

Letter of Information
Economic Matters
2/21/2025

House Bill 1338 – Public Utilities – Certificates of Public Convenience and Necessity – Energy Storage Devices

Baltimore Gas and Electric Company (BGE) offers a letter of information on *House Bill 1338 – Public Utilities – Certificates of Public Convenience and Necessity – Energy Storage Devices*. House Bill 1338 requires a person to obtain a Certificate of Public Convenience and Necessity (CPCN) from the Public Service Commission (PSC) before beginning construction of an energy storage device that has a minimum energy storage capacity of 2 megawatts (MW) and is installed in the front of the meter.

Maryland law requires approval from the PSC of a CPCN application before construction of an overhead transmission line designed to carry more than 69kV or an electric generating station with a capacity of at least 2 MW may begin. The CPCN process before the PSC involves robust, quasi-judicial administrative proceedings, as well as extensive public notification requirements, public hearings, and opportunities for public comment. The CPCN process also allows for input from the public and from multiple State agencies, as well as local jurisdictions. For example, the Power Plant Research Program in the Department of Natural Resources coordinates a comprehensive environmental and socioeconomic review of a proposed project and presents recommendations on behalf of seven different State agencies. The Staff of the PSC and the Office of People's Counsel also regularly participate as parties in CPCN proceedings. This application process generally takes 12-18 months to complete.

It is important to recognize the time duration, resources, and administrative responsibilities required throughout the CPCN process, not only from the applicant but also from the state agencies. BGE questions if 2 MW is the appropriate threshold to prompt a CPCN application for entities preparing to build energy storage. Maryland has a goal to build 3,000 MW of energy storage by the end of 2033. Adding more administrative burden that will increase costs for developers may have unintended consequences on the State to reach this ambitious goal.

BGE remains steadfast in its commitment to support Maryland's climate goals and believes energy storage is a critical component in achieving the clean energy transition.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

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