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Economic Matters Committee

Chair
Property and Casualty Insurance Subcommittee

The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Senator Brian J. Feldman
Chairman, Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, MD 21401

Mr. Chairman,

I am writing in favor of HB 1419 – Electric Distribution System Support Services – Cost Recovery and Energy Storage.

HB 1419 would require the Public Service Commission (PSC) to allow an electric company, private entity, or aggregator of distributed energy resources to offer energy storage to residential customers separate from the pilot program or temporary tariff established in the DRIVE Act. The intent behind this is to enable distributed battery storage to be implemented throughout the state, as it would provide reliability and grid benefits in Maryland. The bill has been heavily amended since its introduction and some parts of the original language have been removed;

- Through an amendment section 7-1007, subsection (b) has been struck from the bill. Regulatory asset recovery is no longer part of the legislation.
- Via a separate amendment, the bill now requires the PSC to evaluate energy storage systems enacted in other states by January 1, 2026. Following that evaluation the PSC shall coordinate with stakeholders to design programs to expand and advance home and business sited energy storage in Maryland by June 1, 2026.
- An amendment has also been introduced to ensure that a person or company participating in the DRIVE Act programs as an aggregator may not be considered an electric company or electricity supplier based solely on their participation.
- A final amendment will establish that the PSC shall approve the use of telematics (or usage and production data) from customer-owned distributed energy resources for the administration of DRIVE Act programs. This ensures advanced metering infrastructure (AMI) is not a barrier to program implementation.

Droughts, wildfires, hurricanes, and flooding have emphasized the growing vulnerability of electric grids in recent years.[1] To many people, these natural disasters have also reinforced the importance of rapidly shifting away from fossil fuels, the primary cause of climate change.[2] A recent report by the U.S. Department of Energy estimated that the total cost of power outages to American businesses is around $150 billion every year.[3] Last year, the Maryland General Assembly passed the DRIVE Act, requiring the Public Service Commission (PSC) to transition to time of use rates by 2028. The DRIVE Act simplified the interconnection process for bi-directional electric vehicle charging, and paired stationary and vehicle battery storage with renewable energy generation to supercharge Maryland's electric grid. HB 1419 is an amendment to the DRIVE Act that aims to further provide reliable electricity to Marylanders statewide.

A report from the Brattle Group found that utilities could save upwards of $35 billion annually if they invested in smaller-scale energy projects like home battery storage and rooftop solar panels that can be built more easily and quickly.[4] Battery storage refers to technologies that capture generated energy, store it in another form–often chemical, thermal, or mechanical–then release it for use when needed.[5] Storage allows for the flexible use of energy at different times from when it was generated.[6]

In 2023, Green Mountain Power (GMP) proposed buying batteries, burying power lines, and strengthening overhead cables in a filing with state regulators.[7] GMP asked the Vermont Public Service Commission to allow it to spend $280 million to strengthen its grid and buy batteries. Rather than continuing typical U.S. utility operations, GMP proposed using existing infrastructure to reach demands by investing in residential battery systems. As climate change leads to more frequent and intense storms, the likelihood of power outages, storm damage, and flooding rises. Coupled with the increasing cost of electricity, this prompted Green Mountain Power to equip homes with battery storage, reducing the need for ongoing recovery expenses and the expansion of power lines.[8]

Battery storage in Maryland can help with reliability, cost management, and energy independence. The Maryland Climate Solutions Now Act requires the state to reach net-zero

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[1] Penn, I. (2023, October 9). *Vermont utility plans to end outages by giving customers batteries*. The New York Times. https://www.nytimes.com/2023/10/09/business/energy-environment/green-mountain-home-batteries.html
[2] Id., at 1
[3] *The impact of power outages*. Pinkerton. (2023, November 7). https://pinkerton.com/our-insights/blog/the-impact-of-power-outages
[4] Brown, K. (2024, March 29). *Virtual power plants (vpps) could save us utilities $15-$35 billion in capacity investment over 10 years*. Brattle. https://www.brattle.com/insights-events/publications/real-reliability-the-value-of-virtual-power/
[5] U.S. Department of Energy (n.d.), "Solar Integration: Solar Energy and Storage Basics," Office of Energy Efficiency and Renewable Energy. Available at: https://www.energy.gov/eere/solar/solar-integration-solar-energy-and-storage-basics
[6] Id., at 5
[7] Id., at 1
[8] Id., at 1

emissions by 2045.[9] Additionally, Maryland's Renewable Portfolio Standard requires 50 percent clean electricity sales by 2030.[10] In order to meet these requirements, we must adopt energy storage facilities that will help to ensure clean wind and solar energy generation is available in the hours when demand is high and renewable energy supply is otherwise low.[11]

Thank you for your consideration, I urge a favorable report on HB 1419.

Respectfully,

Delegate David Fraser-Hidalgo

[9] *Maryland passes The Climate Solutions Now act*. National Caucus of Environmental Legislators. (2022, April 12). https://ncelenviro.org/articles/maryland-passes-the-climate-solutions-now-act/
[10] *Renewable Energy*. Electricity. (2024, November 27). https://www.psc.state.md.us/electricity/renewable-energy/
[11] American Clean Power Association. (2023, April 11). *Modeling the benefits of Energy Storage in Maryland*. Modeling the Benefits of Energy Storage in Maryland . https://cleanpower.org/wp-content/uploads/gateway/2023/03/Modeling-the-Benefits-of-Energy-Storage-in-Maryland.pdf