

# HOUSE BILL 650

C5, M5

9lr1189  
CF SB 573

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By: **Delegates Korman and Barve**

Introduced and read first time: February 6, 2019

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2019

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Energy Storage Pilot Project Act**

3 FOR the purpose of requiring the Public Service Commission to establish an energy storage  
4 pilot program; providing for the structure and operation of the program; requiring  
5 the Commission to require each investor-owned electric company to solicit offers to  
6 develop energy storage projects for certain commercial and regulatory models;  
7 requiring each investor-owned electric company to submit ~~an application~~  
8 applications for projects from a certain number of models; establishing that a  
9 proposed project must be able to meet reasonably the program's timelines and data  
10 collection requirements; requiring an investor-owned electric company to prioritize  
11 projects that defer or replace certain needs under certain circumstances; requiring  
12 an investor-owned electric company to describe in a project application whether a  
13 project demonstrates certain attributes; requiring an investor-owned electric  
14 company to include certain information in a project application; authorizing the  
15 Commission, for a certain purpose, to determine how to address cost recovery for  
16 certain models; authorizing the Commission, for a certain purpose, to allow certain  
17 program activity on a project-by-project basis; providing for the beginning and  
18 termination of the pilot program; requiring an investor-owned electric company to  
19 solicit proposals and apply for Commission approval of certain projects on or before  
20 certain dates; requiring the Commission to make a certain determination on or  
21 before a certain date; requiring the Commission to solicit comments from certain  
22 stakeholders and hold a hearing on certain applications; requiring the Commission  
23 to approve, approve with modification, or reject a certain application; requiring an  
24 investor-owned electric company to submit a certain amended application within a  
25 certain time period; requiring the Commission to approve, approve with

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 modifications, or reject a certain amended application within a certain period of time;  
 2 authorizing the Commission to establish certain interim deadlines; requiring an  
 3 investor-owned electric company to submit certain information or data on or before  
 4 a certain date; certain dates; requiring an investor-owned electric company to make  
 5 certain data available to the public; requiring certain data to be seasonally adjusted;  
 6 authorizing an investor-owned electric company, under certain circumstances, to  
 7 apply for an extension of the pilot program on or before a certain date; requiring the  
 8 Commission to determine which data related to the projects may be made available  
 9 only to certain persons and which data related to the projects may be made available  
 10 to the public; authorizing the Commission to extend the pilot program and delay by  
 11 a corresponding amount of time a certain evaluation and report under certain  
 12 circumstances; requiring the Commission to submit a certain interim report to the  
 13 General Assembly on or before a certain date; requiring the Commission to evaluate  
 14 certain matters and report certain findings and recommendations to the General  
 15 Assembly on or before a certain date under certain circumstances; establishing that  
 16 the pilot program does not preclude any other investments in energy storage by a  
 17 public service company; providing that the termination of the pilot program does not  
 18 affect certain cost recovery by an investor-owned electric company; defining certain  
 19 terms; and generally relating to pilot energy storage projects.

20 BY adding to

21 Article – Public Utilities

22 Section 7-216

23 Annotated Code of Maryland

24 (2010 Replacement Volume and 2018 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

26 That the Laws of Maryland read as follows:

27 **Article – Public Utilities**

28 **7-216.**

29 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
 30 INDICATED.

31 (2) (I) “ENERGY STORAGE DEVICE” MEANS A RESOURCE CAPABLE  
 32 OF ABSORBING ELECTRICAL ENERGY, STORING IT FOR A PERIOD OF TIME, AND  
 33 ~~DISPATCHING~~ DELIVERING THE ENERGY FOR USE AT A LATER TIME AS NEEDED,  
 34 REGARDLESS OF WHERE THE RESOURCE IS LOCATED ON THE ELECTRIC  
 35 DISTRIBUTION SYSTEM.

36 (II) “ENERGY STORAGE DEVICE” INCLUDES ALL TYPES OF  
 37 ELECTRIC STORAGE TECHNOLOGIES, REGARDLESS OF THEIR SIZE, STORAGE  
 38 MEDIUM, OR OPERATIONAL PURPOSE.

