Maryland Public Service Commission Applications for Transmission Connected Energy Storage Complying with the Next Generation Energy Act
Request for Information (RFI)

The Maryland Public Service Commission ("MD PSC") and Power Advisory seek public comments on the following areas relevant to the forthcoming Application Period for a first round solicitation of 800 MWs of front-of-the-meter transmission connected energy storage under the Maryland Next Generation Energy Act ("NGEA").

Interested parties and stakeholders are invited to provide comments in response to the prompts below and/or any other topics related to the first-round Application Period. Please provide explanations for any recommendations provided. The comments provided will be used to inform the drafting of the Request for Applications and will not otherwise respond to comments.

Submission Instructions: Please submit all comments to MDPSC-NGEA Storage@poweradvisoryllc.com via email no later than 5:00 pm ET October 28, 2025 and include "First Application Period for Transmission Connected Energy Storage Projects" and the name of the organization submitting comments in the subject line Confidentiality: All comments received will be posted publicly on the MDPSC-NGEAStorage.com webpage following the submission deadline; unless a party indicates its submission contains proprietary or commercially sensitive business information that should be treated as confidential energy information, to the extent permitted by law. Public information is highly preferred as the Solicitation Team may cite and refer to public comments. Confidential submissions should be clearly marked "CONFIDENTIAL" and submitted along with a public version with any such confidential information redacted. Commenters are encouraged to limit redactions to the extent possible.

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?*

i. Project financing is more a factor for contract terms than battery life or degradation. Cordelio is comfortable with 15 years as a minimum contract term, but longer (such as 20 years) is preferred. Cordelio can offer battery life up to 20 years with augmentation as long as the buyer specifies their required performance parameters and planned use case at the outset.

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

i. Yes, RFPs commonly request options for multiple terms. We suggest 15- and 20-year options.

2. **Energy Storage**

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. Cordelio prefers that the offtaker purchase all of the rights associated with the project output (energy, capacity, ancillary services and other attributes). In the case of a purchase of less than all the project attributes, developers must find a way to sell the remaining attributes to a separate buyer or directly to PJM wholesale market. This creates either separate counterparty risk or merchant market risk. With the additional risk of merchant prices, the partial toll price will likely represent a premium to the buyer.

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

i. This is dependent upon the scope of the contracted assets, but if revenues from the contracted assets cannot cover the lenders' required debt service ratio, then developers will not be able to obtain conventional project financing or tax equity as may be required to monetize tax benefits. Some developers maybe be in a position to provide corporate guarantees or other securities to mitigate these issues, but as a general matter, this will lead to risk-adjusted pricing.

c. *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*

i. Market rule changes may limit the outlook of certain market revenue streams which would likely create a higher price required under the partial toll structure to ensure that a project can be financed and constructed. Projects that have existing agreements may have operational limitations that would reduce the project availability for subsequent participants.

d. *How could a partial toll incorporate indexation?*

i. In our experience, simple percentage-based price escalators are common in tolling agreements. Indexing based on energy curves, battery performance, plant availability, commodity pricing, CPI or other published indices are possible, but likely to result in risk-adjusted pricing.

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

i. Index related to construction and development costs, specifically commodity price risk related to tariffs is important to account for concerns that may ultimately prohibit a project from being built.

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

i. We suggest either a flat rate toll or simple percentage-based price index. More complex pricing is likely to result in risk-adjusted pricing proposals.

3. Procurement Schedule

The NGEA requires that the first solicitation be issued on or before January 1, 2026, and ends 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?*
    i. We are accustomed to seeing 3 months for application preparation; additional time yields higher quality results. Additional time allows the bidder to refresh vendor estimates.

b. *What factors should be considered when designing the solicitation schedule, e.g., PJM interconnection queue processes? i. Is two months sufficient time for proponents to submit an application in response to this first solicitation?*
    i. We are accustomed to seeing 3 months for application preparation; additional time yields higher quality results.

4. Penalties for Non-Performance

As dictated by NGEA, penalties for non-performance and underperformance in the contract, including withholding of payment that reflects 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?*
    i. Cordelio Power has no strong preferences or recommendations at this time.

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?*
    i. Cordelio Power has no strong preferences or recommendations at this time.

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?*
    i. Two years is the minimum, three years would be better and less likely to result in risk adjusted pricing.

b. *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?*
    i. Additional time is preferred given market and project development uncertainty. For example, PJM has recently implemented a new interconnection process. Delayed interconnection results are common even when they don't result from a new process.

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

i. Cordelio Power has no strong preferences or recommendations at this time.

