

HOUSE BILL 910

C5, M5

3lr2169
CF SB 697

By: **Delegates Fraser–Hidalgo, Amprey, Charkoudian, Love, Qi, Queen, Reznik, and Ruth**

Introduced and read first time: February 9, 2023

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2023

CHAPTER _____

1 AN ACT concerning

2 **Energy Storage – Targets and Maryland Energy Storage Program –**
3 **Establishment**

4 FOR the purpose of requiring the Public Service Commission to establish certain targets
5 for the deployment of new energy storage devices in the State; requiring the
6 Commission to establish and implement the Maryland Energy Storage Program to
7 meet certain energy storage goals and develop a certain energy storage system in the
8 State; and generally relating to energy storage in the State.

9 BY repealing and reenacting, ~~without~~ with amendments,
10 Article – Public Utilities
11 Section 7–216(a)
12 Annotated Code of Maryland
13 (2020 Replacement Volume and 2022 Supplement)

14 BY adding to
15 Article – Public Utilities
16 Section 7–216.1
17 Annotated Code of Maryland
18 (2020 Replacement Volume and 2022 Supplement)

19 Preamble

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 WHEREAS, Energy storage systems provide benefits to the electric grid and utility
2 customers by: enabling the transition to a clean grid with diversified renewable resources;
3 creating system efficiencies that can reduce costs and save money for utilities and
4 ratepayers; bolstering grid reliability and resilience; improving system capabilities to
5 withstand shocks and stressors; and promoting economic development and job creation in
6 Maryland communities; now, therefore,

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
8 That the Laws of Maryland read as follows:

9 **Article – Public Utilities**

10 7–216.

11 (a) (1) In this section the following words have the meanings indicated.

12 (2) (i) “Energy storage device” means a resource capable of absorbing
13 electrical energy, storing it for a period of time, and delivering the energy for use at a later
14 time as needed, regardless of where the resource is located on the electric distribution
15 system.

16 (ii) “Energy storage device” includes all types of electric storage
17 technologies, regardless of their size, storage medium, or operational purpose, **INCLUDING:**

18 **1. THERMAL STORAGE;**

19 **2. ELECTROCHEMICAL STORAGE;**

20 **3. VIRTUAL POWER PLANTS; AND**

21 **4. HYDROGEN–BASED STORAGE.**

22 (3) “Investor–owned electric company” means an electric company that is
23 not a municipal electric utility or an electric cooperative.

24 **7–216.1.**

25 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
26 **INDICATED.**

27 **(2) “ENERGY STORAGE DEVICE” HAS THE MEANING STATED IN §**
28 **7–216 OF THIS SUBTITLE.**

29 **(3) “DELIVERY YEAR” HAS THE MEANING STATED IN THE PJM**
30 **INTERCONNECTION GLOSSARY.**

1 (4) "INVESTOR-OWNED ELECTRIC COMPANY" HAS THE MEANING
2 STATED IN § 7-216 OF THIS SUBTITLE.

3 (5) "PROGRAM" MEANS THE MARYLAND ENERGY STORAGE
4 PROGRAM.

5 (B) THE COMMISSION SHALL ESTABLISH TARGETS FOR THE DEPLOYMENT
6 OF NEW ENERGY STORAGE DEVICES IN THE STATE OF AT LEAST:

7 (1) ~~750 MEGAWATT-HOURS~~ MEGAWATTS OF CUMULATIVE ENERGY
8 STORAGE CAPACITY BY THE END OF DELIVERY YEAR 2027;

9 (2) ~~1,500 MEGAWATT-HOURS~~ MEGAWATTS OF CUMULATIVE ENERGY
10 STORAGE CAPACITY BY THE END OF DELIVERY YEAR 2030; AND

11 (3) ~~3,000 MEGAWATT-HOURS~~ MEGAWATTS OF CUMULATIVE ENERGY
12 STORAGE CAPACITY BY THE END OF DELIVERY YEAR 2033.

13 (C) (1) THE COMMISSION SHALL ESTABLISH THE MARYLAND ENERGY
14 STORAGE PROGRAM.

15 (2) THE PROGRAM SHALL BE IMPLEMENTED NO LATER THAN JULY 1,
16 2024.

17 (3) THE PROGRAM SHALL INCLUDE:

18 ~~(H)~~ (I) COMPETITIVE PROCUREMENT MECHANISMS TO REACH A
19 MINIMUM OF 3,000 MEGAWATTS OF ENERGY STORAGE BY THE END OF DELIVERY
20 YEAR 2033.

21 (4) THE PROGRAM MAY INCLUDE:

22 ~~(H)~~ (I) A SYSTEM OF ENERGY STORAGE CREDITS AND
23 MARKET-BASED INCENTIVES DESIGNED TO:

24 1. DEVELOP A ROBUST ENERGY STORAGE MARKET IN
25 THE STATE; AND

26 2. DEPLOY ENERGY STORAGE DEVICES IN A
27 COST-EFFECTIVE MANNER;

28 ~~(H) POWER PURCHASE AGREEMENTS THAT ARE~~
29 ~~COMPETITIVELY BID BY INVESTOR-OWNED ELECTRIC COMPANIES TO INITIATE~~

1 ~~CONTRACTS FOR ENERGY STORAGE DEVICES OR FOR CREDITS FROM ENERGY~~
 2 ~~STORAGE PROJECTS UNDER § 7-216 OF THIS SUBTITLE; AND~~

3 (II) A REQUIREMENT THAT INVESTOR-OWNED ELECTRIC
 4 COMPANIES:

5 1. INSTALL OR CONTRACT FOR ENERGY STORAGE
 6 DEVICES; OR

7 2. CONTRACT FOR CREDITS FROM AN ENERGY STORAGE
 8 PROJECT UNDER § 7-216 OF THIS SUBTITLE; OR

9 ~~(IV)~~ (III) ANY OTHER MECHANISM OR POLICY THAT THE
 10 COMMISSION DETERMINES IS APPROPRIATE TO ACHIEVE THE GOAL OF A ROBUST,
 11 COST-EFFECTIVE ENERGY STORAGE SYSTEM IN THE STATE.

12 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31,
 13 2023, the Commission shall report to the General Assembly, in accordance with § 2-1257
 14 of the State Government Article, on pending designs for the Maryland Energy Storage
 15 Program and any additional statutory changes required to fully implement an effective
 16 Maryland Energy Storage Program to meet the minimum targets for the deployment of new
 17 energy storage devices under § 7-216.1 of the Public Utilities Article, as enacted by Section
 18 1 of this Act.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 20 October 1, 2023.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.