1           **(3) “INVESTOR–OWNED ELECTRIC COMPANY” MEANS AN ELECTRIC**  
2 **COMPANY THAT IS NOT A MUNICIPAL ELECTRIC UTILITY OR AN ELECTRIC**  
3 **COOPERATIVE.**

4           **(B) (1) THE COMMISSION SHALL ESTABLISH AN ENERGY STORAGE**  
5 **PILOT PROGRAM.**

6           **(2) THE CUMULATIVE SIZE OF THE PILOT PROJECTS UNDER THE**  
7 **PROGRAM SHALL BE BETWEEN 5 AND 10 MEGAWATTS, WITH A MINIMUM OF 15**  
8 **MEGAWATT–HOURS.**

9           **(C) THE COMMISSION SHALL REQUIRE EACH INVESTOR–OWNED ELECTRIC**  
10 **COMPANY TO SOLICIT OFFERS TO DEVELOP ENERGY STORAGE PROJECTS FOR EACH**  
11 **OF THE FOLLOWING COMMERCIAL AND REGULATORY MODELS:**

12           **(1) A “UTILITY–ONLY” MODEL UNDER WHICH THE ELECTRIC**  
13 **COMPANY WOULD OWN THE PROJECT, CONTROL THE PROJECT FOR GRID**  
14 **RELIABILITY, AND OPERATE THE PROJECT IN WHOLESALE MARKETS OR OTHER**  
15 **APPLICATIONS WHEN NOT PROVIDING GRID SERVICES;**

16           **(2) A “UTILITY AND THIRD–PARTY” MODEL UNDER WHICH THE**  
17 **ELECTRIC COMPANY WOULD OWN THE PROJECT AND CONTROL THE PROJECT FOR**  
18 **GRID RELIABILITY, AND A THIRD PARTY WOULD OPERATE THE PROJECT IN**  
19 **WHOLESALE MARKETS OR OTHER APPLICATIONS WHEN THE PROJECT IS NOT**  
20 **PROVIDING GRID SERVICES;**

21           **(3) A “THIRD–PARTY OWNERSHIP” MODEL UNDER WHICH THE**  
22 **ELECTRIC COMPANY WOULD:**

23           **(I) CONTRACT WITH A PROJECT OWNED BY A THIRD PARTY FOR**  
24 **GRID RELIABILITY; AND**

25           **(II) ALLOW THE THIRD PARTY TO OPERATE THE PROJECT IN**  
26 **WHOLESALE MARKETS OR OTHER APPLICATIONS WHEN THE PROJECT IS NOT**  
27 **PROVIDING GRID SERVICES; AND**

28           **(4) A “VIRTUAL POWER PLANT” MODEL UNDER WHICH:**

29           **(I) THE ELECTRIC COMPANY WOULD AGGREGATE OR USE A**  
30 **THIRD–PARTY AGGREGATOR TO RECEIVE GRID SERVICES FROM DISTRIBUTED**  
31 **ENERGY STORAGE PROJECTS OWNED BY CUSTOMERS OR A THIRD PARTY; AND**

1 (II) THE PROJECTS WOULD BE USED BY THE CUSTOMERS OR  
2 THIRD PARTY FOR OTHER APPLICATIONS WHEN THE PROJECTS ARE NOT PROVIDING  
3 GRID SERVICES.

4 (D) (1) EACH INVESTOR-OWNED ELECTRIC COMPANY SHALL SUBMIT ~~AN~~  
5 ~~APPLICATION~~ APPLICATIONS FOR COMMISSION APPROVAL TO DEPLOY ENERGY  
6 STORAGE PROJECTS FROM AT LEAST TWO OF THE MODELS DESCRIBED UNDER  
7 SUBSECTION (C) OF THIS SECTION, ONE OF WHICH MUST BE FROM A MODEL  
8 DESCRIBED IN SUBSECTION (C)(3) OR (4) OF THIS SECTION.

9 (2) A PROPOSED PROJECT MUST BE ABLE TO MEET REASONABLY THE  
10 PROGRAM'S TIMELINES AND DATA COLLECTION REQUIREMENTS.

