

ORDER NO. 92667

Review of Next Generation Energy Act
Transmission-Connected Energy Storage
Proposals - Round 1

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BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND

Case No. 9866

**ORDER ON NEXT GENERATION ENERGY ACT TRANSMISSION
CONNECTED ENERGY STORAGE PROPOSALS - ROUND 1**

Before: Kumar P. Barve, Chair
Frederick H. Hoover, Jr., Commissioner
Bonnie A. Suchman, Commissioner
Odogwu Obi Linton, Commissioner
Ryan C. McLean, Commissioner

Issue Date: October 1, 2026

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APPENDIX A: Maryland Standard Obligations for Approval of ESCCs

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The electric transmission-connected energy storage requirements in the Next Generation Energy Act (“NGEA”)¹ that are codified in the *Annotated Code of Maryland*, Public Utilities Article (“PUA”) § 7-1224 - § 7-1229, require the Commission to issue at least two front-of-the-meter transmission-connected energy storage (“NGEAtx”) solicitations for a cumulative 1,600 MWs. A NGEAtx Request for Applications (“RFA”) for the Commission’s first solicitation (“Round 1”) was issued on December 24, 2025.² In this current Round 1 proceeding, the Commission considered awarding Energy Storage Capacity Credits (“ESCCs”) to five Applicants:

- (1) Cardinal Energy Storage East, LLC (or alternatively, “Cardinal”) for the 500 MW Oystercatcher Energy Storage Project in the NW corner of Harford County, adjacent to the Baltimore Gas and Electric Company’s (“BGE”) Conastone Substation;
- (2) RWE Supply & Trading Americas, LLC (or alternatively, “RWE”) for the 300 MW Fourth Quarter Battery Energy Storage System Battery (“BESS”) Project in Dickerson, MD in Montgomery County;
- (3) Chalk Point Reliability Storage LLC (or alternatively, “Chalk Point”) for the 400 MW Chalk Point Storage Project in Aquasco, MD in Prince George’s County;
- (4) Jade Meadow III LLC (or alternatively, “Jade Meadow”) for the 40 MW Jade Meadow III Battery Storage Project in Barton, MD in Garrett County; and
- (5) Pulaski Energy Storage LLC (or alternatively, “Pulaski”) for the 135 MW Pulaski Energy Storage Project in Rosedale, Baltimore County.

The Commission finds that all five Applicants provided administratively complete applications that satisfy the eligibility requirements as described in the RFA. However, not all applications were acceptable from a ratepayer impact and cost-effectiveness

¹ Next Generation Energy Act, SB 937 HB 1035 (2025), Md. Laws 2026, Ch. 625.

² See <https://mdpsc-ngea-storage.com/documents/> for the RFA.

perspective. In addition, RWE³ and Pulaski⁴ have withdrawn their projects from further consideration. In considering the record in this case, the Commission hereby conditionally awards ESCCs using a flat 15-year ESCC Term to Chalk Point for the 400 MW Chalk Point Storage Project and Jade Meadow for the 40 MW Jade Meadow III Battery Storage Project based on qualitative and quantitative factors, including cost effectiveness and ratepayer impacts as described below. These award conditions are described in the Maryland Standard Obligations for Approval of ESCCs in Appendix A (“Standard Obligations”). Cardinal is not selected for an ESCC award at this time as described herein. Chalk Point also proposed an upsize option to 535 MW, which is denied as described herein. The Commission also invites both Cardinal and Chalk Point to submit an application for their denied proposals in the Commission’s Round 2 RFA.⁵

I. BACKGROUND AND PROCEDURAL HISTORY

During the 2025 session of the Maryland General Assembly, the legislature passed the NGEA.⁶ The NGEA requires the Commission to issue at least two solicitations for a cumulative 1,600 MWs of front-of-the-meter transmission-connected energy storage devices with a minimum 4-hour duration.⁷ The first 800 MW capacity solicitation was required to be issued on or before January 1, 2026.⁸

³ Maillog No. 333743.

⁴ Maillog No. 331743.

⁵ The Commission’s Round 2 - 800 MW NGEAtx capacity solicitation will be issued later this year on or before January 1, 2027, with those projects expected to become operational in the 4th quarter of 2029.

⁶ See PUA § 7-1224–7-1229 as enrolled in Senate Bill 937/House Bill 1035.

⁷ PUA § 7-1224(b-c).

⁸ The Commission is allowed to select more than 800 MW of energy storage in a single round because subsequent legislation, the Utility RELIEF Act, modified the original NGEA to permit exceeding the 800 MW cap if the applications are proven cost-effective and in the best interest of ratepayers. See Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act, H.B. 1532, S.B. 841 (2026), Md. Laws 2026, Ch. 353.

Front-of-the-meter energy storage devices may be paired with Tier 1 or Tier 2 renewable sources in proposals.⁹ The solicitation must include a pricing schedule representing the anticipated monthly wholesale value of capacity and other benefits, for at least 15 years.¹⁰ A benefit-cost analysis (“BCA”), pricing schedule comparison, locational value, deployment time, long-duration storage value, reliability, avoided costs, and emissions must be analyzed. Projects must be deliverable with Capacity Injection Rights (“CIRs”) or PJM Interconnection, LLC (“PJM”) Reliability Resource Initiative (“RRI”) participation. Non-price factors such as decommissioning plans, interconnection queue status, project maturity dates, site control, and safety plans, including National Fire Protection Association (“NFPA”) 855,¹¹ compliance must be considered. The Commission must also consider energy storage device availability and participation in PJM markets, including penalties for nonperformance. All procured energy storage devices shall be operational within 24 months of project selection, unless extended for good cause. The Commission must also establish energy storage capacity credits and require electricity suppliers to purchase them proportionally. PJM capacity market revenue earned by the project shall be transmitted to the Commission for distribution to electric companies and customers; the project retains energy and ancillary services market revenue. These requirements were considered in the PC 75¹² docket.

A Round 1 RFA was issued on December 24, 2025 through a solicitation by the Commission’s consultant, Power Advisory LLC (“Power Advisory”). The focus of Round 1 is for the Commission to determine whether to award ESCCs to Applicants.

⁹ PUA § 7-1225(c).

¹⁰ PUA § 7-1225(a).

¹¹ NFPA 855 is the primary national standard for the safe installation, design, operation, and maintenance of stationary Energy Storage Systems (“ESS”).

¹² PC 75, *Next Generation Energy Act Requirements for Transmission Connected Energy Storage*.

ESCCs help improve the ability of large energy storage projects to obtain financing by acting as a hedge against future PJM capacity market price uncertainty by providing a more stable revenue stream.

On March 2, 2026, the Commission received five NGEAtx energy storage applications (“Applications”) in response to the Commission's Round 1 RFA. On March 13, 2026, the Commission docketed Case No. 9866 to evaluate all applications deemed administratively complete and conduct evidentiary hearings to determine which projects will receive ESCCs, among other things.¹³ On April 30, 2026, Power Advisory filed its Round 1 Eligibility Requirements Evaluation Report.¹⁴ Power Advisory found that four of the five Applicants had provided administratively complete applications and all five Applicants satisfied the eligibility requirements as described in the RFA. Cardinal’s application was determined to be conditionally satisfied pending the receipt of additional safety documents. On May 22, 2026, Cardinal filed its response to Power Advisory's Round 1 Eligibility Requirements Evaluation Report and provided the additional safety documents requested.¹⁵

On May 1, 2026, the Commission issued a Notice of Pre-Hearing Conference directing Commission Technical Staff (“Staff”) to file a proposed procedural schedule. Staff subsequently circulated a proposed procedural schedule on May 12, 2026. On May 13, 2026, the Commission convened a pre-hearing conference on this matter to consider Staff’s proposed procedural schedule, consider petitions to intervene, and address other procedural matters. The Commission issued a Notice of Procedural Schedule on May 14,

¹³ Maillog No. 327891, Notice Initiating Proceeding, Establishing Workgroup, and Extending Confidential Treatment for Next Generation Energy Act Applications.

