American Council for an Energy-Efficient Economy
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March 26, 2024

Education, Energy, and the Environment Committee
2 West
Miller Senate Office Building
Annapolis, MD 21401

RE: Testimony on HB 1112 Energy Storage Devices – Acquisition and Deployment

Dear Chair Feldman, Vice Chair Kagan, Members of the Committee,

The American Council for an Energy-Efficient Economy (ACEEE) tremendously appreciates your leadership advancing affordability and growth in Maryland through energy efficiency and clean energy. We respectfully **urge you to lower costs for households and businesses and enhance reliability of the electricity system by amending and passing HB 1112** regarding Energy Storage Devices – Acquisition and Deployment out of your committee.

Energy efficiency and demand flexibility are critical tools to ensure electric system reliability as the grid transitions to clean energy.[1] If there is the possibility that procuring those resources or energy storage could avoid an expensive payment to keep a dirty coal plant operating – even for a short period of time while transmission upgrades are finalized – it is prudent that the Maryland Public Service Commission should have the authority to explore and implement such a solution. Not only could that save money for households and businesses, but it would enable a critical investment for the future. Why pay a dirty coal plant to stick around for a couple of years when you could pay the same amount or less for a reliability asset that will be in place for a decade or more?

Maryland legislators know that PJM has an unfortunate history of failing to support, plan for, or implement clean energy solutions that could lower costs for the state's businesses and households. The situation with the Brandon Shores complex is simply the latest in a long line of such failures. Even as we write in support of this bill, PJM staff are considering undermining energy efficiency and reliability by changing the rules by which such resources participate in the capacity market, ignoring a vote in their own stakeholder process to maintain the status quo.[2] PJM ranked dead last among grid operators for facilitating entry of new clean energy resources in the first ever Generator Interconnection Scorecard released last month.[3] PJM spent years trying to undermine state clean energy policies and increase costs

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[1] Energy Efficiency in a High Renewable Energy Future | ACEEE

[2] 20240320-item-03a---1-ee-resource-evaluation-manual-18b-revisions---presentation.ashx (pjm.com)

[33] Advanced Energy United Generator Interconnection Scorecard

for ratepayers through the Minimum Offer Price Rule.[4] Stakeholders have been telling PJM to plan for retirement of dirty facilities like the Brandon Shores facility for more than a decade.[5]

While energy storage is a valuable resource – and a 600 MW battery system is not unprecedented[6] - our request is that procurement of energy efficiency and demand flexibility resources be explored alongside energy storage as a potentially even less expensive and faster means to maintain reliability. We acknowledge that time is of the essence, but many efficiency and demand-side resources can be deployed even faster than energy storage, transmission, or clean energy can be built.

Regardless, passing this bill is simply common sense, and a prudent action to provide the Public Service Commission with the tools they need to explore and implement investments to maintain reliability and lower costs for Maryland households and businesses. We thus urge you to amend and pass HB 1112.

Sincerely,

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[4] FERC 'finally' ends PJM MOPR proceeding, paving way for grid operator's next capacity auction | Utility Dive

[5] Microsoft Word - SynapseReport 2011-06 SierraClub PJM System Planning.doc (synapse-energy.com)

[66] "The battery storage facility owned by Vistra and located at Moss Landing in California is currently the largest in operation in the country, with 750 megawatts (MW)" U.S. battery storage capacity expected to nearly double in 2024 - U.S. Energy Information Administration (EIA)