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October 28, 2025

Power Advisory
22 Devens Street
Concord, MA 01742

Re: *First Application Period for Transmission Connected Energy Storage Projects – RFI Responses*

Dear Power Advisory:

Thank you for the opportunity to comment Maryland Public Service Commission Applications for Transmission Connected Energy Storage Complying with the Next Generation Energy Act Request for Information (RFI).

With nearly 3 GW of operating assets and a substantial development pipeline across the U.S., REV Renewables ("REV") is an industry leader in the development, acquisition and operation of transmission-connected renewables and energy storage. REV has significant energy storage experience, including bringing online five energy storage projects in California with several more in late-stage development, and operating three pumped-storage hydro facilities in PJM.

In Maryland, REV recently completed construction of its 20-megawatt Jade Meadow solar facility in Allegany County and is the owner/operator of the 13-megawatt Rockfish solar facility in Charles County. Additionally, REV has several transmission-connected energy storage projects in active development. REV's storage projects are positioned as an early mover to meet the state's 3 GW energy storage goal.

REV Renewables
Maryland RFI Responses for Transmission Connected Energy Storage
First-Round 800 MW Solicitation

1. Contract Length
The Maryland NGEA requires at least a 15-year contract term.

a. What is a desirable contract term given the useful life of energy storage equipment, degradation of battery performance over time, augmentation schedules and financing considerations?

REV RESPONSE: REV favors a contract framework that enables the developer and third-party (such as a utility or state entity) to negotiate a term of 15-20 years to provide revenue certainty and financing. REV is not aware of any contract term for transmission-connected energy storage that is longer than 20 years.

b. Would bidders welcome the opportunity to submit multiple contract term options for one project configuration?

REV RESPONSE: Yes.

2. Energy Storage Price Schedule

The NGEA specifies that the contract shall be based on a partial toll.

a. How can energy storage project developers manage the risks posed by a partial toll?

i. What barriers, if any, do you expect with respect to financing the energy storage project with a partial tolling contract?

REV RESPONSE: REV does not expect any barriers to financing an energy storage project with a partial tolling contract. Partial tolling balances the stability of tolling with the upside potential of merchant exposure, making it increasingly popular in markets like ERCOT and CAISO where several gigawatts of energy storage are in operation under this model. In a partial tolling construct, the resource would receive a fixed payment in exchange for participating in the PJM capacity auction and returning any auction revenue back to the ratepayers. This provides a guaranteed minimum revenue floor for the tolled portion, allowing for efficient financing of the project. This is especially valuable in maturing markets where revenues can fluctuate year-over-year due to evolving supply and demand conditions and regulatory changes. The partial toll also protects ratepayers, as the owner bears the risk of performance in the energy and ancillary service market to make up the remainder of the revenue requirement. In turn, the owner also gets the potential upside from the untolled portion, capturing high-reward opportunities like price spikes during peak demand or extreme weather events, without fully sacrificing merchant potential.

ii. What barriers do you have or foresee with respect to participating in PJM wholesale markets for energy, capacity, and ancillary services with the ESCC partial tolling contract? E.g., existing offtake contracts, market.

REV RESPONSE: Generally, REV does not have or foresee any barriers with respect to participating in the PJM wholesale markets for energy, capacity, and ancillary services with the partial tolling contract as the resource would be subject to PJM's must offer obligation for capacity resources. Energy storage resources have made significant strides

in PJM's wholesale markets since FERC Order 841 (2018) removed many structural barriers, enabling participation in energy, capacity, and ancillary services on a technology-neutral basis. However, general barriers exist for all resources in PJM, including interconnection queue backlogs and cost of entry.

b. How could a partial toll incorporate indexation?

i. What should be included in an index and over what period should the indexation occur? risks, financial risks, etc.

REV RESPONSE:

- Battery energy storage container price
- Tariff rates
- Commodities impacting the price of key equipment
- LMP
- Interest rates

c. How could the contract be structured to best balance project risks between developers and Maryland ratepayers?

3. Procurement Schedule

The NGEA requires that the first solicitation be issued on or before January 1, 2026 and end with the PSC issuing a decision whether to approve one or more proposals by October 1, 2026.

a. If three months are required to conduct the application evaluation process, is two months for the development of applications sufficient?

REV RESPONSE: Yes

b. What factors should be considered when designing the solicitation schedule, e.g., PJM interconnection queue processes?