11 (3) AN INVESTOR-OWNED ELECTRIC COMPANY SHALL GIVE PRIORITY  
12 TO PROJECTS THAT DIRECTLY DEFER OR REPLACE AN EXISTING OR ANTICIPATED  
13 DISTRIBUTION NEED.

14 (4) AN INVESTOR-OWNED ELECTRIC COMPANY MAY PROPOSE A  
15 PROJECT THAT DOES NOT DIRECTLY DEFER OR REPLACE AN EXISTING OR  
16 ANTICIPATED DISTRIBUTION NEED IF THE PROJECT INCLUDES GRID BENEFITS,  
17 RATEPAYER BENEFITS, OR OTHERWISE HELPS MEET THE STATE'S POLICY GOALS.

18 (5) AN INVESTOR-OWNED ELECTRIC COMPANY SHALL DESCRIBE IN  
19 THE COMPANY'S APPLICATION WHETHER A PROJECT DEMONSTRATES AN  
20 OPPORTUNITY TO REDUCE SYSTEM COSTS ~~OR OTHERWISE OFFERS NET SOCIETAL~~  
21 ~~BENEFITS.~~

22 (E) AN APPLICATION UNDER SUBSECTION (D) OF THIS SECTION SHALL  
23 INCLUDE INFORMATION CONCERNING:

24 (1) BEST ESTIMATES OF COSTS AND SAVINGS FOR ~~EACH~~ THE  
25 PROJECT, INCLUDING:

26 (I) ESTIMATED PERMITTING AND INTERCONNECTION COSTS;

27 (II) AN APPROXIMATION OF THE POTENTIAL BENEFITS,  
28 INCLUDING COST SAVINGS;

29 (III) AN ESTIMATE OF FUNDS EXPECTED TO BE RECEIVED FROM  
30 WHOLESALE MARKET TRANSACTIONS;

31 (IV) AN ESTIMATE OF THE VALUE OF ANY DISTRIBUTION  
32 INVESTMENT DEFERRAL OR REPLACEMENT DUE TO THE PROJECT, SUCH AS THE

1 PRESENT VALUE OF THE COSTS AVOIDED BY INSTALLING THE STORAGE SYSTEM;  
2 ~~AND~~

3 (V) ESTIMATES OF OTHER SOCIETAL BENEFITS ACHIEVED BY  
4 THE PROJECT, SUCH AS INCREMENTAL RELIABILITY AND RESILIENCY,  
5 GREENHOUSE GAS EMISSION REDUCTIONS, AND LEARNING BENEFITS; AND

6 (VI) THE ESTIMATED IMPACT OF EACH PROJECT ON THE  
7 INVESTOR-OWNED ELECTRIC COMPANY'S RATES FOR EACH CLASS OF CUSTOMER;

8 (2) PROJECT LOCATION;

9 (3) PROJECT SIZE IN WATTS AND DURATION IN WATT-HOURS;

10 (4) PRIMARY AND SECONDARY APPLICATIONS;

11 (5) THE BUSINESS MODEL SELECTED FOR THE PROJECT UNDER  
12 SUBSECTION (C) OF THIS SECTION;

13 (6) THE PROJECT DEVELOPER OR ENGINEERING, PROCUREMENT,  
14 AND CONSTRUCTION FIRM SELECTED FOR THE PROJECT;

15 (7) THE TYPE OF ENERGY STORAGE TECHNOLOGY;

16 (8) THE PROCESS THE INVESTOR-OWNED ELECTRIC COMPANY USED  
17 TO SOLICIT OFFERS FOR THE PROJECT, INCLUDING FEEDBACK ON MODELS NOT  
18 SELECTED AND AN EXPLANATION FOR WHY THE CHOSEN MODEL WAS SELECTED;  
19 AND

20 (9) ANY OTHER INFORMATION REQUIRED BY THE COMMISSION.

