix is to dramatically increase the amount of clean, flexible resources, including stand-alone energy storage, demand-side management and energy efficiency, and customer-sited distributed energy resources such as colocated solar+storage facilities.

CHESSA applauds Delegate Augustine for recognizing the importance of energy storage in supporting the decarbonization of the grid and applauds the entire General Assembly for taking important policy actions over the last decade including passing first-in-the-nation energy storage tax credits (SB 758, 2017), a cost-benefit study for energy storage (HB 773, 2017), and an energy storage pilot program (HB650/SB 573, 2019). CHESSA sees the energy storage targets outlined in SB 697 as the natural next step in that policy progression towards realizing substantial deployment of energy storage. SB697 describes the tools that we want to have in the toolbox for the future energy mix, even if it stops short of spelling out exactly what the system we are building will look like. CHESSA agrees that it is appropriate for the Public Service

¹ CHESSA is a member organization that represents over 120 companies engaged in all facets of the solar and battery storage industry throughout Maryland, Virginia, and the District of Columbia.

Commission, as the expert agency, to pool together the best available information about the technical capabilities of the current market and the applications of these assets that will drive the value streams reflected in RFPs or other program designs. The PSC must also balance its duties with existing law, existing goals, and existing obligations to consider climate change, all of which give CHESSA confidence that SB 697 would be implemented with a holistic approach.

While CHESSA does not qualify its support with any proposed amendments at this time, we note that in order to drive meaningful deployment, energy storage targets must include specific programs including procurement, customer-sited tariffs, and non-wires alternatives. CHESSA underscores that a near-term overhaul of the clean energy policy and mechanisms that drive the renewable energy market will be required to achieve a more efficient and cleaner grid. With beneficial electrification creating massive opportunities to decarbonize the economy, this wave of electrification will create upward pressure on structures like the Renewables Portfolios Standard to install more and more resources to keep up with the growth in retail electric sales. CHESSA intends to seek to create additional opportunities for customer-sited battery storage systems—as reflected in our strong support for SB 663 (Maryland Resilient and Clean Energy Homes Act)—and will encourage the PSC to consider the full range of potential use cases for battery storage programs and procurement options if SB 697 becomes law.

CHESSA supports laying down the ambitious marker to rapidly deploy 3,000 MW of storage capacity over the next ten years. There are several PJM states with aggressive energy storage targets, including New Jersey (2,000 MW) and Virginia (3,100 MW) that are vying for the attention of energy storage companies. Such a storage target is a critical tool in our toolbox in Maryland. It sends a strong market signal to the development community to invest resources in the State. CHESSA, thus, asks for a favorable report on SB 697 but asks the Committee to keep in mind the growing role that customer-sited energy storage resources can play in providing clean, flexible generation to help mitigate the impacts of electrification and creating a cleaner, more efficient energy system for the State.

Respectfully submitted,

/s/
Thadeus B. Culley
Sr. Manager, Public Policy, Sunrun
CHESSA Maryland Policy Committee Chair

/s/
Stephanie Johnson
Executive Director, CHESSA