BILL NUMBER: **HB 1338**
Public Utilities - Certificates of Public Convenience and Necessity - Energy Storage Devices

COMMITTEE: **Economic Matters**

HEARING DATE: **February 21, 2025**

SPONSOR: **Delegate Valderrama**

POSITION: **Favorable**

Chair C. T. Wilson, Vice Chair Brian M. Crosby and Members of the Committee,

As a resident of Maryland and a professional electric power engineer I ask for a favorable report on Bill HB 1338 - Public Utilities - Certificates of Public Convenience and Necessity (CPCN) - Energy Storage Devices.

The Bill specifies that battery systems greater than 2 megawatts and positioned "in front of the meter" be required to obtain a CPCN from the Public Service Commission. Hospitals are exempt from the CPCN process because the only install one or two diesel generators of two megawatts each. Datacenters which can have 500 megawatts of emergency power are exempt to encourage datacenters to come to Maryland.

Energy storage devices, namely banks of battery systems have been making great gains in capacity and affordability in recent years. Already, energy storage systems (batteries) can have a capacity of 20 megawatts. These are installed at utility switchyards to provide "peak shaving". This enhances reliability and cuts costs.

Beyond utility uses, such devices when "in front of the meter" would be owned and operated separately from the local utility. The owner could therefore bid into the PJM system as a resource, just like any generator owner.

Currently data centers rely on diesel generators for emergency power. Such generators require huge amounts of diesel fuel to be stored on site, which could be a hazard. Diesel generators must be tested monthly, adding to particulates and pollution in the air. Diesel generators are noisy, even with sound deadening equipment. In time battery systems could replace diesel generator at datacenters. This would provide clean, silent emergency generation at lower cost and without requiring continuous maintenance.

The electric grid as a whole needs to move to distributed generation such as solar/battery systems and microgrids. These devices do not generate power, but by storing power for use later greatly extend the capacity of solar and wind generators.

Thank you,

Elizabeth Law. P.E. (retired)

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