

Chapter 570

**(House Bill 910)**

AN ACT concerning

**Energy Storage – Targets and Maryland Energy Storage Program –  
Establishment**

FOR the purpose of requiring the Public Service Commission to establish certain targets for the deployment of new energy storage devices in the State; requiring the Commission to establish and implement the Maryland Energy Storage Program to meet certain energy storage goals and develop a certain energy storage system in the State; and generally relating to energy storage in the State.

BY repealing and reenacting, ~~without~~ with amendments,  
Article – Public Utilities  
Section 7–216(a)  
Annotated Code of Maryland  
(2020 Replacement Volume and 2022 Supplement)

BY adding to  
Article – Public Utilities  
Section 7–216.1  
Annotated Code of Maryland  
(2020 Replacement Volume and 2022 Supplement)

Preamble

WHEREAS, Energy storage systems provide benefits to the electric grid and utility customers by: enabling the transition to a clean grid with diversified renewable resources; creating system efficiencies that can reduce costs and save money for utilities and ratepayers; bolstering grid reliability and resilience; improving system capabilities to withstand shocks and stressors; and promoting economic development and job creation in Maryland communities; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Public Utilities**

7–216.

(a) (1) In this section the following words have the meanings indicated.

(2) (i) “Energy storage device” means a resource capable of absorbing electrical energy, storing it for a period of time, and delivering the energy for use at a later

time as needed, regardless of where the resource is located on the electric distribution system.

(ii) “Energy storage device” includes all types of electric storage technologies, regardless of their size, storage medium, or operational purpose, **INCLUDING:**

- 1. THERMAL STORAGE;**
- 2. ELECTROCHEMICAL STORAGE;**
- 3. VIRTUAL POWER PLANTS; AND**
- 4. HYDROGEN-BASED STORAGE.**

(3) “Investor-owned electric company” means an electric company that is not a municipal electric utility or an electric cooperative.

#### **7-216.1.**

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

(2) “ENERGY STORAGE DEVICE” HAS THE MEANING STATED IN § 7-216 OF THIS SUBTITLE.

(3) “DELIVERY YEAR” HAS THE MEANING STATED IN THE PJM INTERCONNECTION GLOSSARY.

(4) “INVESTOR-OWNED ELECTRIC COMPANY” HAS THE MEANING STATED IN § 7-216 OF THIS SUBTITLE.

(5) “PROGRAM” MEANS THE MARYLAND ENERGY STORAGE PROGRAM.

(B) (1) THE COMMISSION SHALL ESTABLISH TARGETS FOR THE **COST-EFFECTIVE** DEPLOYMENT OF NEW ENERGY STORAGE DEVICES IN THE STATE ~~OF AT LEAST~~ **WITH A GOAL OF ACHIEVING:**

~~(1)~~ (I) 750 ~~MEGAWATT-HOURS~~ **MEGAWATTS** OF CUMULATIVE ENERGY STORAGE CAPACITY BY THE END OF DELIVERY YEAR 2027;

~~(2)~~ (II) 1,500 ~~MEGAWATT-HOURS~~ **MEGAWATTS** OF CUMULATIVE ENERGY STORAGE CAPACITY BY THE END OF DELIVERY YEAR 2030; AND

~~(3)~~ (III) 3,000 MEGAWATT-HOURS MEGAWATTS OF CUMULATIVE ENERGY STORAGE CAPACITY BY THE END OF DELIVERY YEAR 2033.

(2) IF A TARGET SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION CANNOT BE MET COST EFFECTIVELY, THE TARGET SHALL BE REDUCED TO THE MAXIMUM COST-EFFECTIVE AMOUNT OF ENERGY STORAGE, MEASURED IN MEGAWATTS, THAT CAN BE DEPLOYED BY THE END OF THE DELIVERY YEAR FOR THE TARGET.

(c) (1) THE COMMISSION SHALL ESTABLISH THE MARYLAND ENERGY STORAGE PROGRAM.

(2) THE PROGRAM SHALL BE IMPLEMENTED NO LATER THAN JULY 1, ~~2024~~ 2025.

(3) THE PROGRAM SHALL INCLUDE:

~~(I)~~ COMPETITIVE PROCUREMENT MECHANISMS TO REACH A MINIMUM OF 3,000 MEGAWATTS OF ENERGY STORAGE, OR THE MAXIMUM COST-EFFECTIVE AMOUNT OF ENERGY STORAGE THAT CAN BE DEPLOYED, BY THE END OF DELIVERY YEAR ~~2033~~.

(4) THE PROGRAM MAY INCLUDE:

~~(H)~~ (I) A SYSTEM OF ENERGY STORAGE CREDITS AND MARKET-BASED INCENTIVES DESIGNED TO:

1. DEVELOP A ROBUST ENERGY STORAGE MARKET IN THE STATE; AND

2. DEPLOY ENERGY STORAGE DEVICES IN A COST-EFFECTIVE MANNER;

~~(H) POWER PURCHASE AGREEMENTS THAT ARE COMPETITIVELY BID BY INVESTOR OWNED ELECTRIC COMPANIES TO INITIATE CONTRACTS FOR ENERGY STORAGE DEVICES OR FOR CREDITS FROM ENERGY STORAGE PROJECTS UNDER § 7-216 OF THIS SUBTITLE; AND~~

(II) A REQUIREMENT THAT INVESTOR-OWNED ELECTRIC COMPANIES:

1. INSTALL OR CONTRACT FOR ENERGY STORAGE DEVICES; OR

**2. CONTRACT FOR CREDITS FROM AN ENERGY STORAGE PROJECT UNDER § 7-216 OF THIS SUBTITLE; ~~OR~~**

**~~(IV)~~ (III) A REQUIREMENT THAT PROGRAM PARTICIPANTS MAKE REASONABLE EFFORTS TO APPLY FOR ALL APPLICABLE STATE AND FEDERAL GRANTS, REBATES, TAX CREDITS, LOAN GUARANTEES, AND OTHER SIMILAR BENEFITS AS THE BENEFITS BECOME AVAILABLE; OR**

**(IV) ANY OTHER MECHANISM OR POLICY THAT THE COMMISSION DETERMINES IS APPROPRIATE TO ACHIEVE THE GOAL OF A ROBUST, COST-EFFECTIVE ENERGY STORAGE SYSTEM IN THE STATE.**

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31, 2023, the Commission shall report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on pending designs for the Maryland Energy Storage Program and any additional statutory changes required to fully implement an effective Maryland Energy Storage Program to meet the minimum targets for the deployment of new energy storage devices under § 7-216.1 of the Public Utilities Article, as enacted by Section 1 of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2023.

**Approved by the Governor, May 8, 2023.**