¹⁴ Maillog No. 329606.

¹⁵ Maillog No. 330399.

2026.¹⁶ Power Advisory filed its evaluation report (“Power Advisory Report”) of the five Applications on June 1, 2026.¹⁷ Applicants filed their direct testimony on June 18, 2026.¹⁸ Pulaski Energy Storage LLC withdrew its Application on July 2, 2026,¹⁹ leaving four remaining Applicants. The Maryland Office of People’s Counsel (“OPC”)²⁰ and Staff²¹ filed direct testimony on July 15, 2026. Harford County, Maryland filed direct testimony on July 24, 2026.²² Between June 10, 2026 and July 31, 2026, comments were filed in the Case No. 9866 docket by Delegate Teresa Reilly,²³ Delegate Lauren Arian,²⁴ the Baltimore City Department of Public Works,²⁵ and Delegate Mike Griffith.²⁶

Public hearings were conducted by the Commission on July 30, 2026. Various parties filed rebuttal testimony between July 29, 2026 and July 31, 2026.²⁷ Evidentiary hearings were held August 4 through August 6, 2026. RWE Supply & Trading Americas, LLC withdrew its application on August 28, 2026.²⁸ Various parties filed Initial Briefs on August 28, 2026.²⁹ Various parties filed Reply Briefs on September 11, 2026.³⁰

¹⁶ Maillog No. 330080.

¹⁷ Maillog No. 330712.

¹⁸ Chalk Point Reliability Storage LLC (Maillog No. 331316), Cardinal Energy Storage East LLC (Maillog No. 331318), Pulaski Energy Storage LLC (Maillog No. 331319), RWE Supply & Trading Americas LLC (Maillog No. 331328), and REV Renewables LLC and Jade Meadow III LLC (Maillog No. 331325).

¹⁹ Maillog No. 331743.

²⁰ Maillog No. 332166.

²¹ Maillog No. 332178.

²² Maillog No. 332439.

²³ Maillog No. 331033.

²⁴ Maillog No. 332283.

²⁵ Maillog No. 332729.

²⁶ Maillog No. 332751.

²⁷ RWE Supply & Trading Americas LLC (Maillog No. 332618), Chalk Point Reliability Storage LLC (Maillog No. 332666), Cardinal Energy Storage East LLC (Maillog No. 332667), REV Renewables LLC and Jade Meadow III LLC (Maillog No. 332668), OPC (Maillog No. 332166), Staff (Maillog No. 332673), and Power Advisory LLC (Maillog No. 332698).

²⁸ Maillog No. 333743.

²⁹ REV Renewables LLC and Jade Meadow III LLC (Maillog No. 333732), Sierra Club (Maillog No. 333744), Chalk Point Reliability Storage LLC (Maillog No. 333749), OPC (Maillog No. 333756), Cardinal Energy Storage East, LLC (Maillog No. 333757), Staff (Maillog No. 333759), and Harford County (Maillog No. 333765).

³⁰ REV Renewables LLC and Jade Meadow III LLC (Maillog No. 334265), Sierra Club (Maillog No. 334279), Chalk Point Reliability Storage LLC (Maillog No. 334261), OPC (Maillog No. 334282), Cardinal

Projects awarded ESCCs conditionally will still need further evaluation in a second construction approval phase that will require additional public hearings for each project regarding non-financial aspects including safety, siting and environmental impacts, among other things. Unless granted extensions for good cause, projects in Round 1 are expected to become operational in the 4th quarter of 2028, and projects in Round 2 are expected to become operational in the 4th quarter of 2029.

II. PROJECT EVALUATION BY POWER ADVISORY LLC AND CUSTOMIZED ENERGY SOLUTIONS LTD

On March 2, 2026, the Commission received five NGEAtx Applications in response to the Commission's Round 1 RFA. On June 1, 2026, Power Advisory, along with its subcontractor, Customized Energy Solutions Ltd (“CES”), filed its Power Advisory Report³¹ evaluating the five Applications. Each project was evaluated on both qualitative and quantitative criteria.

A numeric qualitative score was assessed for each Application. The qualitative score is a weighted evaluation of different scores assigned for Project Characteristics, Interconnection Queue Status & Generator Interconnection Rights, Site Control, Permitting Plan, Key Development Milestones, Operating Plan, Applicant Experience, Safety Plan, Financing Plan, Stakeholder Engagement, Climate Resilience, Economic Benefits to Local Communities and Maryland and System Benefits (*i.e.*, Ancillary Services, Avoided or Deferred Investments in Transmission Infrastructure and

Energy Storage East, LLC (Maillog No. 334256), Staff (Maillog No. 334284), and Harford County (Maillog No. 334283).

³¹ Maillog No. 330712.

Renewable Energy Value).³² Power Advisory used its professional judgement to apply weightings to qualitative evaluation criteria.³³

CES also performed a numeric quantitative evaluation, which included a Benefit Cost Analysis (“BCA”) to determine cost-effectiveness and a net price evaluation (“Net Price”) to determine impact to ratepayers. Net Price represents the net present value of the financial benefits or costs to ratepayers expressed on a per MW basis over the life of the project.³⁴

All five projects provided ESCC Price options using both flat 15-year ESCC Terms and flat 20-year ESCC Terms. In all cases, CES’s BCA found the flat 15-year ESCC Terms to be the most cost-effective schedule for Maryland; hence, this ESCC Term was used to quantitatively rank each project against other Applications and inform Power Advisory’s recommendations to the Commission.

The BCA used a production cost modeling framework to compare a Reference Resource (“RR”) case representing this Phase I procurement against a Business-as-Usual (“BAU”) case in which new transmission-connected storage additions in Maryland are not assumed. CES used PROMOD IV³⁵ for production cost modeling to determine hourly energy prices and hourly dispatch and emissions and a CES proprietary auction simulation tool to produce PJM capacity market price forecasts and total capacity procured by PJM. Cost components in the BCA are ESCC award payments and administrative costs. Benefit components in the Benefit Cost Ratios (“BCR”) were

³² Power Advisory’s Report, Appendix C.

³³ *Id.*, Table 2-1 at 8.

³⁴ A positive Net Price means that benefits exceed the costs on a per MW basis over the life of the project.

³⁵ PROMOD IV is an industry-standard electric power production cost model that simulates the hourly resource commitments and the economic dispatch of power systems.

Deemed Capacity Revenues,³⁶ Energy Price Impact,³⁷ Capacity Price Impact,³⁸ Avoided Emissions,³⁹ Increased Reliability,⁴⁰ and Avoided Transmission Costs.⁴¹ EmPOWER Maryland capacity price forecasts were included by CES as a sensitivity in the BCA and considered Deemed Capacity Market Revenue, but not Capacity Price Impact. CES applied adjustment factors to translate aggregate results to project-specific values for Capacity Scaling, PJM Zonal Allocation, and a storage duration adjustment for the Oystercatcher Energy Storage Project since it is the only project proposing a 6-hour energy storage duration.