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

i. Cordelio Power has no strong preferences or recommendations at this time.

e. 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?

i. We expect to negotiate and agree on a commercially reasonable Force Majeure definition that would provide relief for all delays that are beyond the supplier's reasonable control.

1. Fair relief for delays outside of supplier control normally results in the best pricing and limits risk adjustment.

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

i. Cordelio Power has no strong preferences or recommendations at this time.

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

i. A minimum project size should be set to encourage broad participation and attain price advantage from scale; a maximum project size should be set so that assets are distributed to improve system reliability. We think a 50MW minimum and 300MW maximum size strikes a good balance to achieve both goals.

6. Resource Types

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

i. Cordelio Power has no strong preferences or recommendations at this time.

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

i. Cordelio Power has no strong preferences or recommendations at this time.

7. Commission Approval

8. 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?

i. The PSC should consider the developer's current BESS operating experience; we think successful bidders should have direct experience constructing, owning and operating at least one BESS in the United States as a minimum.

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

i. Cordelio Power has no strong preferences or recommendations at this time.

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?*
    i. Cordelio Power has no strong preferences or recommendations at this time.

9. Safety

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

- UL1973
- UL9540
- UL9540A cell, module, and unit
- NFPA 855
- NFPA 72
- NFPA 68
- NFPA 69
- NERC CIP-003, -008, and -010
- IEC 61000-6-2 and 61000-6-4
- IEEE 693
- UL1741 + Supplement SA
- CSA C22.2 107.1
- IEEE 1547

b. *How should applicants' safety plans be evaluated in the ESCC award process?*
    i. Applicants should provide BESS plant safety data and draft safety plans.

c. *Should compliance with insurance requirements; outreach to emergency responders and host communities; and emergency response plans be considered?*
    i. Cordelio Power has no strong preferences or recommendations at this time.

10. 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 – complete site control for the BESS using PJM standard is a fair minimum requirement to bid*
    ii. *Interconnection studies/ Stage in the Interconnection Process – completed filing with PJM is a fair minimum to bid*
    iii. *Environmental permits – the developer should present at least a fatal flaw assessment for permitting*
    iv. *Experience – the developer should demonstate completion of development and construction of at least one BESS in the United States*
    v. *Stakeholder outreach to determine potential local opposition*
    vi. *Any other minimum requirements*

Cordelio Power has no strong preferences or recommendations at this time.

b. *How should supply chain and tariff risks be incorporated when assessing project viability?*
    i. Tariff risk and uncertainty represent a serious risk to this process and price certainly. Cordelio tries to use domestic products, when possible, to mitigate these risks, but this is not always possible. We would consider a price adjuster (up or down) based on possible tariff fluctuations that are set in advance of price commitment so that risk can be effectively managed. Absent this, bids may reflect premiums depending on the perceived level of tariff risk at the time of the proposals.

11. 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. Cordelio Power has no strong preferences or recommendations at this time.

b. *How should locational benefits of projects be quantified given readily available data?*
    i. Cordelio Power has no strong preferences or recommendations at this time.

c. *How should the value of longer duration storage (i.e., beyond 4 hours) be considered and if so, how?*
    i. Cordelio Power has no strong preferences or recommendations at this time.

d. *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?*
    i. Bidders should have the option to provide benchmark transmission assumptions and then adjust bid price up or down based on final costs. This balances transmission cost risk for bidders and buyers.

e. *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?*
    i. Cordelio Power has no strong preferences or recommendations at this time.

12. 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?*
    i. Yes, given recent delays and rule changes at PJM, it would be unfair to exclude projects with good potential just because the developer did not advance them to the interconnection process given uncertainty. A complete PJM filing for the project represents sufficient commitment to the project and a reasonable level of maturity.

b. *Does the requirement of being a project in the PJM New Services Queue pose a potential barrier to solicitation participation?*
    i. No, completed filing with PJM before bid submission reflects a valid minimum barrier for an acceptable proposal.

c. *If a project is in the PJMSIS (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.*
    i. Cordelio Power has no strong preferences or recommendations at this time.

13. 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?*
    i. Cordelio Power has no strong preferences or recommendations at this time.

14. 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.*
    i. Cordelio Power has no strong preferences or recommendations at this time.

15. Future Application Periods

a. *How can efficiencies be realized in the Round 2Energy Storage Capacity Credit Application given that it will open about one year after the Round 1 Application Period?*
    i. Cordelio Power has no strong preferences or recommendations at this time.

16. 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.*
    i. Cordelio Power has no strong preferences or recommendations at this time.

17. 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.*
    [redacted]

18. Other

a. *Any additional comments that you believe should be known or would be helpful in drafting the Request for Applications.*
    i. Cordelio Power has no strong preferences or recommendations at this time.