



February 28, 2025

Senator Brian Feldman  
Chair  
Senate Education, Energy, Environment Committee  
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11 Bladen Street  
Annapolis, MD 21401

Senator Cheryl Kagan  
Vice Chair  
Education, Energy, Environment Committee  
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Delegate C. T. Wilson  
Chair  
Economic Matters Committee  
231 Taylor House Office Building  
6 Bladen Street  
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Delegate Brian M. Crosby  
Vice Chair  
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[RE: SEIA Favorable with Amendments on SB937/ HB398: Public Utilities - Electricity Generation Planning - Procurement, Permitting, and Co-Location \(Next Generation Energy Act\)](#)

Chair Feldman, Vice Chair Kagan, Chair Wilson, Vice Chair Crosby, and Members of the Senate Education, Energy, and Environment and House Economic Matters Committees:

I am writing on behalf of the Solar Energy Industries Association (SEIA) regarding our position of **Favorable with Amendments** on SB937 (Senate President Ferguson and Feldman)/ HB398 (House Speaker Jones and Wilson), also known as the Next Generation Energy Act. It was referred to the Senate Education, Energy, and Environment (EEE) Committee on February 3, 2025 and to the House Economic Matters (ECM) Committee on February 5, 2025.

Founded in 1974, SEIA is the national trade association for the solar and storage industries, building a comprehensive vision for the advancement of these technologies. SEIA is leading the transformation to a clean energy economy by supporting policy measures that will drive the needed investment in clean, domestic, local job-producing solar generation. We work with our 1,200+ member companies, which include solar and storage manufacturers, service providers, residential, community and utility-scale solar developers, installers, construction firms, and investment firms, as well as other strategic partners, to shape fair market rules that promote competition and the growth of reliable, low-cost energy storage and solar power.

[Maryland Energy Landscape](#)

After a history of flat, or even declining, electricity consumption, the U.S. power grid is currently experiencing the largest demand growth in eighty years, due to new manufacturing facilities as well as cutting-edge American innovations in artificial intelligence, data centers, and cryptocurrency mining. This increase in electricity demand is occurring faster than new generation is being brought online. As a result, Maryland now faces significant increases in costs to energy consumers after decades of relatively stable

electricity costs. This spike is exemplified by the recent 2025/2026 PJM capacity auction that saw an 800% increase from previous years, which will eventually be passed on to Maryland ratepayers as a portion of their utility bill.<sup>1</sup>

The mismatch in electricity supply and forecasted demand is in large part attributable to years of policy decisions and inactions at PJM, the regional transmission organization and independent system operator that manages the electric transmission grid for thirteen states and the District of Columbia, including Maryland. The PJM interconnection queue is currently so backlogged that, in 2023, PJM announced it would cease to accept applications for new generation projects. As a result, PJM now has a roughly 5 year wait time from application to approval for new generation sources coming online, resulting in hundreds of gigawatts (GW) of planned capacity, largely wind, solar, and storage assets, sitting in limbo rather than being able to service Maryland's electric load requirements. Given this delay, projects which were ready to be deployed at the time of their application are often no longer viable due to changing economic realities by the time of their approval.

Maryland is reliant on electricity generation from the other PJM states. In 2023, the state imported approximately 40% of its electricity.<sup>2</sup> Meeting Maryland's energy needs and staving off continued dramatic increases in energy costs will require the rapid deployment of an "all of the above" energy strategy. Such a strategy must include solar and energy storage assets, which are among the only energy resources currently primed to cost effectively address the state's *near-term* energy challenges. In 2023, solar made up the majority of additions to the U.S. electric grid, accounting for 55% of all new generation capacity, due, in part, to the 37% decrease in the price of solar photovoltaics over the last decade.<sup>3</sup> Utility scale solar, along with onshore wind, continue to be the cheapest sources of new electricity generation in the United States, beating out the cost of coal and fossil gas-fired generation, even when paired with energy storage which allows the electricity generated by wind and solar to be stored and sent back to the electric grid during periods of high demand.<sup>4</sup>

### *Next Generation Energy Act Recommended Amendments*

SB937/ HB1035 requires the Maryland Energy Administration (MEA) to pursue cost-sharing agreements with neighboring states and federal agencies for the development of new nuclear energy generation stations. While this is a worthwhile endeavor to meet Maryland's growing electricity demand over the coming decade, nuclear generation cannot be leveraged on the timeline needed to address the state's

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<sup>1</sup> Office of People's Counsel. "Bill and Rate Impacts of PJM's 2025/2026 Capacity Market Results & Reliability Must-Run Units in Maryland." August 2024. <https://opc.maryland.gov/LinkClick.aspx?fileticket=keJs-QqaLr0%3D&tabid=63&portalid=0&mid=1480>

<sup>2</sup> United States Energy Information Administration. Maryland State Profile. <https://www.eia.gov/state/analysis.php?sid=MD>.

<sup>3</sup> Wood Mackenzie Power & Renewables and Solar Energy Industries Association. U.S. Solar Market Insights Report. December 2024.

<sup>4</sup> Lazard. Levelized Cost of Energy+. June 2024. <https://www.lazard.com/research-insights/levelized-cost-of-energyplus/>.



current resource adequacy challenges. Fortunately, Maryland has a robust pipeline of energy storage projects in the near-term PJM queue that can be deployed more quickly than any other dispatchable energy resource, including natural gas. Because these projects require a formal program to spur construction, SEIA recommends amending SB937/ HB1035 to establish a competitive procurement program for front-of-the-meter (FTM), transmission-connected storage with contracted capacity revenue.

Specifically, SEIA recommends incorporating language from SB316/ HB938, also known as the Abundant and Affordable Clean Energy (AACE) Act, which creates a competitive procurement process in 2026 and 2027 for up to 1,600 MW of in-state battery storage projects, thus ensuring that storage assets become operational *in this decade* and start generating energy cost-savings to Marylanders. These projects will be constructed in Maryland and serve Maryland's peak demand – alleviating the need for comparatively more expensive peaker plants. These projects are also eligible to bid into the PJM capacity market which can, in part, alleviate soaring capacity market costs. The AACE Act's competitive storage procurement process includes significant cost-benefit analyses as a part of any project application to ensure the lowest cost to ratepayers, as well as a Certificate of Public Convenience and Necessity (CPCN) equivalent to ensure rapid deployment upon approval by the PSC. This procurement process includes significant labor protections, including the requirement for community benefit agreements, which include guarantees for hiring practices and wage provisions to ensure Maryland's workforce benefits from these projects. The AACE Act also creates a pathway for the deployment of 150 MW of new in-state FTM distribution-connected energy storage assets, not subject to the delays of the PJM interconnection queue.

As an instantly dispatchable energy resource, energy storage can function as both generation and load, thus helping the electric grid adjust to fluctuations in demand and supply, which optimizes grid efficiency, alleviates transmission congestion, and increases grid flexibility while reducing overall system costs. However, as currently drafted, SB937/ HB1035 does not adequately leverage these assets, despite them standing at the ready to provide near-term solutions to Maryland's resource adequacy challenges. While higher electricity costs are already on the horizon, the cost of policy inaction and failing to bring both energy storage assets and new sources of electricity online in Maryland is far greater. SEIA thus looks forward to working with members of the Administration, Chamber leadership, members of the EEE and ECM committees, as well as other stakeholders, to chart a pathway for cost effectively responding to Maryland's future energy demands while providing near-term solutions to the state's resource adequacy challenges. Should you have any questions, please do not hesitate to contact me.

Sincerely,

*Leah Meredith*

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