Three projects were found to have a BCR greater than 1.0 under the base case assumptions using both CES capacity price forecasts and EmPower forecasts. The Fourth Quarter BESS Project had a BCR greater than 1.0 for both sizing configurations offered, 130 MW and 300 MW. The Chalk Point Storage Project had a BCR greater than 1.0 for all three sizing configurations offered, 225 MW, 335 MW and 400 MW. For both the

³⁶ Deemed Capacity Revenue is the Applicant's contracted storage capacity multiplied by the capacity price multiplied by the projected PJM Effective Load Carrying Capability ("ELCC") and represents the revenues from the PJM capacity market that will accrue to ratepayers.

³⁷ Energy Price Impact is determined by results from production cost modeling simulations. The dispatch of selected storage projects impacts hourly PJM wholesale energy prices and thus the energy costs paid by Maryland ratepayers. This benefit component captures changes to energy prices in PJM's energy market, captured by Locational Marginal Prices, which includes system energy, congestion, and marginal loss components. The energy price impacts are then allocated to projects proportionally by capacity and PJM zone.

³⁸ Capacity Price Impact is the reduction in capacity procurement costs for Maryland Load Serving Entities. The energy storage projects procured through this solicitation are required to participate in PJM capacity market auctions. The incremental energy storage resources shift the supply curve in the PJM auctions and lower capacity clearing prices, thereby reducing capacity charges allocated to Maryland Load Serving Entities.

³⁹ Avoided emissions are estimated from production cost modeling simulations results and the Social Cost of Carbon ("SCC") values projected by the U.S. Environmental Protection Agency.

⁴⁰ Increased Reliability benefit is realized when the incremental energy storage resources in PJM capacity auctions lead to an increase in the total amount of capacity that clears in the auction. This additional cleared capacity boost's reliability across the PJM footprint.

⁴¹ Avoided Transmission Costs represent the deferred or avoided need for transmission infrastructure investments due to the ability of energy storage to reduce peak demand at the transmission level. The avoided cost is quantified as the marginal transmission capital expenditure per kW of peak demand reduction.

Fourth Quarter BESS Project and the Chalk Point Storage Project, the largest project size option was found to have the highest BCR. Therefore, only the 300 MW configuration for the Fourth Quarter BESS Project and the 400 MW configuration for the Chalk Point Storage Project is considered further in this Order. The 135 MW Pulaski Energy Storage Project also had a BCR greater than 1.0 for both forecasts.

The 40 MW Jade Meadow III Battery Storage Project was found to have a BCR greater than 1.0 using the EmPOWER Maryland capacity price forecast, but not the CES capacity price forecast. The BCR for the 500 MW Oystercatcher Energy Storage Project was below 1.0 under both the CES and EmPOWER Maryland capacity price forecasts.

The Net Price was calculated using the same approach as net benefits for the BCR calculations, but Avoided Emissions and Improved Reliability benefits were excluded because they did not directly impact ratepayers' electricity bills. To calculate ratepayer impacts, the Net Price calculated for each Project was then divided by the levelized total Maryland electricity load during each Project's operating life to calculate the Levelized Net Credit/(Cost). This represents the net financial cost or benefit of the Project spread across every MWh of electricity consumed in Maryland during the Project's life. CES then derived the Levelized Net Credit/(Cost) per Residential Customer by multiplying the Levelized Net Credit/(Cost) by the levelized residential electricity consumption per customer. CES used a simplifying assumption to calculate the levelized residential electricity consumption per customer, using the proportion of residential electricity sales to total electricity sales in Maryland in 2024 and assuming that the number of residential customers remained fixed. The Levelized Net Credit/(Cost) per Residential Customer

represents a residential customer's share, in present value terms, of each Project's net financial cost or benefit over its operating life.

Non-public information from Power Advisory's Report includes ESCC Price,⁴² Total ESCC Payments⁴³ and Total Benefits.⁴⁴

Key public information and quantitative evaluation data from Power Advisory's Report is listed in Table No. 1. All Applicants are proposing lithium iron phosphate ("LFP") battery chemistries, so this is not listed as a separate category in Table No. 1.

⁴² See Power Advisory's Report, Table ES-2: Summary of Benefit Cost Analysis Results. ESCCs are the payments made to the projects for their capacity in units of \$/Mw-Yr. This is what the projects bid in their price schedule.

⁴³ *Id.*, Table ES-3: Summary of Benefit Cost Ratio Results. Total ESCC payments are the net present value of the payments over 15 years.

⁴⁴ *Id.*, Table ES-3: Summary of Benefit Cost Ratio Results.

Table No. 1
Key Project Data for Project Option With Highest BCR

Applicant	Project Name/ Location	Max Capacity & Storage Duration	BCR Range⁴⁵ (CES vs. EmPower)	Net Price (\$/MW)⁴⁶	Levelized Net Credit/ Cost Per Maryland Residential Customer (\$)⁴⁷	Commercial Operation Date (“COD”)
Cardinal Energy Storage East, LLC/ Tenaska	Oystercatcher Energy Storage/ Conastone/ Harford County	500/ 6 Hours	0.90-0.92	(\$804,779)	(\$77.17)	Oct 1, 2029
RWE Supply & Trading Americas, LLC	Fourth Quarter BESS/ Dickerson/ Montgomery County	300/ 4 Hours	1.68-1.82	\$179,916	\$10.35	Oct 1, 2028
Chalk Point Reliability Storage LLC/ Flatiron Energy	Chalk Point Storage/ PG County	400/ 4 Hours	1.26-1.36	(\$99,256)	(\$7.61)	225 MW by 10/1/28, 335 MW by 12/31/28 and 400 MW by 4/30/29
Jade Meadow III LLC/ REV Renewables	Jade Meadow III Battery Storage/ Garrett County	40/ 4 Hours	0.87-1.03	(\$586,715)	(\$4.50)	October 1, 2028
Pulaski Energy Storage LLC/ Plus Power Services LLC	Pulaski Energy Storage/ Baltimore County	135/ 4 Hours	1.46-1.50	\$36,670	\$0.95	Sept. 30, 2029

⁴⁵ *Id.* , Table ES-2: Summary of Benefit Cost Analysis Results. A 1.0 BCR is when costs equal benefits; Costs exceed benefits for BCRs <1.0. A range is shown using both CES and EmPower forecasts. In all cases the lower BCR value in the range represents the CES forecast.

⁴⁶ *Id.* , Table ES-4: Summary of Net Price Evaluation.

⁴⁷ *Id.* , Table ES-5: Summary of Ratepayer Impact Analysis.

Finally, CES used the Net Price⁴⁸ evaluation to establish each projects' quantitative score. Each project was scored based on its Net Price Delta, which is the difference between its Net Price and the highest Net Price among all projects.

Power Advisory summarized the scores for each application for all of the quantitative and qualitative evaluation criteria and listed the relative ranking of the applications using a range of quantitative/qualitative point allocations of 80 percent quantitative /20 percent qualitative (“80%/20%”), 70 percent quantitative /30 percent qualitative (“70%/30%”), and 60 percent quantitative /40 percent qualitative (“60%/40%”). The relative ranking of applications did not change with different quantitative/qualitative point allocations indicating that the relative value and attractiveness of applications is consistent across a broad range of weights for the quantitative/qualitative evaluation criteria. The Fourth Quarter BESS Project consistently ranked highest, followed by the Pulaski Energy Storage Project and the Chalk Point Storage Project. The next highest scoring project is the Jade Meadow III Battery Storage Project followed by the Oystercatcher Energy Storage Project. Table No. 2 below summarizes the individual project qualitative, quantitative and total scores and project rank.

