

Energy Resilience and Efficiency Working Group (EREWG) MCCC Recommendations

Commented [1]: Chair: Andrew Place; andrew.place@maryland.gov
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In-Progress or Tabled

1. Maryland must take short term actions to address energy capacity constraints, specifically the state should:

- a. The Public Service Commission should issue a policy statement for the prioritization of 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 other capacity cost increases and/or transmission upgrades.
- b. **The state should consider shifting** ~~Shift~~ the utility-scale solar program from a REC based subsidy model to a competitive bid similar to NJ, NY, and IL. **Under the model, the** PSC would consider and award bids at fixed prices, **subject to a cap**. Rate-payers would pay the difference between the energy revenue and the fixed guaranteed price (as the variable priced "REC"). **Under this approach, This would also allow** the PSC ~~could~~ incorporate locational value of generation as well as incorporate storage in some bids as appropriate.

Commented [2]: David Lapp

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2. In the longer term, the state needs an ongoing, regular process for more holistic energy system assessments.

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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.

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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.

Passed Recommendations

4. The State should conduct the following immediate studies, in parallel to the extent possible, and building upon prior studies and existing information, in order to support a long-term integrated approach to energy system assessments and energy planning and to meet the State's climate change goals:

- a. The Public Service Commission should, in consultation with the Maryland Energy Administration, study on transmission line reconductoring opportunities in the State;
- b. The Maryland Energy Administration should study the expansion and extension of our nuclear energy capabilities – particularly including, but not limited to, small modular reactors. A report on options should be made available to the state and public within the next 18 months. The report should include feasibility evaluations for the economic viability and deployment of new nuclear generation in the state, considering scenarios that include and exclude both ratepayer and taxpayer subsidies and guarantees. Specifically, in assessing feasibility, the study should analyze the experience over the past 25 years of conventional nuclear and SMRs, as well as any new progress, including timing, costs, and affordability. These studies should include and evaluate site adequacy (including at former fossil fuel plants and current nuclear plants), availability of transmission assets, and environmental justice impacts. Furthermore, the evaluation of impacts should include the overall employment and other benefits of new plant construction and operations. The study should incorporate public input and coordination with the Public Service Commission
- c. The Public Service Commission should perform an 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. The Public Service Commission should study the viability of energy storage-as-a-transmission-asset within its 3,000MW storage procurement program;
- e. The Power Plant Research Program should perform an analysis of land in the State to identify land suitable for solar energy and storage development.