REV RESPONSE: When designing a state solicitation schedule for energy storage in PJM, some factors to consider to ensure timely, bankable deployment: (1) track PJM market reforms (e.g., SIS expansion in March 2025, ELCC rules in Q1 2026) to avoid stranded assets; (2) match procurement volumes to state reliability targets (e.g., 3 GW storage need by 2033) and load growth (60 GW by 2030); (3) enforce strict readiness filters (LGIA, site control, permits, deposits) to cut speculative bids; (4) buffer for supply chain risks with sufficient lead times, (e.g. tariff-driven cost hikes) by launching RFPs well in advance of COD and having a predictable schedule with no delays.

i. Is two months sufficient time for proponents to submit an Application in response to this first solicitation?

REV RESPONSE: Yes

4. Penalties for Non-Performance

As dictated by NGEA, penalties for non-performance and underperformance in the contract, including withholding of payment that reflect the degree of underperformance, will be made against energy storage devices that fail to meet availability metrics.

a. Should these availability metrics follow the framework employed by PJM? i. If so, how would this best be structured? Pjm capacity perf rules. Rolling 12-24 month?

REV RESPONSE: REV typically covers non-availability charges incurred by PJM and EoD (End-of-Day) thresholds for various operational limits and criteria that the PJM Interconnection uses to manage its power grid. These metrics are not a single, fixed value, they are usually for a rolling 12-month average (e.g. 75%) and a 24-month average (e.g. 80%).

For PJM Capacity Performance, Maryland could consider that, if the unit performs as expected (e.g. 4 hours during the event), then there would be some level of cost sharing if any performance penalties are incurred.

b. Should contract penalties not apply if an energy storage project is unavailable after discharging for its proposed duration? Is it appropriate for customers to bear this risk?

REV RESPONSE: If this question is referring to Capacity Performance/PAI events on a normal operating day, then the resource should be held to PJM's participating rules and be required to participate in Day Ahead and Real Time. As noted above, Maryland could consider cost sharing of performance penalties that may be incurred if the resource performs as expected during the event (e.g. 4 hours). If this question refers to normal daily operation, the resource shouldn't have any duration of discharge requirements per day since this will vary per market dispatch.

5. Eligible Bids

The NGEA requires projects to achieve commercial operation within two years of being selected by the MD PSC unless the Commission extends the operating deadline for good cause shown and requires the MD PSC to establish Energy Storage Capacity Credits (ESCCs) and require each electricity supplier to purchase these credits in proportion to the electricity supplier's capacity obligation.

a. Is the requirement of achieving commercial operation within two years of being selected by the MD PSC realistic?

REV RESPONSE: Requiring commercial operation (COD) within two years of an award for transmission-connected energy storage in PJM is unrealistic, as it ignores the hard constraints of PJM's interconnection queue, supply chain lead times, and construction and permitting realities – many of which are out of the control of the developer.

Supply chain and permitting bottlenecks can compound the issue: battery pack lead times are 18–24 months (post-tariffs), transformer deliveries 24–36 months, and local permitting/site development (especially in EJ communities) routinely exceed 12 months. Historical data from PJM's 2025 BRA shows only ~15% of awarded storage clears within 3 years; the rest face delays or withdrawals. A two-year mandate creates perverse incentives—favoring speculative bids—while discouraging large-scale, grid-beneficial assets that may need up to 3–4 years to finance, permit, and interconnect. States like Massachusetts and New York allow 36–48 months to COD with milestones (e.g., financial close in 12 months, Phase II study in 24), aligning with PJM realities and achieving 90%+ execution rates. A rigid two-year rule risks stranded ratepayer commitments, higher costs from defaults, and delayed decarbonization.

i. Is it a barrier to your participation in the procurement? If so, what aspect of the timelines poses the greatest barrier – PJM timelines, project development timelines, supply chain (energy storage and other), closing financing, RE project component (for hybrid RE + storage projects), federal policies (ITC, FEOC, etc.), other?

REV RESPONSE: Please see responses above.

ii. How could any adverse impacts from this requirement be mitigated, by reducing penalties for missing your target commercial operation date (COD)?