⁴⁸ *Id.*, Table 10-3 at 110.

Table No. 2
Project Qualitative, Quantitative and Total Scores and Project Rank

Project	Qualitative Score⁴⁹	Quantitative Score⁵⁰	Overall Score Range⁵¹	Project Rank⁵²
Oystercatcher Energy Storage 500 MW	25.12	35.00	55.12 - 52.56	No. 5
Fourth Quarter BESS 300 MW	33.86	70.00	93.86 - 96.93	No. 1
Chalk Point Storage 400 MW	30.55	55.07	82.04 - 83.94	No. 3
Jade Meadow III Battery Storage 40 MW	28.71	42.75	65.35 - 63.22	No. 4
Pulaski Energy Storage 135 MW	26.71	64.91	82.35 - 87.53	No. 2

Power Advisory summarized its recommendation as follows:

The three highest scoring Applications offer a total of 835 MW and would yield a combined Levelized Net Credit per Residential Customer of \$3.69 for the 835 MW of energy storage resources that have the highest scores. The Maryland HB 1532 Relief Act modified the NGEA to allow more than 800 MW to be selected per Round, if the Commission determines the Applications are cost-effective and adequately support the goals under the NGEA. In Power Advisory's opinion, these three Projects offer the greatest

⁴⁹ *Id.*, Appendix C. The highest scoring applications have the higher numerical scores.

⁵⁰ Quantitative Scores using Net Price are described in Table 10-3 of Power Advisory's Report at 110. The highest scoring applications have the higher numerical scores.

⁵¹ Overall score ranges are derived from Table ES-6 Power Advisory's Report at 4. The highest scoring applications have the higher numerical score ranges.

⁵² Project Ranking is described in Power Advisory's Report at 112. The highest overall score ranges have the highest project rank.

*value and represent an appropriate award group if the Commission desires to meet the minimum NGEA 800 MW target.*⁵³

III. APPLICANT DIRECT TESTIMONY

1. Oystercatcher Energy Storage Project

Witness Keith Latham, Senior Battery Storage Developer at Tenaska, addressed several parts of Power Advisory's Report in his Direct Testimony.⁵⁴

Witness Latham notes that the Oystercatcher Energy Storage Project was selected through PJM's Reliability Resource Initiative ("RRI") to fast track critical reliability sources.

In response to the CES BCA results, witness Latham notes that the Oystercatcher Energy Storage Project received the lowest scores because it was proposed as a 6-hour project. Witness Latham notes there are very few, if any, 6-hour systems in PJM. A 6-hour system would be able to ride through a 50 percent longer need for capacity than a 4-hour system and it receives a higher Effective Load Carrying Capability ("ELCC")⁵⁵ rating. Witness Latham states that the intrinsic benefits of a 6-hour system were not valued as highly as the developer expected. Cardinal provided revised pricing information. The witness therefore requested that CES perform an analysis with 4-hour system pricing, noting that if more cost effective, Cardinal needs to make this change in the PJM interconnection process by early July 2026. In addition to reducing ratepayer impact, a 4-hour system would reduce the footprint of the site.

⁵³ Power Advisory's Report at 4.

⁵⁴ Maillog No. 331318.

⁵⁵ ELCC reflects how reliable a capacity resource is to the electrical grid and is used to determine how much capacity credit different power plants and resources receive when participating in PJM capacity markets.

In response to the determination in Section 5.2.1 of the Power Advisory Report, that there was no supporting documentation for completed preliminary engineering, witness Latham states that 10 percent site engineering and 10 percent high voltage engineering have been completed. In response to the finding that the Oystercatcher Energy Storage Project has not selected a battery manufacturer, witness Latham states that, given future downward trajectory of lithium carbonate price, the developer does not want or need to lock in a supplier; delaying will keep costs down. Witness Latham anticipates using a Tier 1 supplier.

In response to Section 5.3 of Power Advisory's Report finding that Cardinal did not provide a list of BESS projects it has developed and its experience statement is short, witness Latham replies that Cardinal's parent, Tenaska, has been operating for almost 40 years with a number of gas-fueled plants owned and operated in PJM. Tenaska has developed or is developing more than 10,000 MW of BESS but many of these projects have been sold. Tenaska owns and is actively developing more than 4,700 MW of BESS. Regarding specific experience, Tenaska has significant experience with utility-scale projects, including gas-fueled generating stations in PJM and BESS in California. The teams working on the Oystercatcher Energy Storage Project have been involved in Tenaska's other BESS projects. Regarding its financing plan, the project will be financed with non-recourse financing, and it is too early to specify the debt and equity participation details. Tenaska is one of the largest privately held companies in the United States and is in strong financial condition.

Regarding the Power Advisory's determination that Cardinal provided minimal information about climate resilience, witness Latham provided confidential flood plain

maps to demonstrate that the site is above flood elevation. All facilities will meet local building codes, contain lightning masts, and include equipment protections. The Oystercatcher Energy Storage Project will also include a meteorological facility onsite.

Regarding Section 5.8 of the Power Advisory Report concluding that the Oystercatcher Energy Storage Project provided limited evidence of economic benefits it will provide to the local community, witness Latham states that Oystercatcher Energy Storage Project will provide a Community Benefits Agreement (“CBA”) with labor enforcement the responsibility of its contractor for engineering, procurement, and construction (“EPC”). The Oystercatcher Energy Storage Project will encourage the contractor to hire locally and engage small businesses. Finally, witness Latham asserts that the Oystercatcher Energy Storage Project will reduce pollution and improve health outcomes through avoided emissions.

2. Fourth Quarter BESS Project

RWE provided Direct Testimony⁵⁶ from witness Jason Dagger, Senior Director of Development for RWE’s East Region; witness Kevin Conger, Senior Manager of Utility-Scale Development at RWE, and witness Antonio Soruco, RWE’s Director of Government Affairs – East Region.

In his testimony, witness Dagger provides an overview of RWE’s battery energy storage experience and summarizes the two proposed Fourth Quarter BESS Project options, a 300 MW and a 130 MW Fourth Quarter BESS Project in his Direct Testimony. Witness Dagger also introduces RWE's two other witnesses, Kevin Conger, who

⁵⁶ Maillog No. 331328.

addresses the 300 MW project and Power Advisory's Report, while witness Antonio Soruco discusses RWE's Maryland presence and strategic fit.

RWE is a major U.S. renewable energy company with operations in 27 states, more than 13 GW of operating wind, solar, and battery storage assets, and a 36 GW U.S. development pipeline. RWE has 26 operating battery storage projects totaling 1.1 GW, 10 additional projects under construction, and about 6 GW of battery storage projects in its national development pipeline. Witness Dagger recommends that the Commission support selection of the 300 MW Fourth Quarter BESS Project as RWE's preferred and most cost-beneficial proposal for Maryland and use the 130 MW option only as a secondary or phased alternative if the Commission favors a more gradual deployment of BESS resources.

In his testimony, witness Conger discusses that RWE submitted two Fourth Quarter BESS Project variations, but focuses on advancing the 300 MW Fourth Quarter BESS Project. The project is a standalone, four-hour, 300 MW battery energy storage system in Montgomery County, Maryland that would interconnect at the 230 kV Dickerson Substation in the PEPCO Locational Deliverability Area and has a fully executed PJM Generation Interconnection Agreement ("GIA"). Power Advisory found the 300 MW project option to be the highest-ranked proposal overall, with the top quantitative and qualitative score among submitted projects. Quantitatively, the project received the maximum score, including the strongest benefit-cost and net price results. Qualitatively, witness Conger emphasizes the project's strengths in interconnection readiness, site control, safety planning, applicant experience, operating plan, and development maturity. Witness Conger states that while some sub-scores were below the

maximum, particularly for permitting and development milestones, Power Advisory still found the project could meet its expected commercial operation date. Witness Conger also points to its broader renewables and BESS experience as evidence that it can successfully develop, finance, construct, and operate the project. Witness Conger recommends that the Commission give substantial weight to Power Advisory's conclusion that the 300 MW Fourth Quarter BESS Project ranked highest overall.

