

# SENATE BILL 697

C5, M5

3lr2299  
CF HB 910

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By: **Senator Augustine**

Introduced and read first time: February 6, 2023

Assigned to: Education, Energy, and the Environment

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## A BILL ENTITLED

1 AN ACT concerning

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

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

9 BY repealing and reenacting, without amendments,  
10 Article – Public Utilities  
11 Section 7–216(a)  
12 Annotated Code of Maryland  
13 (2020 Replacement Volume and 2022 Supplement)

14 BY adding to  
15 Article – Public Utilities  
16 Section 7–216.1  
17 Annotated Code of Maryland  
18 (2020 Replacement Volume and 2022 Supplement)

19 Preamble

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Public Utilities**

4 7–216.

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

6 (2) (i) “Energy storage device” means a resource capable of absorbing  
7 electrical energy, storing it for a period of time, and delivering the energy for use at a later  
8 time as needed, regardless of where the resource is located on the electric distribution  
9 system.

10 (ii) “Energy storage device” includes all types of electric storage  
11 technologies, regardless of their size, storage medium, or operational purpose.

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

14 **7–216.1.**

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

17 **(2) “ENERGY STORAGE DEVICE” HAS THE MEANING STATED IN §**  
18 **7–216 OF THIS SUBTITLE.**

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

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

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

25 **(B) THE COMMISSION SHALL ESTABLISH TARGETS FOR THE DEPLOYMENT**  
26 **OF NEW ENERGY STORAGE DEVICES IN THE STATE OF AT LEAST:**

27 **(1) 750 MEGAWATT–HOURS OF CUMULATIVE ENERGY STORAGE**  
28 **CAPACITY BY THE END OF DELIVERY YEAR 2027;**

29 **(2) 1,500 MEGAWATT–HOURS OF CUMULATIVE ENERGY STORAGE**  
30 **CAPACITY BY THE END OF DELIVERY YEAR 2030; AND**

1           **(3) 3,000 MEGAWATT-HOURS OF CUMULATIVE ENERGY STORAGE**  
2 **CAPACITY BY THE END OF DELIVERY YEAR 2033.**

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

5           **(2) THE PROGRAM SHALL BE IMPLEMENTED NO LATER THAN JULY 1,**  
6 **2024.**

7           **(3) THE PROGRAM SHALL INCLUDE:**

8                   **(i) COMPETITIVE PROCUREMENT MECHANISMS TO REACH A**  
9 **MINIMUM OF 3,000 MEGAWATTS OF ENERGY STORAGE BY THE END OF DELIVERY**  
10 **YEAR 2033;**

11                   **(ii) A SYSTEM OF ENERGY STORAGE CREDITS AND**  
12 **MARKET-BASED INCENTIVES DESIGNED TO:**

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

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

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

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

24           SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31,  
25 2023, the Commission shall report to the General Assembly, in accordance with § 2-1257  
26 of the State Government Article, on pending designs for the Maryland Energy Storage  
27 Program and any additional statutory changes required to fully implement an effective  
28 Maryland Energy Storage Program to meet the minimum targets for the deployment of new  
29 energy storage devices under § 7-216.1 of the Public Utilities Article, as enacted by Section  
30 1 of this Act.

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