REV RESPONSE: It is important that the Maryland PSC specify in rules or through an Order what factors/conditions would result in a waiver of the procurement's commercial operation date requirements. Many factors outside of the control of a developer can result in delays beyond 24 months. Developers should not be penalized for these delays.

iii. Please identify and discuss appropriate good cause events that should allow the Commission to extend the operating deadline?

REV RESPONSE: The Commission should consider defining "Good Cause" as - events beyond the developer's reasonable control that materially delay a critical path milestone (e.g., interconnection agreement, equipment delivery, permitting). Extensions should require documented evidence, 30-day notice, and PSC approval.

Maryland should grant good cause extensions for transmission-connected energy storage COD deadlines when delays stem from events beyond the developer's reasonable control that materially impact the critical path, such as PJM interconnection study delays exceeding 90 days, network upgrade construction lagging over 12 months, or restudies triggered by cluster withdrawals. These events warrant 6–9 month extensions with documented evidence (e.g., PJM letters, updated CPM schedules) and PSC approval. Supply chain disruptions, including OEM battery deliveries over 6 months late or transformer delays over 12 months due to tariffs, should qualify for 6–9 months, while permitting appeals lasting over 180 days or regulatory changes (e.g., ELCC revisions, IRA 45X delays) justify 6 months. Extensions should require 30-day notice, milestone compliance, and mitigation proof.

All extensions are capped at 12 months cumulative (18 with force majeure overlap), with monthly progress reports and third-party verification for claims over 6 months. Force majeure (e.g., grid outages, pandemics) adds up to 6 extra months. This tiered, evidence-based framework—proven in NJ BPU, NY PSC, and MA DPU dockets—balances ratepayer protection with project viability, achieving 90%+ execution rates while aligning with PJM's 4–6 year queue realities and avoiding defaults from unrealistic timelines.

b. What schedule risks are reasonably beyond suppliers' control that should be included as reasonable causes for an extension of the two year commercial operation date specified in the NGEA?

REV RESPONSE: Please see responses above.

c. What are appropriate interconnection standards (e.g., Capacity Interconnection Rights) for participating projects.

REV RESPONSE: The PSC should consider several important factors such as project maturity, the project's advanced status in the PJM interconnection process including having a signed PJM Large Generator Interconnection Agreement and Capacity Interconnection Rights for megawatts offered, completion of state and local permits, experience developing transmission-connected

energy storage projects, etc. These are similar to requirements for transmission-connected energy storage projects to participate in New Jersey's Garden State Energy Storage Program. REV encourages the PSC to consider additional criteria such as site control, to ensure only the most advanced projects are eligible to receive awards and avoid "speculative" projects.

i. What are appropriate minimum and maximum bid sizes in MW?

REV RESPONSE: Minimum bid size should have an installed capacity of 5MW AC and be interconnected with the PJM Transmission Network and situated inside a Transmission Zone in Maryland or is otherwise located in Maryland and qualified to provide energy, capacity, or ancillary services in the wholesale markets established by PJM. There should be no maximum bid size.

6. Resource Types

a. How should the solicitation compare the benefits of co-located resources and stand-alone energy storage against one another?

REV RESPONSE: The PSC should compare hybrid/co-located (paired with solar/wind) and stand-alone systems using transparent criteria that quantifies total system value rather than just upfront cost such as: grid benefits via NPV of avoided network upgrades; T&D deferral; reduced curtailment; reliability and performance; round-trip efficiency; dispatch flexibility; development speed and risk; brownfield reuse; and environmental justice (EJ) alignment.

i. Do you expect that a partial tolling contract may facilitate adding storage or increasing planned storage capacity with an existing or planned power plant?

7. Commission Approval

There are two separate but linked Maryland Commission approvals required for a project to receive ESCCs, the ESCC award process and construction approval process which are needed to bestow the same rights to the selected proposal that a generating system would otherwise be granted through a certificate of public convenience and necessity.

a. What information should be considered regarding the construction approval process in the ESCC approval process, if any?

REV RESPONSE:

- Conceptual site plan with environmental features avoided
- Local permits required/received
- Timeline
- Safety plan
- Decommissioning plan

- Interconnect Agreement

b. Does an approval of ESCCs that is conditioned on completing the construction approval process introduce any barriers?

c. Should a project be required to begin the Commission's construction approval process before it is awarded ESCCs, or should this only be started after ESCCs are awarded, or should this be left to the discretion of the applicant?