Witness Conger concludes that the project should be viewed as a strong candidate for selection because it combines high system value, interconnection certainty, and advanced development status. Concerns about permitting schedule or milestone timing should be treated as manageable rather than disqualifying, because Power Advisory found they are unlikely to prevent the project from meeting its commercial operation date. Witness Conger recommends that RWE be approved with the 300 MW Fourth Quarter BESS Project, rather than the 130 MW alternative under Round 1 of the NGEA solicitation.

In his testimony, witness Soruco explains RWE's battery energy storage development experience and describes how RWE's proposed Fourth Quarter BESS Project can help Maryland meet its energy policy goals. RWE is a major U.S. renewable energy company with more than 10 GW of installed wind, solar, and battery storage capacity and a U.S. development pipeline exceeding 36 GW. Witness Soruco highlights several Maryland investments in addition to the Fourth Quarter BESS Project, including a 100 MW solar project and two early-stage battery storage projects of more than 100 MW each. Witness Soruco argues that Maryland needs additional in-state capacity, citing high PJM capacity auction prices affecting Maryland ratepayers and that battery storage is one

of the fastest deployable resources available to address near-term in-state capacity needs, compared with conventional generation that can take years to develop. Witness Soruco strongly supports the NGEA battery storage solicitation program, arguing that it provides the policy certainty needed to move projects like the Fourth Quarter BESS Project forward. Witness Soruco's testimony also emphasizes ratepayer protection mechanisms such as revenue true-ups, return of market revenues to customers, competitive procurement, and cost-effectiveness screening. Witness Soruco recommends that the Commission approve projects like the Fourth Quarter BESS Project because they can help address Maryland's near-term capacity needs and support clean energy goals by prioritizing fast-deploying battery storage as a practical near-term tool to ease capacity shortages and reduce price pressure for ratepayers while providing broader state benefits, including progress toward Maryland's renewable portfolio goals, reuse of retired fossil-generation sites, economic development, and additional clean energy investment. Witness Soruco also recommends that the Commission maintain the NGEA solicitation framework because policy certainty is important for attracting investment and enabling timely project deployment.

3. Chalk Point Storage Project

Chalk Point provided Direct Testimony⁵⁷ that includes the testimony of witness Joel Harrington, Vice President of Government Affairs, Flatiron Energy ("Flatiron"); witness Daniel Myers, Chief Financial Officer, Flatiron Energy; witness Colin Schofield, Vice President of Origination and Power Marketing, Flatiron Energy; witness Christopher Groves, Director of Fire Protection and Safety, Flatiron Energy; witness

⁵⁷ Maillog No. 331316.

Charles McGovern, Director of Development, Flatiron Energy; witness Kory Chisholm, Vice President of Procurement, Flatiron Energy; and witness Sarah Salem, Director of Environmental Justice and Community Investment at Flatiron Energy.

In his testimony, witness Harrington agrees with Power Advisory's evaluation of the Chalk Point Storage Project as a project that supports the State's goals and should be included in the award group. Witness Harrington emphasizes that the Commission has the authority to procure more than 800 MW in this Round if the applications are cost-effective and support the goals of the NGEA. Selecting the full 400 MW Chalk Point Project, even if doing so bumps the full procurement modestly above 800 MW, is supported by: positive marginal system value, alignment with core NGEA objectives, portfolio optimization, and limited downside risk.

In his testimony, witness Myers agrees with Power Advisory's evaluation of the Chalk Point Storage Project as a project that supports the State's goals and should be included in the award group. Witness Myers also agrees with Power Advisory's statement that "Flatiron would be able to secure" equity from Hull Street Energy⁵⁸ for the Chalk Point Storage Project. The witness states that Flatiron has "access to significant resources for equity" to finish development and construction. Regarding Section 8.5 of the Power Advisory Report, witness Myers affirms that Chalk Point's financing plan is composed of a Construction to Term Loan, bridge financing, and long-term capital monetization structures. Witness Myers states that this approach is the market standard for similar projects that Flatiron has been involved in. According to witness Myers, Flatiron took this approach when it closed \$540 million for its 1 GWh Taft Project [in

⁵⁸ Hull Street Energy is a private equity firm that invests in the North American power sector and electricity grid infrastructure.

Uxbridge, Massachusetts]. Additionally, Flatiron raised \$575 million for a 1.2 GWh project with the same general structure as the Chalk Point Storage Project. Witness Myers noted that the Chalk Point Storage Project is backed by Hull Street, an experienced and well-capitalized energy investor, and Flatiron has included a Letter of Support from Hull Street with its Application.

In his testimony, witness Schofield supports the Power Advisory recommendations and his testimony is intended to reinforce the Power Advisory Report's conclusions and provide clarifications. Witness Schofield emphasizes the report's conclusion that the Fourth Quarter BESS Project and the Chalk Point Storage Project offer the greatest value of the remaining projects and represent an appropriate award group. Witness Schofield generally agrees with the BCA methodology and recommends the Commission base its decision on the 60% / 40% option in Table ES-6 in the Power Advisory Report because it places the greatest value on project viability, system benefits, permitting, safety, stakeholder engagement, and economic benefits while still emphasizing quantitative factors. It would also be consistent with NYSERDA's methodology.⁵⁹ Witness Schofield reiterates the importance of factors such as avoided emissions and improved reliability. Witness Schofield notes that the Chalk Point Storage Project received a value of \$0 for improved reliability with no explanation for the value. If the effects are included in other factors, the value makes sense, but if other Applicants received a non-zero value, witness Schofield requests further analysis of the Chalk Point Storage Project's score on this issue. Witness Schofield emphasizes that the project is well-equipped to handle the \$6 million in estimated interconnection costs, which have

⁵⁹ Referring to the New York State Energy Research and Development Authority.

been incorporated into the bid price. Witness Schofield clarifies that Flatiron remains supportive of all three offer configurations but recommends the 400 MW offer.

In his testimony, witness Groves indicates that Flatiron's external consultant is working with the battery supplier to provide emergency analyses and response plans, which will be incorporated into a site-specific plan once they are finalized. In response to Section 8.4 of the evaluation report noting that Flatiron has not engaged with the local fire department, witness Groves contends that this should not count against the project because Flatiron fully understands the importance of this engagement and in fact notes that Flatiron has scheduled its initial meeting with Prince George's County Fire Department this summer.

