

Committees: Education, Energy and the Environment
Testimony on: HB1112 – Public Service Commission – Energy Storage Devices – Acquisition and Deployment
Submitting: Deborah A. Cohn
Hearing Date: March 26, 2024
Position: Favorable

In 2023, [PJM requested FERC’s approval for 25 transmission upgrade projects](#)¹ in its Regional Transmission Expansion Plan (RTEP) in light of the planned closure of the Brandon Shores coal-fired power generation plant. PJM described the upgrades as “immediate-need reliability projects”²

Maryland officials opposed the transmission upgrades as costly and reflective of the failure of grid transmission planners to plan for anticipated closures of coal-fired electric power generators throughout the state. While the Federal Energy Regulatory Commission (FERC) concluded that Maryland’s concerns were beyond the scope of FERC’s review of the proposed emergency transmission upgrades, one commissioner [wrote separately](#) and encouraged PJM Interconnection, the grid operator, to “carefully examine potential changes to planning processes so as to better anticipate reliability risks and plan for them in a more proactive manner, such that a full suite of cost-effective solutions can be more carefully considered.”³

HB1112 addresses this failure of forward-thinking planning in connection with the anticipated closure of the Brandon Shores generating plant. It directs the Public Service Commission (PSC) to determine whether deployment of energy storage devices could avoid or at least limit “reliability-must-run” agreements with existing energy generating systems, typically older, highly polluting fossil fuel based systems, when closure of such generating systems is anticipated. If the PSC determines that deployment of energy storage devices would be a cost-effective and appropriate solution to avoid or minimize use of reliability-must-run agreements to ensure grid reliability, then HB1112 requires the PSC to issue an order directing investor-owned utilities to obtain energy storage devices, and provides for prioritized expedited reviews of applications for certificates of public convenience and necessity.

In effect, HB1112 attempts to harness the oversight of the PSC to minimize future grid reliability crises and undesirable and perhaps avoidable emergency reliability-must-run agreements. When the PSC is made aware that an energy generating system is likely to be retired at a time that might impair system reliability, the PSC is directed under the bill to prioritize and accelerate review of required investor-owned utility applications for certificates of public convenience and necessity to deploy additional energy storage devices.

The bill also requires the utility company and PJM Interconnection to provide certain relevant information to assist the PSC in its review. This should improve the flow of information

¹ Note, all links are from article cited in ftn.2

² “FERC Approves PJM’s \$796M Transmission Plan, Thwarting Maryland Officials,” Power Grid International, November 13, 2023, https://www.power-grid.com/td/ferc-approves-pjms-796m-transmission-plan-thwarting-maryland-officials/?utm_source=powergrid_weekly_newsletter&utm_medium=email&utm_campaign=2023-11-14

³ Ibid.

between the grid operators and the PSC. Increased communication and data flow between the grid operators and the PSC should strengthen the PSC's oversight of utility planning for the anticipated extraordinary growth in electricity demand as a result of decarbonizing economies and the growth of manufacturing and various high energy use facilities.

The underlying premise of HB1112 is that timely deployment of additional energy storage may avoid or reduce the use of future reliability-must-run agreements and thereby reduce overall costs. Since closure of several coal fired generators is anticipated, HB1112 is sorely needed. For that reason, I urge this Committee to issue a **favorable** report on HB1112.

Thank you.

Deborah A. Cohn