Power Advisory, LLC
22 Devens St.
Concord, MA 01742

October 28, 2025

Re: Coalition Letter on Improving Solar & Storage Deployment in Response to Power Advisory's Request for Information (RFI)

To expedite clean energy deployment in Maryland and benefit from the significant ratepayer savings afforded by the rapidly expiring federal tax credits, the undersigned state agencies and organizations urge Power Advisory to work with the Maryland Public Service Commission (Commission) to (1) hold the Next Generation Energy Act (NGEA)'s procurement as soon as possible and (2) prioritize approving solar-and-storage projects.

A. Maryland Is Facing A Worsening Crisis of Rising Energy Costs

The undersigned organizations are deeply concerned about recent hikes in residential electricity rates in Maryland, which are projected to continue rising. One reason for these rising rates is that the PJM regional grid is facing a large capacity shortfall, in large part due to its failure to interconnect over 100 gigawatts (GW) of renewable and capacity projects in its queue in a timely manner.[1] This supply shortage has driven up prices in PJM's capacity market, and by extension, increased customers' electricity rates. Governor Moore has joined Pennsylvania Governor Josh Shapiro in holding PJM responsible for "the affordability crisis Maryland residential and commercial energy customers face following PJM's recent capacity auction."[2]

The July 2025 passage of H.B. 1 forced the early expiration of significant federal investment and production tax credits, which threatens to compound this rate crisis. Under H.B. 1, wind and solar projects must begin construction by July 4, 2026—or otherwise be placed in service by December 31, 2027—in order to qualify for these tax credits.[3] Standalone energy storage projects can still qualify for a 30% tax credit if they begin construction between now and 2033, but this credit will phase down to 0% for developers beginning construction after December 31, 2035.[4]

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[1] William Driscoll, "PJM could fast-track 102 GW solar, 24 GW storage at underused points of interconnection," PV MAGAZINE (Aug. 26, 2025), https://pv-magazine-usa.com/2025/08/26/pjm-could-fast-track-102-gw-solar-24-gw-storage-at-underused-points-of-interconnection/.

[2] Office of the Governor Wes Moore, *Letter to Mr. Takahashi and PJM Board Members* (Jan. 21, 2025), https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2025/20250121-md-governor-moore-letter-regarding-capacity-market-price-cap.pdf.

[3] *See* Laurie Abramowitz, et al., *From IRA to OBBBA: A New Era for Clean Energy Tax Credits* (July 22, 2025), https://www.arnoldporter.com/en/perspectives/advisories/2025/07/from-ira-to-obbba-anew-era-for-clean-energy-tax-credits.

[4] Phoebe Skok, "Where storage is set to thrive and fade under the OBBB," PV MAGAZINE (July 22, 2025), https://pv-magazine-usa.com/2025/07/22/where-storage-is-set-to-thrive-and-fade-under-theobbb/#:~:text=From%20ESS%20News,percent%20following%20the%20storage%20boom.

At the same time, there are a significant number of solar energy projects in the pipeline in Maryland—and these projects are more cost-competitive and can be added to the grid more quickly than new gas plants. First, through the novel Surplus Interconnection Service (SIS) process, PJM's rules are evolving to allow new projects to bypass PJM's interconnection queue by taking advantage of existing interconnection infrastructure at sites with operational generators. GridLab, a firm that provides technical analysis of energy resources and grid conditions, analyzed existing generation sites and found that Maryland has approximately 4 GW of potential to add SIS solar and/or storage at sites of existing generators—with 3.4 GW of SIS potential at existing fossil fuel power plant sites and 0.6 GW at existing solar and wind sites in Maryland.[5] Additionally, there are about 3.6 GW of solar and solar-and-storage projects throughout the PJM queue in Maryland, with 125 megawatts (MW) of solar in very advanced (RRI and TC1) positions, and approximately 350 MW of solar and 760 MW of solar-and-storage projects just a step behind (in the TC2 position). As new energy projects leave PJM's queue, they will become additional areas where new SIS solar and/or storage projects can be sited. Moreover, there are additional opportunities outside the state of Maryland that, if constructed, and particularly if constructed by December 31, 2027, would drive down energy bills in Maryland.