21 (F) FOR PURPOSES OF THE PILOT PROGRAM ONLY, THE COMMISSION MAY  
22 DETERMINE HOW TO ADDRESS COST RECOVERY FOR THE MODELS DESCRIBED  
23 UNDER SUBSECTION (C)(3) AND (4) OF THIS SECTION.

24 (G) FOR PURPOSES OF THE PILOT PROGRAM ONLY, THE COMMISSION MAY,  
25 ON A PROJECT-BY-PROJECT BASIS, ALLOW:

26 (1) AN INVESTOR-OWNED ELECTRIC COMPANY TO OWN OR OPERATE  
27 AN ENERGY STORAGE DEVICE;

28 (2) AN ENERGY STORAGE DEVICE OWNED OR OPERATED BY AN  
29 INVESTOR-OWNED ELECTRIC COMPANY TO PARTICIPATE IN ALL AVAILABLE PJM

1 WHOLESALE REVENUE MARKETS IN ORDER TO REALIZE BENEFITS FOR  
2 INVESTOR-OWNED ELECTRIC COMPANY CUSTOMERS;

3 (3) FULL AND TIMELY COST RECOVERY BY THE INVESTOR-OWNED  
4 ELECTRIC COMPANY, AT THE RATE OF RETURN AUTHORIZED BY THE COMMISSION  
5 IN THE MOST RECENT BASE RATE PROCEEDING FOR THE INVESTOR-OWNED  
6 ELECTRIC COMPANY, TAKING INTO ACCOUNT ANY USE OF AN ASSET THAT MAY NOT  
7 BE INCLUDED IN BASE RATES;

8 (4) AN INVESTOR-OWNED ELECTRIC COMPANY TO COORDINATE THE  
9 USE OF AN ENERGY STORAGE DEVICE;

10 (5) AN INVESTOR-OWNED ELECTRIC COMPANY TO USE FULLY UNTIL  
11 THE END OF THE DEVICE'S USEFUL LIFE, AN ENERGY STORAGE DEVICE OWNED OR  
12 OPERATED BY THE INVESTOR-OWNED ELECTRIC COMPANY; AND

13 (6) AN INVESTOR-OWNED ELECTRIC COMPANY TO OFFER REBATES  
14 OR OTHER INCENTIVES FOR ENERGY STORAGE DEVICES BEHIND OR IN FRONT OF  
15 THE METER THAT CAN BE CONFIGURED TO PROVIDE TEMPORARY BACKUP POWER  
16 TO A CUSTOMER.

17 (H) (1) THE PILOT PROGRAM SHALL BEGIN ON OR BEFORE ~~FEBRUARY 28,~~  
18 ~~2020~~ JUNE 1, 2019.

19 (2) (I) ~~ON OR BEFORE FEBRUARY 28, 2021;~~

20 ~~(H)~~ APRIL 15, 2020, EACH INVESTOR-OWNED ELECTRIC  
21 COMPANY SHALL SOLICIT PROPOSALS AND APPLY FOR COMMISSION APPROVAL;  
22 FOR THE FIRST ENERGY STORAGE PROJECT REQUIRED UNDER SUBSECTION (D)(1)  
23 OF THIS SECTION.

24 (II) ON OR BEFORE SEPTEMBER 15, 2020, EACH  
25 INVESTOR-OWNED ELECTRIC COMPANY SHALL SOLICIT PROPOSALS AND APPLY FOR  
26 COMMISSION APPROVAL FOR THE SECOND ENERGY STORAGE PROJECT REQUIRED  
27 UNDER SUBSECTION (D)(1) OF THIS SECTION.

28 ~~(H)~~ (3) ON OR BEFORE APRIL 15, 2021:

29 (I) THE COMMISSION SHALL DETERMINE WHICH PROJECTS TO  
30 APPROVE; AND

31 ~~(H)~~ (II) EACH INVESTOR-OWNED ELECTRIC COMPANY SHALL  
32 NEGOTIATE CONTRACTS TO IMPLEMENT PROJECTS.

