



INTRODUCTION

The following question(s) were submitted by interested parties through email (delivered to MDPSC-NGEA-Storage@poweradvisoryllc.com). Some questions have been slightly modified for clarity. Please refer to the [FAQs webpage](#) of the NGEA RFA website for previously posted Q&A documents.

Q&A

- Q1.** There is concern that the OREC agreement (regulatory agreement) with developers makes financing challenging because it is not a contract per se. What assurances or response would you offer to address this concern - financiers don't see a regulatory agreement as commensurate with a contract?

The Offshore Wind Renewable Energy Credit (OREC) framework was successful in attracting significant amounts of capital to support the development of offshore wind projects. The Commission's ESCC framework will be similar in many ways to the OREC framework and similarly has State backing through the 2025 Next Generation Energy Act (NGEA) to secure the necessary developer investments.

- Q2.** Another related concern is the issue of termination. The Code of Maryland Rules and the contract wording in Title 21 has some wording about termination which is a cause of concern.

- a. Cancellation Due to Non-Availability of Funds: COMAR 21.07.01.10
- b. Termination for Convenience: COMAR 21.07.01.12

Title 21 refers to State Procurement Regulations applicable to state procurement contracts under the authority of the Board of Public Works (the Governor, Comptroller, and Treasurer) and the Secretaries of General Services and Transportation. This regulation does not apply to this solicitation. The RFA solicitation is being performed under the authority of the Commission per the NGEA, and will not involve a state procurement contract for the storage projects that will be awarded. Please see the response to Q1 in the FAQ Q&A #6, Issued January 30, 2026, for more information on the topic of rescission.

- Q3.** As BESS lose usable capacity over time, it is standard industry practice for asset owners to install additional battery modules to maintain the installation's originally approved storage capacity. My understanding is that because such augmentations do not increase total nameplate capacity and instead serve only to preserve the system's initial capability, they may be considered maintenance rather than new construction.

Does the addition of new battery units solely to offset degradation require PSC "construction" approval under Maryland regulations?

**RFA: Transmission Connected Energy Storage - Round 1
(Q&A #7, Issued February 9, 2026)**



Since the energy storage devices in the Commission's RFA are transmission-connected, PJM has jurisdiction whether a change constitutes a "material modification" requiring a new interconnection application, not the Commission. However, we understand the developer must submit a written request for a modification to PJM to evaluate the change to ensure it does not increase the project's capacity, change its location, or materially alter its technology. Furthermore, in the RM85 energy storage regulations construction has the meaning stated in Public Utilities Article, 7-207(a)(3), Annotated Code of Maryland. Therefore, if a developer's augmentation does not result in a "material change" as determined by PJM or is not considered "construction" as defined in Public Utilities Article, 7-207(a)(3), the developer will not require construction approval by the Commission for the modification. However, if the modification affects any of the conditions that are associated with the construction approval, the developer will have to file for approval of an amendment to these conditions.