



29 February 2024

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

Testimony

HB1367: Public Utilities - Certificates of Public Convenience and Necessity - Energy Storage Devices

Position: Favorable with Amendment

Chair Wilson, Vice Chair Crosby, Members of the Committee, thank you for the opportunity to testify on House Bill 1367, Public Utilities - Certificates of Public Convenience and Necessity - Energy Storage Devices. I am Robin Dutta, the Executive Director of the Chesapeake Solar and Storage Association (CHESSA). Our association has over 100 member companies in the solar and energy storage industries. Many members are Maryland-based. Others are regional and national companies with an interest and/or business footprint in the state. Our purpose is to promote the mainstream adoption of local solar, large-scale solar, and battery storage throughout the electric grid in order to realize a stable and affordable grid for all consumers.

I am here to provide testimony on HB 1367, Public Utilities - Certificates of Public Convenience and Necessity - Energy Storage Devices. We support the idea that certain types of energy storage projects would be subject to the Certificates of Public Convenience and Necessity (CPCN) process, however we would suggest some different criteria than what is in the bill.

As Maryland consumers fully electrify their buildings and purchase electric vehicles, they will become more reliant on the electric grid than at any previous point. The grid of the future will have the combined roles that today's grid, natural gas system, and gas stations have. It will need to account for higher statewide electric loads, and greater electric demand in peak periods. As a result, solar and energy storage needs to be built on homes, businesses, and on open land for the benefit of the Maryland electric grid.

As Maryland's energy storage sector grows, there will need to be public policies and permitting that streamline project development and make it easier for batteries to be deployed as part of the grid and as part of buildings' electric infrastructure. A 1 Megawatt battery device can be used in commercial, on-site situations. For example, a critical facility such as a hospital could adopt rooftop solar and connect it to a 1 MW battery on site, utilize net metering, and off-set its own electricity. That type of system is not currently subject to the CPCN approval process. It would make any similar commercial-scale project, such as solar and storage for a big box store, much more difficult to build

due to a prolonged development timeline, new regulatory costs, and greater uncertainty that the project would be approved.

CHESSA would like to suggest a different threshold. Energy storage projects over 2 MW instead of 1 MW would be subject to the CPCN approval process. That would place that threshold consistent with electric generators, such as solar facilities. We would also suggest that behind the meter systems of any capacity not be subject to a CPCN approval process, which is also consistent with how behind the meter electric generators are treated.

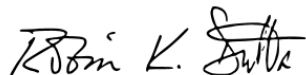
CHESSA would like to work with the sponsor on reaching a compromise, in order to promote best practices energy storage policies throughout Maryland and allow communities all over to benefit from this technology's deployment. Mainstream adoption of battery storage, especially when paired with solar, can unlock lower electric grid costs and a more equitable clean energy transition.

For these reasons, we ask the Economic Matters Committee to amend HB1367 with the following changes:

- Strike and replace "1" with "2" on Page 2, Line 18
- Strike the phrase "behind or" on Page 2, Line 20

Thank you for the opportunity to testify, and please reach out with any questions on solar and storage policy. CHESSA is here to be a resource to all committee members.

Sincerely,



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