1           **(4) (I) THE COMMISSION SHALL SOLICIT COMMENTS FROM THE**  
2 **MARYLAND ENERGY ADMINISTRATION, THE OFFICE OF PEOPLE’S COUNSEL, AND**  
3 **OTHER STAKEHOLDERS AND HOLD A HEARING ON EACH APPLICATION SUBMITTED**  
4 **UNDER SUBSECTION (D) OF THIS SECTION.**

5           **(II) THE COMMISSION SHALL APPROVE, APPROVE WITH**  
6 **MODIFICATIONS, OR REJECT AN APPLICATION SUBMITTED UNDER SUBSECTION (D)**  
7 **OF THIS SECTION AFTER:**

8                   **1. RECEIVING COMMENTS FROM THE MARYLAND**  
9 **ENERGY ADMINISTRATION, THE OFFICE OF PEOPLE’S COUNSEL, AND OTHER**  
10 **STAKEHOLDERS AND HOLDING A HEARING;**

11                   **2. CONSIDERING THE PROJECTED COSTS AND BENEFITS**  
12 **OF THE PROJECTS PROPOSED FOR INCLUSION IN THE PILOT PROGRAM; AND**

13                   **3. DETERMINING WHETHER THE PROJECT IS IN THE**  
14 **PUBLIC AND RATEPAYER INTEREST.**

15           **(5) (I) IF THE COMMISSION REJECTS AN APPLICATION, WITHIN 3**  
16 **MONTHS AFTER RECEIVING NOTICE OF THE REJECTION OF AN APPLICATION, THE**  
17 **INVESTOR-OWNED ELECTRIC COMPANY SHALL SUBMIT AN AMENDED APPLICATION**  
18 **FOR COMMISSION APPROVAL.**

19           **(II) THE COMMISSION SHALL APPROVE, APPROVE WITH**  
20 **MODIFICATIONS, OR REJECT AN AMENDED APPLICATION WITHIN 3 MONTHS AFTER**  
21 **RECEIPT OF THE AMENDED APPLICATION.**

22           ~~**(3) (6)**~~ **(I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
23 **PARAGRAPH, ON OR BEFORE FEBRUARY 28, 2022, ALL APPROVED PROJECTS SHALL**  
24 **BECOME OPERATIONAL.**

25           **(II) THE COMMISSION MAY, FOR GOOD CAUSE SHOWN, GRANT**  
26 **AN EXTENSION FROM THE DEADLINE ESTABLISHED IN SUBPARAGRAPH (I) OF THIS**  
27 **PARAGRAPH FOR UNANTICIPATED PROJECT DEVELOPMENT DELAYS.**

28           **(III) THE COMMISSION MAY ESTABLISH ADDITIONAL INTERIM**  
29 **DEADLINES.**

30           ~~**(4) (7)**~~ **(I) ON OR BEFORE ~~FEBRUARY 28, 2023~~, JULY 1 OF 2023,**  
31 **2024, AND 2025, AN INVESTOR-OWNED ELECTRIC COMPANY SHALL SUBMIT TO THE**  
32 **COMMISSION, THE MARYLAND ENERGY ADMINISTRATION, AND THE OFFICE OF**  
33 **PEOPLE’S COUNSEL INFORMATION OR DATA CONCERNING:**

- 1                                   **1. ESTIMATED PROJECT COSTS;**
- 2                                   **2. FINAL PROJECT COSTS;**
- 3                                   **3. THE NUMBER OF DAYS NECESSARY TO ACHIEVE**  
4 **PROJECT INTERCONNECTION;**
- 5                                   **4. THE TOTAL COST OF PROJECT INTERCONNECTION;**
- 6                                   **5. THE NUMBER OF DAYS NECESSARY TO ACHIEVE**  
7 **PROJECT PERMITTING;**
- 8                                   **6. THE TOTAL COST OF PROJECT PERMITTING;**
- 9                                   **7. THE CONTRACTUAL OR COMMITTED COMMERCIAL**  
10 **OPERATION DATE;**
- 11                                   **8. THE ACTUAL COMMERCIAL OPERATION DATE;**
- 12                                   **9. THE NAME AND ADDRESS OF THE PROJECT**  
13 **DEVELOPER;**
- 14                                   **10. THE LOCATION AND ADDRESS OF THE PROJECT;**
- 15                                   **11. THE SIZE OF THE ENERGY STORAGE PROJECT IN**  
16 **WATTS;**
- 17                                   **12. THE DURATION OF THE ENERGY STORAGE PROJECT**  
18 **IN WATT-HOURS;**
- 19                                   **13. THE TYPE OF ENERGY STORAGE TECHNOLOGY;**
- 20                                   **14. THE IDENTITIES OF ANY PROJECT OWNERS OR**  
21 **LESSORS;**
- 22                                   **15. ANY PROJECT FINANCING METHODS;**
- 23                                   **16. THE IDENTITY OF ANY ENTITY THAT PROVIDES**  
24 **FINANCING FOR THE PROJECT;**
- 25                                   **17. THE LENGTH OF ANY PROJECT CONTRACT;**
- 26                                   **18. ANY INVERTERS USED FOR THE PROJECT, INCLUDING**  
27 **THE TYPE AND MANUFACTURER;**