In his testimony, witness McGovern agrees with Power Advisory's evaluation of the Chalk Point Storage Project and emphasizes that the project site is in a highly industrial area, and the project will deliver environmental and economic benefits to the surrounding communities that have historically borne the burden of pollution from the retired Chalk Point Generating Station. Regarding Section 8.2.2 in the Power Advisory Report that characterizes the Chalk Point Storage Project's interconnection status as carrying some risk, witness McGovern notes that Flatiron has 670.2 MW of CIRs from the retired Chalk Point generating station, which mitigates interconnection costs. Flatiron is confident it can compress PJM's expected interconnection construction duration through an accelerated engineering and procurement approach by executing an Engineering and Procurement agreement prior to executing the GIA. Witness McGovern also notes that Flatiron's leadership team has achieved "significant schedule compression" through a similar approach. Witness McGovern believes a construction

duration of 12 months is a reasonable and supportable estimate for interconnection work. Regarding the lack of information in Section 8.2.4 of the Power Advisory's Report on potential requirements to prevent exposure to contaminants in the soil, since the Application submission, a geotechnical study and TCLP⁶⁰ study have been completed. Neither of these reports flagged environmental concerns. Flatiron has commissioned a Geotechnical and Environmental firm to complete a Phase I Environmental Site Assessment ("ESA") with a Phase II ESA expected to be complete later this summer. Regarding Section 8.4 of the Power Advisory's Report, witness McGovern asserts that Flatiron will engage with Prince George's County, provide access to its resources, and provide significant BESS fire safety training. Regarding Section 8.6 of the Power Advisory's Report, witness McGovern reiterates that, at minimum, Flatiron will accomplish the stakeholder engagement requirements in RM 85⁶¹ and COMAR 20.50.14. Witness McGovern does not agree that the project should have had points deducted for this. Witness McGovern asserts that Flatiron will work closely with appropriate Prince George's County departments.

In his testimony regarding Section 8.2.1 of Power Advisory Report, witness Chisholm notes that Flatiron has not contracted with an EPC contractor. Witness Chisholm emphasizes that Flatiron typically contracts with an EPC contractor within 10 months of the start of construction because key project elements must be finalized. Witness Chisholm does not believe it is appropriate to reduce Flatiron's score due to a lack of EPC firms under consideration. Flatiron has "deep experience" conducting EPC RFPs. Regarding Section 8.2.5 of the Power Advisory Report, witness Chisholm affirms

⁶⁰ Toxicity Characteristic Leaching Procedure.

⁶¹ RM 85, *Maryland Energy Storage Initiative COMAR 20.50.14*.

Power Advisory’s finding that development milestones are “highly detailed and reasonable” and emphasizes that the CODs are due to the need for additional Main Power Transformers.

In her testimony, witness Salem points out that developing the Chalk Point Storage Project will leave the site in a safer, cleaner condition by removing contamination associated with the retired coal facility. Regarding Section 8.6 of the Power Advisory’s Report, witness Salem agrees with Power Advisory’s assessment of the Chalk Point Storage Project’s stakeholder engagement plan and reiterates that the plan meets the requirements specified in RM85 and that Flatiron is committed to engaging early and often with local communities. Concerning Section 8.8 of Power Advisory’s Report, witness Salem affirms that the Chalk Point Storage Project’s CBA plan fully complies with PUA § 7-1202. Flatiron will expand workforce pathways for target demographics and prioritize local hiring. Witness Salem also affirms the Chalk Point Storage Project’s benefits for environmental justice and historically disadvantaged communities by repurposing an existing industrial site for cleaner energy infrastructure and improving grid reliability. Witness Salem notes that Flatiron has completed Step 1 of its six-step CBA approach, and will implement Step 2 in the coming months.

4. Jade Meadow III Battery Storage Project

Jade Meadow provided Direct Testimony,⁶² which includes the testimony of Witness Michael Svedeman, Senior Director of Project Development, for Jade Meadow III LLC. Witness Svedeman describes REV Renewable LLC’s (“REV Renewables”) qualifications, experience and portfolio, which includes over 400 MW of solar across

⁶² Maillog No. 331325.

Garrett County. According to witness Svedeman, REV Renewables has internal and external resources to register, schedule, dispatch, settle, and operate resources in the PJM wholesale market. REV Renewables also has an executed GIA for the Jade Meadow III Battery Storage Project with PJM and Potomac Edison and CIRs. The witness asserts that the Jade Meadow III Battery Storage Project directly supports the NGEA's reliability and affordability goals by adding dispatchable capacity in Maryland. Witness Svedeman reiterates the project details: a 40 MW, four-hour duration BESS located in Garrett County on a reclaimed coal mine with a COD of October 1, 2028. The Jade Meadow III Battery Storage Project will be co-located with a solar project that has an approved certificate of public convenience and necessity ("CPCN"). Each component will operate independently and serve as a separate market unit. The witness asserts that the Commission can and should select over 800 MW if the applications are cost-effective, and the Jade Meadow III Battery Storage Project should be selected.

The Jade Meadow III Battery Storage Project received a benefit-cost-ratio of 0.87 in Power Advisory's base case and 1.03 with EmPOWER Maryland capacity prices. Witness Svedeman points out that EmPOWER price forecasts are already used to drive investment decisions. The Commission should therefore view Jade Meadow as "assumption-sensitive, not categorically uneconomic" and should consider the EmPOWER result together with the project's other benefits. Witness Svedeman concludes that the project provides savings to ratepayers, is cost-effective under the EmPOWER sensitivity, and has strong near-term deliverability and should therefore be approved.

Witness Svedeman asserts that qualitative score reductions reflected the amount of supporting documentation, not development risk. Witness Svedeman provides additional documentation to fill those gaps. In response to the conclusion that the Jade Meadow provided a high-level site plan, witness Svedeman contends that it is appropriate for a BESS co-located with a solar project that has already completed a CPCN. Witness Svedeman also provided an updated BESS site plan. In response to the report's conclusion that Jade Meadow does not provide examples or a shortlist of EPC firms in its construction and engineering plan, witness Svedeman contends that it is "not customary or commercially prudent" to provide a shortlist at this point. REV Renewables has significant relationships with multiple EPC contractors and has attached a confidential list of firms under consideration. In response to the conclusion that the Jade Meadow III Battery Storage Project does not provide any examples of firms to perform civil and electrical engineering, witness Svedeman contends that substantial engineering work has taken place at the site. REV Renewables provided information on engineering firms actively working on the Jade Meadow III Battery Storage Project and solar limit of disturbance. Witness Svedeman notes that the signed GIA is one of the most important facts in this record and means that Jade Meadow has completed the principal PJM interconnection-risk step that is outstanding for other projects.

Witness Svedeman points out that in the site control section of the Power Advisory Report, the project received a 2.55 in the text but a 2.25 in Table C-2, which means that the Project's score of 21.53 is incorrect and should be 21.83. The Jade Meadow III Battery Storage Project has exclusive site control through an executed option

to purchase and lease agreements and has the unilateral right to extend the Option Term, which it has and will continue to exercise.

Regarding the Power Advisory Report's conclusion that Jade Meadow's permitting plan is based on the solar project and thus missing information, witness Svedeman states that the solar CPCN record reduces uncertainty because it provides a detailed baseline of information and REV Renewables understands that it does not eliminate the need for BESS-specific approval.

Regarding the Power Advisory Report's conclusion that Jade Meadow did not submit completed field studies or other documentation, the witness states that the Jade Meadow III solar project Environmental Review Document ("ERD") in Case No. 9769 included extensive documentation that is publicly available. Jade Meadow BESS is entirely included in the limit of disturbance approved in Case No. 9769. Jade Meadow initially did not submit the entire solar CPCN with its application to reduce administrative burden, but witness Svedeman has now submitted that information.

Regarding the Power Advisory Report's suggestion that additional information would have increased certainty that Jade Meadow can secure approvals necessary to achieve its COD, witness Svedeman responds that studies already performed for Jade Meadow III Solar CPCN include extensive documentation and information, and the study area listed in these reports includes the area where the BESS will be located. Witness Svedeman states that these studies are not expected to be updated for the BESS CPCN amendment, and the time to receive an amendment may take two to five months.

