



Maryland

Energy Administration

TO: Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the Environment Committee

FROM: MEA

SUBJECT: HB 1419 - Electric Distribution System Support Services - Energy Storage and Data Use

DATE: April 3, 2025

MEA Position: FAVORABLE WITH AMENDMENTS

The Maryland Energy Administration (MEA) supports the bill's overarching objectives of enhancing grid reliability, integrating distributed energy resources, and promoting clean energy solutions. However, MEA recommends certain safeguards to ensure the bill's provisions align with Maryland's energy affordability and equity goals.

House Bill 1419 clarifies that aggregators of distributed energy resources participating in a pilot program will not be classified as electric companies or electricity suppliers. Additionally, the bill ensures that electric companies, private entities, and aggregators can offer energy storage solutions to residential customers outside of pilot programs. The bill also directs the Public Service Commission (PSC) to evaluate energy storage programs from other states and coordinate with stakeholders to design new programs for home and business energy storage by June 1, 2026.

MEA strongly supports the bill's clarification that electric companies, private entities, and aggregators of distributed energy resources may offer energy storage solutions outside of existing pilot programs. Energy storage plays a crucial role in enhancing grid reliability, supporting renewable energy integration, and reducing peak demand costs. By fostering competition and innovation in the energy storage sector, this provision can lead to increased accessibility and affordability for Maryland residents. MEA encourages the General Assembly to ensure consumer protection measures are in place to guarantee fair pricing and transparency in energy storage offerings.

MEA supports the requirement for the PSC to evaluate and design new energy storage programs. Learning from successful models in other states will help Maryland implement effective and equitable energy storage policies. However, MEA recommends that any new programs be designed with clear performance metrics and consumer protections to ensure they provide tangible benefits to ratepayers.

To further protect Maryland ratepayers, MEA recommends adding language to require that all projects subject to cost recovery under House Bill 1419 pass a cost-effectiveness test and prudence review before approval. This test should evaluate whether the projected benefits, such as energy savings, grid reliability improvements, and emissions reductions, outweigh the costs passed on to

consumers. Ensuring cost-effectiveness will help prevent unnecessary rate increases while still encouraging investment in clean and reliable energy solutions.

MEA urges the committee to issue a **favorable report as amended**. Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, directly (landon.fahrig@maryland.gov, 410.931.1537).