- 1                   **19. ANY MANUFACTURER WARRANTY, INCLUDING ITS**  
2 **DURATION;**
- 3                   **20. ANY DEVELOPER WARRANTY, INCLUDING ITS**  
4 **DURATION;**
- 5                   **21. ANY TECHNOLOGY WITH WHICH THE PROJECT IS**  
6 **PAIRED;**
- 7                   **22. HOW METERS AND INVERTERS ASSOCIATED WITH THE**  
8 **PROJECT ARE CONFIGURED;**
- 9                   **23. ANY SYSTEM INTEGRATOR ASSOCIATED WITH THE**  
10 **PROJECT;**
- 11                   **24. PROJECT SAFETY, INCLUDING BATTERY TYPE AND**  
12 **CHEMISTRY;**
- 13                   **25. ANY ENERGY MANAGEMENT SYSTEM ASSOCIATED**  
14 **WITH THE PROJECT;**
- 15                   **26. ANY ENERGY STORAGE POWER CONVERSION SYSTEM**  
16 **ASSOCIATED WITH THE PROJECT;**
- 17                   **27. THE BUSINESS MODEL SELECTED FOR THE PROJECT**  
18 **UNDER SUBSECTION (C) OF THIS SECTION;**
- 19                   **28. THE COST RECOVERY MECHANISM FOR THE PROJECT;**
- 20                   **29. THE RATE OF RETURN APPLIED TO THE PROJECT;**
- 21                   **30. FOR A VIRTUAL POWER PLANT PROJECT UNDER**  
22 **SUBSECTION (C)(4) OF THIS SECTION, THE NUMBER AND TYPE OF CUSTOMERS**  
23 **PARTICIPATING;**
- 24                   **31. FOR A VIRTUAL POWER PLANT PROJECT UNDER**  
25 **SUBSECTION (C)(4) OF THIS SECTION, THE IDENTITY OF THE AGGREGATOR;**
- 26                   **32. OPERATIONAL CHALLENGES RELATED TO MULTIPLE**  
27 **STAKEHOLDER OR THIRD-PARTY USE OF THE STORAGE ASSET;**
- 28                   **33. THE TYPES OF REVENUE EXPECTED FROM THE**  
29 **PROJECT, INCLUDING ANY WHOLESALE MARKET REVENUES;**