8. Safety

a. Which safety standards should be required to be reviewed in the ESCC award process?

REV RESPONSE: For battery storage projects, the developer should have a plan for compliance with NFPA 855, which is the fire safety standard for stationary energy storage systems.

c. How should applicants' safety plans be evaluated in the ESCC award process?
d. Should compliance with insurance requirements; outreach to emergency responders and host communities; and emergency response plans be considered?

9. Project Viability and Other Qualitative Factors

a. What key elements should be considered in evaluating project viability and how should these be reflected in terms of minimum requirements for participation including:

i. Site Control
ii. Interconnection studies/ Stage in the Interconnection Process
iii. Environmental permits
iv. Experience
v. Stakeholder outreach to determine potential local opposition

REV RESPONSE: The purpose and goal of any stakeholder outreach should not be to determine local opposition, but to educate the public about the resource and steps taken to mitigate safety concerns. Outreach should only be mandated if hearings are required through the construction approval process.

vi. Any other minimum requirements

b. How should supply chain and tariff risks be incorporated when assessing project viability?

10. Cost-Benefit Analysis

a. What benefits, besides capacity, locational and avoided emissions value, should be quantified when assessing the cost-effectiveness of the energy storage price schedule?

i. How should locational benefits of projects be quantified given readily available data?

ii. How should the value of longer duration storage (i.e., beyond 4 hours) be considered and if so, how?
iii. How should avoided/deferred transmission costs be considered and what commitments or assurances are needed to ensure that these transmission facilities are ultimately avoided or deferred?
iv. How should the cost-benefit analysis assess the value of reliability during periods of system stress, including extreme weather, fuel scarcity and large unplanned resource outages?

11. Interconnection

a. Would a requirement of projects needing to be a Maryland based project in PJM's expedited Fast Lane, Transition Cycle 1, or Transition Cycle 2 process be a barrier to solicitation participation?

REV RESPONSE: No, we do not believe any project that is not in the expedited Fast Lane, TC1 or TC2 should be eligible as these may be speculative projects. As stated above, we recommend that any project receiving a solicitation award should have a large generator interconnection agreement, Capacity Interconnection Rights for the megawatts offered, and site control.

b. Does the requirement of being a project in the PJM New Services Queue pose a potential barrier to solicitation participation?

c. If a project is in the PJM SIS (Surplus Interconnection Service) initiative or the PJM RRI (Reliability Resource Initiative), how should this be factored into the ESCC awards process and are their any special PJM requirements for participating in either of these PJM initiatives that need to be considered.

12. Community Benefit Agreement

a. What requirements from MD Code, Public Utilities, § 7-1202 Community benefit agreements should be considered in the ESCC award process as opposed to conditioning an ESCC approval on providing a Community Benefit Agreement?

13. Energy Storage Industry

a. Any trends in or around the energy storage industry that may impact the procurement and how should these trends be accounted for in the solicitation.

REV RESPONSE: Changes in country-specific and component-specific tariffs and federal rules regarding materials/components from "foreign entities of concern" per forthcoming Treasury guidance should be considered as "good cause" events triggering a waiver in COD requirements.

14. Future Application Periods

a. How can efficiencies be realized in the Round 2 Energy Storage Capacity Credit Application given that it will open about one year after the Round 1 Application Period?

15. Non-Price Factors

a. What non-price factors should be considered by the Commission and how should these non-price factors be incorporated into the evaluation process.

REV RESPONSE:

- Projects located on brownfields / reclaimed coal land should receive a higher score/qualitative evaluation.
- Projects located in energy communities
- Projects with advanced PJM queue position
- Projects that have site control (e.g. signed lease, ownership)

16. We are seeking voluntary information regarding projects likely to be proposed, which will be treated confidentially.

a. Please provide details of the size, duration, and location of the proposed project.

17. Other

a. Any additional comments that you believe should be known or would be helpful in drafting the Request for Applications.

REV RESPONSE: Replacing existing capacity will not provide the price or reliability benefit that Maryland needs. REV believes the PSC should consider as part of its solicitation a higher qualitative metric for projects that provide truly new incremental capacity.

REV appreciates your consideration of our comments and looks forward to working with the Maryland Public Service Commission to get an energy storage program launched in 2026.

Sincerely,

Joel M. Harrington

Joel M. Harrington
Director of Government Affairs
REV Renewables
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