In response to the Power Advisory Report's note that Jade Meadow has not executed binding equipment contracts for the BESS, witness Svedeman remarks that this

is not unusual and should not be treated as a material weakness. Jade Meadow has received Memoranda of Understanding (“MOUs”), binding purchase orders, and delivery for significant equipment, including items with long lead times. REV Renewables currently estimates a one-year lead time for delivery of battery equipment, which corresponds to the schedule in the project’s initial application. Witness Svedeman provides information on signed purchase orders and MOUs and a short list of EPC contracts.

Regarding Jade Meadow’s score of 2.663 out of 2.813 for key development milestones, witness Svedeman believes this should be higher because Jade Meadow has a signed GIA, is co-located with a solar project with an approved CPCN, can use existing or planned site access, and has a strong procurement path.

Witness Svedeman agrees with the Power Advisory Report’s conclusion that Jade Meadow’s operating plan demonstrates clear revenue potential outside of ratepayer support. In response to the Power Advisory Report’s conclusion that operating risk mitigation is limited compared to other applications, the witness details measures that are in place to preserve availability for high-risk PJM performance periods and states that these are the measures that Power Advisory credited in other applications.

Regarding the Applicant’s experience, witness Svedeman notes the REV Renewable’s California BESS experience is similar and relevant despite market differences between California and PJM. The witness would also like to correct the Power Advisory Report that REV Renewables owns three, not one, pumped hydro facility in PJM. REV Renewables has developed 740 MW of BESS and owns and operates 400 MW of solar across the country. Witness Svedeman contends that

ownership and operation of pumped hydro is relevant because operating characteristics are similar and gives REV's team direct experience with PJM market rules. REV Renewables also has construction experience in Maryland through its solar project development.

Regarding the Power Advisory Report's conclusion that the project did not provide supporting documentation of its safety plan, witness Svedeman states that it is too early to have a well-formed accurate plan at this time for a specific BESS facility, which will depend on final project engineering and equipment procurement. Witness Svedeman provided information that includes plans currently in effect for other REV Renewables owned BESS.

In response to the Power Advisory Report's award of 2.5 out of 3 for its financing plan, witness Svedeman does not believe the project score should be reduced because the final project financing documents were not executed prior to application. The financing structure will be finalized after ESCC selection. REV Renewables is backed by LS Power, which has a strong track record with large energy infrastructure assets.

Regarding the Power Advisory Report's conclusion that evidence of stakeholder engagement is related predominantly to the solar project, witness Svedeman notes that the solar project record is highly relevant because the BESS will be located within the same area and will therefore affect the same stakeholders and rely on the same relationships. The solar engagement provides a strong foundation for BESS-specific engagement. Regarding the Power Advisory Report's conclusion that Jade Meadow BESS has genuine local relationships but limited engagement, the witness points to REV

Renewable’s extension relationships and community involvement and lack of public opposition to Jade Meadow III Solar.

In response to the Power Advisory Report’s conclusion that the project did not provide specific supporting documentation for its climate resilience measures, Witness Svedeman asserts that Jade Meadow addressed climate resilience in Section III of its ERD and provides information confirming that the project is outside of floodplains.

In response to the Power Advisory Report’s note that Jade Meadow did not use the MDEnviroScreen,⁶³ witness Svedeman attaches information that uses the tool and local information to inform outreach and community commitments. Witness Svedeman also reiterates the significance of the project’s location on a reclaimed coal mine site.

In response to the Power Advisory Report’s conclusion that the outreach activities taken to date are primarily focused on the co-located solar project, witness Svedeman states that these activities are directly relevant because Jade Meadow BESS will build on the same outreach record. Jade Meadow will perform outreach specific to the BESS.

Regarding ancillary services, Witness Svedeman states that Jade Meadow is capable of providing the same core ancillary services credited in other applications and therefore believes its score of 0.3 out of 0.6 should be revised. Similarly, regarding avoided or deferred transmission investments, the witness states that while Jade Meadow does not claim to defer a specific PJM Reliability Transmission Expansion Plan (“RTEP”) project, it is located on a high-voltage transmission backbone. Its transmission value should be “understood in terms of signed-GIA deliverability” and other factors.

⁶³ MDEnviroScreen is an advanced online mapping tool from the Maryland Department of the Environment that identifies overburdened and underserved communities using environmental, health, and socioeconomic data.

Regarding renewable energy value, witness Svedeman contends that Jade Meadow's co-location makes its renewable energy value more concrete than a standalone project. Jade Meadow received the highest score awarded for renewable energy value.

5. Pulaski Energy Storage Project

Witness Vijay Singh, Senior Vice President, Origination and Commercial at Plus Power Services LLC and witness Jeff Strickland, Regional Director, Project Development with Plus Power Services LLC testified on behalf of the Pulaski Energy Storage Project.⁶⁴

Witness Singh testifies in support of the Pulaski Energy Storage Project LLC for its Round 1 proposal. Pulaski is affiliated with Plus Power Services LLC, which has nine operating standalone battery storage projects across several markets and an approximately 11,000 MW development pipeline across more than 20 states.

Pulaski expects to fund early-stage activities with equity, then use sponsor equity, construction debt, tax equity, tax equity bridge financing, and term debt for construction and long-term financing. The ESCC payment is critical because lenders require predictable fixed cash flows to support project financing on economic terms. Pulaski plans to supplement ESCC revenue through PJM energy, ancillary services, and capacity-market participation. Pulaski also plans to maintain high availability through preventive maintenance, Original Equipment Manufacturer ("OEM") warranties, shoulder-season maintenance, "no-touch" periods during expected scarcity events, and high state-of-charge during scarcity periods. Pulaski does not expect material third-party contractual or operational restrictions, aside from normal BESS constraints such as temperature and

⁶⁴ Maillog No. 331319.

cycle limits. Witness Singh argues the project will support Maryland ratepayers by improving reliability, reducing reliance on higher-cost generation during peak/scarcity periods, and transferring PJM capacity market revenues to the Commission. In Power Advisory's Report the project has a positive benefit-cost ratio of 1.46 under one capacity price forecast and 1.50 under the EmPOWER forecast, with estimated net benefits of \$58.5 million to \$63.4 million.

Witness Singh recommends approval of the proposal if the Commission accepts that ESCC payments are necessary to make the project financeable and economically viable. ESCC payments should be treated as a financing-support mechanism, not merely an incentive, because they provide the fixed revenue stream needed to attract project finance lenders. The Commission should also give weight to Plus Power's operating and development experience as evidence that Pulaski is capable of developing, financing, constructing, and operating the project. The Commission should also require clear availability and performance commitments, especially for peak seasons and scarcity conditions, because the claimed ratepayer benefits depend on project availability when most needed and confirm PJM revenue-transfer mechanics, particularly Pulaski's commitment to transfer all PJM capacity market revenue earned by the project to the Commission. Finally, the Commission should review the assumptions behind the BCA, including capacity price forecasts, market revenue expectations, and net-benefit calculations, before relying on the reported BCR results.

