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? With unprecedented policy changes at the federal and regional market levels, project financing requires certainty via at least a 15 to 20 year contract terms.

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

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? Need to have more details and clarity on partial tolling structure to provide comments with respect to project financing.

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 risks, financial risks, etc.

b. How could a partial toll incorporate indexation?

i. What should be included in an index and over what period should the indexation occur? Optimal contract structure would be based off contract capacity, either fixed or based off ELCC for a 15 or 20 year term.

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? Two months is acceptable, three months would be preferable.

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? Put in guidelines on what projects can be eligible based on where they are in the PJM queue process

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? Set annual minimum availability targets

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? There should not be any penalties for unavailability after a full discharge period. The penalties should account for the project's duration.

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? No, the reality of todays supply chains and PJM queue process results in the need to utilize the waiver to get timeline relief. We need to have regulatory certainty (CPCN) by no less than 2 years prior to the anticipated COD.

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?

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

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

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. PJM Interconnection timelines, regulatory approvals, supply chain delays on key equipment.

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

i. What are appropriate minimum and maximum bid sizes in MW? There should not be any limits to bid sizes

6. Resource Types

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

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?

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?

d. How will the "construction approval process" differ from or relate to the otherwise applicable CPCN process? Can we confirm this "construction approval process" supersedes any otherwise applicable CPCN requirement?

8. Safety

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

NFPA 855 (2026) and its associated UL or other codes and standards

b. How should applicants' safety plans be evaluated in the ESCC award process?

c. 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: Key elements in evaluating project viability should include consideration of Developer track record in owning and operating at least 50 MW for over a year with excellent safety standards. Additionally, aspects such as site control status, interconnection stage, permit status should be considered.

i. Site Control

ii. Interconnection studies/ Stage in the Interconnection Process

iii. Environmental permits

iv. Experience

v. Stakeholder outreach to determine potential local opposition

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? Offering the partial toll contract already accomplishes the goal of incentivizing developers to site projects at the best locational spots to obtain the best financial outcome.

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 – we need clarity on minimum interconnection standards to participate in this RFP, account for PJM queue delays, near term CODs are not realistic

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?

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? A community benefits agreement or some other form of County support should be taken into consideration for the ESCC award. Other support could include a letter of support from the Authority of Jurisdiction, an approved Site Plan or Special use permit, and or some other form of support for the project.

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.

- Federal tariffs are unpredictable and are having dramatic impact on project economics. Moreover anti-foreign supply restrictions will put enormous pressure on domestic supply, raising equipment costs and potentially delaying supply delivery.
- PJM Interconnection queues, along with queue jumping proposals, are introducing uncertainty with the timing and costs of projects
- PJM ELCC discussions evolving, with the added concern of US DOE interest in overriding ISOs and FERC with a national ELCC construct that does not reflect regional costs and benefits
- BESS is still new to PJM; PJM lacks market products that are found in ERCOT where BESS can demonstrate additional value and be remunerated for those service streams

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? Because of the unpredictability of federal policy that's impacting project economics, state should move forward as soon as possible on both procurements and administer them similarly.

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. See response to question 9

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.