- 1                   **34. THE TYPES OF REVENUE PROVIDED BY THE PROJECT,**  
2 **INCLUDING ANY WHOLESALE MARKET REVENUES;**
- 3                   **35. THE DISTRIBUTION NEED THE PROJECT ADDRESSED;**
- 4                   **36. THE AMOUNT OF TIME THE PROJECT IS EXPECTED TO**  
5 **DEFER THE NEED FOR AN ALTERNATIVE INVESTMENT;**
- 6                   **37. ANY VALUE OF OPTIONALITY ASSOCIATED WITH THE**  
7 **AMOUNT OF TIME THE PROJECT IS EXPECTED TO DEFER THE NEED FOR AN**  
8 **ALTERNATIVE INVESTMENT;**
- 9                   **38. THE EXPECTED LOAD PROJECTION BEFORE THE**  
10 **PROJECT WAS INSTALLED;**
- 11                   **39. ENHANCED GRID RELIABILITY AS A RESULT OF THE**  
12 **PROJECT;**
- 13                   **40. FOR A UTILITY AND THIRD-PARTY PROJECT UNDER**  
14 **SUBSECTION (C)(2) OF THIS SECTION, THE DOLLAR VALUE OF THE LEASE PAYMENTS**  
15 **FROM THE THIRD PARTY TO THE UTILITY;**
- 16                   **41. FOR A UTILITY AND THIRD-PARTY PROJECT UNDER**  
17 **SUBSECTION (C)(2) OF THIS SECTION, THE DURATION OF THE LEASE AGREEMENT**  
18 **BETWEEN THE THIRD PARTY AND THE UTILITY;**
- 19                   **42. ANY OTHER IDENTIFIED BENEFITS, INCLUDING**  
20 **RESILIENCY AND SOCIAL BENEFITS;**
- 21                   **43. EXPECTED AND ACTUAL STORAGE SYSTEM CYCLING;**
- 22                   **44. THE PROJECT'S SUCCESS IN SWITCHING BETWEEN**  
23 **APPLICATIONS WITHOUT CHALLENGES OR PROBLEMS;**
- 24                   **45. OCCASIONS WHEN THE PROJECT WAS UNABLE TO**  
25 **SERVE AN APPLICATION;**
- 26                   **46. ANY PROJECT DELAYS AND THE CAUSES FOR THE**  
27 **DELAYS;**
- 28                   **47. ANY EMISSIONS REDUCTIONS EXPECTED AS A RESULT**  
29 **OF THE PROJECT; AND**

1 48. ANY OTHER INFORMATION REQUIRED BY THE  
2 COMMISSION.

3 (II) ~~AN~~ SUBJECT TO SUBPARAGRAPH (IV) OF THIS PARAGRAPH,  
4 AN INVESTOR-OWNED ELECTRIC COMPANY SHALL MAKE ALL DATA PROVIDED  
5 UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH THAT IS NOT PROPRIETARY OR  
6 CONFIDENTIAL AVAILABLE TO THE PUBLIC.

7 (III) TO THE EXTENT POSSIBLE, ANY ANNUALIZED DATA  
8 PROVIDED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE SEASONALLY  
9 ADJUSTED.

10 (IV) AFTER RECEIVING COMMENTS FROM ALL PARTIES, THE  
11 COMMISSION SHALL DETERMINE:

12 1. WHICH DATA RELATED TO THE PROJECTS SHALL BE  
13 MADE AVAILABLE ONLY TO THE TECHNICAL STAFF OF THE COMMISSION AND THE  
14 OFFICE OF PEOPLE'S COUNSEL; AND

15 2. WHICH DATA RELATED TO THE PROJECTS SHALL BE  
16 MADE AVAILABLE TO THE PUBLIC.

17 (I) ON OR BEFORE APRIL 1, ~~2023~~ 2026, IF AN INVESTOR-OWNED ELECTRIC  
18 COMPANY DETERMINES THAT ADDITIONAL TIME TO GATHER DATA WOULD PROVIDE  
19 ADDITIONAL OPPORTUNITIES FOR LEARNING AND JUSTIFY CONTINUING THE PILOT  
20 ~~PROGRAM, THE ELECTRIC COMPANY MAY APPLY FOR AN EXTENSION OF THE PILOT~~  
21 ~~PROGRAM FROM THE COMMISSION.~~ PROGRAM, THE COMMISSION MAY EXTEND THE  
22 PILOT PROGRAM AND DELAY BY A CORRESPONDING AMOUNT OF TIME THE  
23 EVALUATION AND REPORT REQUIRED UNDER SUBSECTION (K) OF THIS SECTION.