B. Power Advisory Should Work with the Commission to Expedite and Expand Its Upcoming RFP Process Under the Next Generation Energy Act

Maryland now faces a pivotal opportunity to rapidly bring online many of these available solar resources before these federal tax credits expire, and the Commission has clear authority to take advantage of this opportunity under § 7–1224 of the NGEA, as well as its existing authority under § 7-510(c)(4)(ii)1.B of the Public Utilities Code.[6] The NGEA requires the Commission to issue an RFP for up to 800 MW of transmission-connected storage by January 1, 2026 at the latest, and authorizes storage projects that are paired with tier 1 and 2 renewables to participate in this RFP process.

To truly maximize the significant value of expiring federal tax credits, the RFP should be structured to prioritize those projects that have the benefit of the combined attributes of solar and storage, and prioritize projects that can commence construction by July 4, 2026 or commence operations by December 31, 2027. In the documents explaining the terms of this RFP, Power Advisory and the Commission should clarify that storage projects paired with renewables, such as solar-and-storage projects, are qualified and strongly encouraged to participate in this RFP,

[5] To make this calculation, GridLab evaluated sites of all existing generators—both thermal fossil fuel power plants and renewable generators—and excluded any generators that had various physical, environmental, and legal constraints that could hinder the installation of surplus capacity. GridLab also undertook economic analyses (considering each resource's generation potential and levelized cost of energy), load growth analyses (including comparing surplus interconnection potential with PJM's projections for energy growth load), and portfolio optimization analyses in order to derive an estimate of this SIS potential.

[6] This provision authorizes the PSC to "require or allow an investor–owned electric company to procure electricity for these [SOS] customers directly from an electricity supplier through one or more bilateral contracts outside the competitive process."

and should prioritize their selection over standalone storage projects. Power Advisory and the Commission should further clarify that the 800 MW limit for the RFP applies only to the *storage* component of proposed projects, since the NGEA does not limit the quantity of additional *solar* capacity that can bid into the RFP.

Notably, a number of other states are moving quickly to expedite RFP processes for renewable energy before these federal tax credits expire, and Maryland should follow their lead. On September 10, for example, the Connecticut Department of Energy & Environmental Protection opened a four-week RFP bidding period for developers with utility-scale solar and onshore wind projects that can meet either H.B. 1's July 4, 2026 start of construction date or December 31, 2027 in-service date.[7] In Maine, the PUC just held an expedited procurement process, providing renewable energy developers with only *two weeks* to submit proposals for clean energy projects.[8] Moreover, the Colorado PUC recently approved Xcel's initiation of an accelerated procurement in order to take advantage of expiring federal tax credits.[9] As yet another example, in Oregon, in response to a directive from the PUC, Portland General Electric has initiated an RFP for power purchase agreement (PPA) proposals for projects that can qualify for the federal tax credits.[10]

C. Conclusion

Following these states' lead, the undersigned organizations urge Power Advisory to work with the Commission to exercise its clear authority to expedite and expand its upcoming RFP under NGEA § 7–1224. Initiating this RFP as soon as possible, and prioritizing selecting storage projects that are paired with mature solar projects, is the best and clearest route to ensure Marylanders benefit from the significant opportunity afforded by the rapidly expiring federal tax credits.

Please see the following page for a complete list of signatories.

[7] Connecticut DEEP, *Request For Proposals From Private Developers For Zero Carbon Energy* (Sept. 10, 2025), https://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/1387d0b7a949557885258d01005a9111/$FILE/Expedited%20Zero%20Carbon%20RFP%20FINAL%20w.Appendices.pdf.

[8] Sarah Shemkus, "Maine moves to fast-track clean energy before federal tax credits expire," CANARY MEDIA (July 24, 2025), https://www.canarymedia.com/articles/clean-energy/maine-fast-track-tax-credits.

[9] See Co. Pub. Util. Comm'n, Proceeding No. 21A-0141E, *Interim Commission Decision Granting, With Modifications, Motion to Initiate Near-Term Procurement* (Sept. 8, 2025).

[10] *See* Portland General Electric, *Procuring Clean Energy*, https://portlandgeneral.com/about/who-we-are/resource-planning/procuring-clean-energy.

Respectfully signed:

Sierra Club, Maryland Chapter

Center for Progressive Reform

Chesapeake Climate Action Network

Earthjustice

Elders Climate Action Maryland

Environment Maryland Research and Policy Center

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