

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”).¹

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

2. Energy Storage Price Schedule

The NGEA specifies that the contract shall be based on a partial toll.²

- 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?
 - ii. What barriers do you have or foresee with respect to participating in PJM wholesale markets for energy, capacity, and ancillary services with

¹ https://mgaleg.maryland.gov/2025RS/Chapters_noln/CH_626_hb1035t.pdf

² Under a partial tolling agreement the toll is basically a payment for the energy storage device capacity but requires the developer to be responsible for the device dispatch and take the market risk for energy and ancillary services.

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?
- 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?
- 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?

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?
- 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?

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. 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?

- 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?
- 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?
- 8. **Safety**
 - a. Which safety standards should be required to be reviewed in the ESCC award process?
 - 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:
 - 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?
 - 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?
- 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 there 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.

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.

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.