24 (J) ~~ON OR BEFORE DECEMBER 31, 2023,~~ ON OR BEFORE JULY 1, 2024, IN  
25 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE  
26 COMMISSION SHALL SUBMIT AN INTERIM REPORT TO THE GENERAL ASSEMBLY  
27 THAT PROVIDES AN INITIAL EVALUATION OF THE PROJECTS APPROVED UNDER THIS  
28 SECTION BASED ON:

29 (1) PROJECT COSTS;

30 (2) VALUE STREAMS;

31 (3) ANY REDUCTION IN SYSTEM COSTS;

32 (4) ANY ISSUES ENCOUNTERED IN THE EARLY IMPLEMENTATION  
33 PHASE; AND

1           **(5) AN ANALYSIS OF ANY FUNDS GENERATED FROM THE WHOLE**  
 2 **MARKET.**

3           **(K) (1) EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS SECTION, ON OR**  
 4 **BEFORE JULY 1, 2026, IN CONSULTATION WITH THE MARYLAND ENERGY**  
 5 **ADMINISTRATION AND THE OFFICE OF PEOPLE’S COUNSEL, THE COMMISSION**  
 6 **SHALL EVALUATE THE PROJECTS APPROVED UNDER THIS SECTION BASED ON:**

7           ~~(1)~~ **(I) THE OVERALL COST OF THE PROJECT;**

8           ~~(2)~~ **(II) WHETHER THE PROJECT WAS OPTIMIZED THROUGH**  
 9 **MULTIPLE APPLICATIONS;**

10           ~~(3)~~ **(III) WHETHER THE PROJECT MANAGED TO CAPTURE**  
 11 **DIFFERENT VALUE STREAMS;**

12           ~~(4)~~ **(IV) WHETHER THE PROJECT REDUCED SYSTEM COSTS;**

13           ~~(5)~~ **(V) WHETHER THE PROJECT DEFERRED OR REPLACED**  
 14 **ENTIRELY A TRADITIONAL INVESTMENT ON THE DISTRIBUTION SYSTEM, AND ANY**  
 15 **VALUE OF SUCH A DEFERRAL OR REPLACEMENT;**

16           ~~(6)~~ **(VI) AN ANALYSIS OF ANY FUNDS GENERATED FROM THE**  
 17 **WHOLESALE MARKET;**

18           ~~(7)~~ **(VII) OTHER BENEFITS PROVIDED AS A RESULT OF THE PROJECT;**

19           ~~(8)~~ **(VIII) ISSUES THAT THE PROJECT ENCOUNTERED IN**  
 20 **IMPLEMENTATION; AND**

21           ~~(9)~~ **(IX) WHETHER THE PROJECT ALTERED THE QUALITY OR**  
 22 **AVAILABILITY OF ELECTRICITY SUPPLY.**

23           ~~(K)~~ **(2) ON OR BEFORE DECEMBER 31, ~~2023~~ 2026, THE COMMISSION**  
 24 **SHALL REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT**  
 25 **ARTICLE, TO THE GENERAL ASSEMBLY ON ITS FINDINGS UNDER ~~SUBSECTION (J) OF~~**  
 26 **~~THIS SECTION~~ PARAGRAPH (1) OF THIS SUBSECTION AND ITS RECOMMENDATIONS**  
 27 **FOR THE CONTINUED DEVELOPMENT OF ENERGY STORAGE IN THE STATE.**

28           **(L) THE PILOT PROGRAM MAY NOT PRECLUDE ANY OTHER INVESTMENT BY**  
 29 **A PUBLIC SERVICE COMPANY IN ENERGY STORAGE.**

1           **(M) (1) UNLESS THE COMMISSION EXTENDS THE PILOT PROGRAM IN**  
2 **ACCORDANCE WITH SUBSECTION (I) OF THIS SECTION, THE PILOT PROGRAM SHALL**  
3 **TERMINATE ON DECEMBER 31, 2026.**

4           **(2) THE TERMINATION OF THE PILOT PROGRAM MAY NOT AFFECT**  
5 **THE COST RECOVERY BY AN INVESTOR-OWNED ELECTRIC COMPANY FOR THE**  
6 **LIFETIME OF AN ENERGY STORAGE PROJECT.**

7           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
8 ~~October~~ June 1, 2019.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.