

Energy Resilience and Efficiency Working Group (EREWG) Final Recommendations

Passed on September 10, 2024

- 1) **Maryland must take short term actions to address energy capacity constraints**, specifically the state should:
 - a. Establish a process for the PSC to order utilities to purchase and install battery storage and other demand response systems on the distribution grid, provided that they are cost effective in adding reliability to the grid and avoiding or delaying (a) other capacity cost increases and/or transmission upgrades.
 - b. Shift the utility-scale solar program from a REC based subsidy model to a competitive bid similar to NJ, NY, and IL. PSC would consider and award bids at fixed prices. Rate-payers would pay the difference between the energy revenue and the fixed guaranteed price (as the variable priced "REC"). This would also allow the PSC to incorporate locational value of generation as well as incorporate storage in some bids as appropriate.
- 2) **In the longer term, the state needs an ongoing, regular process for more holistic energy system assessments.** This could be something akin to an integrated resource plan and would provide some direction on achieving clean, affordable, and reliable energy in the future. The plan must include reasonable projections for energy demand and strategies for meeting those demands in a regional context with associated impacts on greenhouse gas emissions, ratepayer impacts and affordability, equity considerations, and reliability and resiliency. The structure must ensure actionable outcomes and include annual or biennial updating of solution sets. The Energy Resilience and Efficiency Working Group shall propose a framework for such a planning mechanism by January 2025.
- 3) **In support of the state energy planning framework, Maryland must invest in a user-friendly, transparent model for state-wide planning to inform policy and administrative decisions.** The model should enable cost benefit analysis of power prices by resources, be detailed enough to enable location value planning and support the transition to a clean energy workforce. The model should also consider time horizons for commercialization of energy technologies and when those technologies may appear in the market.
- 4) **The State should conduct the following immediate study needs**, in parallel to the extent possible, in order to support long-term energy system assessments and energy planning:
 - a. Study on transmission line reconductoring opportunities in the State;
 - b. Feasibility studies for the placement of Small Modular Reactors (SMRs) on former fossil-fueled electricity generator sites;
 - c. Analysis to determine if Maryland's Offshore Wind (OSW) projects that do not have a current interconnection agreement could be interconnected with Salisbury substations and the feasibility of building in-state transmission from the OSW interconnects to Maryland load centers;
 - d. Study on the viability of energy storage-as-a-transmission-asset;
 - e. Analysis of land in the State to identify land suitable for solar energy and storage development.