Witness Strickland's testimony describes the project. According to Witness Strickland, Pulaski is a transmission-connected 135 MW / 540 MWh, four-hour battery energy storage system expected to use LFP batteries. The project site is near Middle

River and Essex, east/northeast of Baltimore, on an approximately 20.34-acre parcel near commercial, industrial, rail, and Baltimore Gas and Electric Company (“BGE”) transmission infrastructure. Pulaski has property control for the BESS site, but still needs approvals for the tie line and terminal station. The project would interconnect through a 230 kV line to BGE’s proposed Batavia 230 kV Substation and is progressing through the PJM interconnection process. Witness Strickland states the environmental impact should be limited, with minimal tree clearing and avoidance of identified wetlands and buffers. The project is expected to provide local economic benefits, including about 50 construction job-years, 3–5 operational full-time equivalent jobs, local sourcing where practical, and tax contributions. Witness Strickland acknowledges that the project is in an Overburdened Community area and Pulaski commits to required community meetings and broader stakeholder engagement. Witness Strickland states that Pulaski also commits to safety measures, including NFPA 855, UL testing guidelines, professional engineer attestation, emergency response planning, and coordination with local fire officials. The proposed COD is September 30, 2029, later than the October 1, 2028 deadline, due largely to utility interconnection and network-upgrade timing outside Pulaski’s control. Witness Strickland requests that Pulaski be given a one-year schedule extension and commits to community benefit, wage-law compliance, decommissioning, recycling/reuse, and site restoration requirements.

Witness Strickland recommends that the Commission consider granting the requested one-year extension if Pulaski substantiates that interconnection and network-upgrade delays are outside its control. Any approval should include conditions requiring continued progress reporting on PJM/BGE interconnection milestones, GIA execution,

and network-upgrade timing. Pulaski should also complete and document outstanding property approvals for the tie line and terminal station before major construction milestones. Witness Strickland further states that Pulaski should maintain robust community engagement, particularly because the project is located in an Overburdened Community area. Safety conditions should require final NFPA 855 compliance documentation, professional engineer attestation, an approved Emergency Response Plan, and ongoing first-responder training. The Commission may also want to require clear reporting on community benefit commitments, wage-law compliance, contractor obligations, decommissioning funding, recycling/reuse plans, and site restoration obligations.

IV. DIRECT TESTIMONY AND COMMENTS

A. Power Advisory's Report

1. Office of People's Counsel

On behalf of OPC, witness Michael Freeman, Founder of Emerald Energy Consulting, and witness Christine Lee, Principal at Industrial Economics, provided Direct Testimony regarding the Power Advisory's Report.⁶⁵

Witness Freeman concludes that the CES quantitative evaluation likely overestimates benefits to ratepayers. Specifically, the Capacity Price Impact benefit was likely overestimated because: (1) the evaluation attributed 100 percent of expected reduction in clearing prices to new storage capacity; (2) the Deemed Capacity Revenue may have been overestimated due to an overestimate of ELCC resulting from a projection

⁶⁵ Maillog No. 332166.

of storage deployment that is greater than PJM's projection; (3) Energy Price Impact was based on modeling an aggregate rather than individual projects; and (4) net avoided emissions were estimated on a monthly, system-wide basis instead of an hourly, battery-only basis. In the future, Capacity Price Impact should be measured by using PJM and/or post-auction IMM⁶⁶ simulations and a model that is similar to the PA/CES model; using the lower of the two outcomes. OPC recommends reducing battery ELCCs by 10 percent.

Witness Freeman also notes that Power Advisory/CES estimated congestion patterns and costs on a zonal basis but that congestion at pricing nodes may be uncorrelated with aggregate nodes.

Witness Freeman argues that Power Advisory/CES used the "perfect foresight" approach to select the best hours for charging and discharging whether or not they are contiguous, and he argues this is not consistent with actual battery operations. OPC suggests re-estimating net avoided emissions by using the hourly marginal unit and emissions intensity factor.

Witness Freeman provides recommendations for Round 2:

- (1) convert the Standard Agreement [Obligations]⁶⁷ into a battery offtake agreement because the partial-toll structure allocates too much risk to ratepayers due to a declining ELCC while ESCC payments are fixed. OPC suggests changes to the Standard Agreement [Obligations] to address contractual risk, including adding a liquidated damages section. OPC also suggests an ELCC floor of 32 percent under which ratepayers would be held harmless or a reduction of \$1.7 million in ESCC payments;
- (2) after the RFA process, allow developers the ability to negotiate offer prices; and

⁶⁶ Referring to PJM's Independent Market Monitor.

⁶⁷ The Standard Agreement has been more appropriately renamed Standard Obligations in this Order and attached Appendix (see Appendix A - Maryland Standard Obligations for Approval of ESCCs), which any winning project must agree to before accepting an ESCC award.

- (3) develop a more market-based approach to the qualitative evaluation by: (a) benchmarking offers against estimated market value; (b) using a more conservative valuation for Capacity Price Impact and measure it during the contract term; (c) analyzing projects that their proposed points of interconnection, not in aggregate; (d) consider using RGGI⁶⁸ forecasts instead of the Social Cost of Carbon; and (e) developing a consensus on determining ratepayer impacts by customer class.

Witness Lee states that the qualitative evaluation should only be applied to projects with a benefit-cost ratio greater than 1.0 and should be narrowed to confirming project viability within the 24-month COD target and identifying unique benefits not captured quantitatively. Too many factors dilute the weight of any individual factor and produce scores that look similar across very different projects.

Witness Lee is concerned that scores carried out to three decimal places despite being subjective judgment calls and not formula-driven gives a sense of false precision. Witness Lee recommends a simpler ordinal scale (*e.g.*, 1–4: excellent/good/adequate/poor). The top-to-bottom spread on Project Viability and Stakeholder Engagement scores is narrow even though the underlying narrative descriptions reveal real, material differences between projects.

Witness Lee concludes that System Benefits overlap with the Quantitative Evaluation and adds little independent insight and recommends dropping it or reworking it to focus on unique, location-specific value.

Witness Lee concludes that Economic Benefits to Local Communities scoring reflect differences in plan detail, not actual commitments. No applicant had a finalized CBA, so she recommends capping scores at 50 percent for intentions.

⁶⁸ Referring to the Regional Greenhouse Gas Initiative.

Witness Lee also concludes that Pulaski Energy Storage ranked among the top three projects qualitatively but withdrew mid-proceeding after PJM interconnection studies revealed a large, unaffordable network-upgrade cost, underscoring that viability risk deserves more weight than the current framework gives it.

For Round 2, witness Lee recommends fewer factors, an ordinal/stage-based (rather than point-based) scoring approach, clear separation of minimum requirements vs. optional/desired attributes, and a reworked System Benefits criterion focused on project-specific, non-duplicative value.

2. Commission Staff

On behalf of Staff, witness DeAndre Wilson, Assistant Chief Engineer at the Commission, provided Direct Testimony regarding Power Advisory's Report.⁶⁹

Witness Wilson's stated intent was to complement rather than duplicate Power Advisory's assessment. Witness Wilson focused on engineering implementation, operational readiness, long-term reliability, safety and the Applicant's ability to develop, maintain, and decommission battery projects. According to witness Wilson, Staff evaluated each Applicant's engineering maturity and identified technical issues that might warrant additional oversight. Engineering readiness reflects the degree to which all major technical, operational, safety, permitting, implementation and lifecycle-management activities have progressed to support all project lifecycle milestones. Staff evaluated projects from a "lifecycle engineering perspective," which considers technical readiness throughout each phase of development rather than just the COD. This approach

⁶⁹ Maillog No. 332178.

is important because a BESS combines multiple advanced technologies and provides multiple grid services.

Witness Wilson concludes that each Applicant has proposed a technically feasible project using commercially available LFP and incorporated modern systems, remote monitoring capabilities, and compliance with industry standards for design and installation. However, witness Wilson opines that aspects of the proposed projects remain dependent on future engineering, procurement, permitting, and interconnection milestones. Common themes include: the use of LFP; battery management systems capable of monitoring the batteries and initiating protective actions, if necessary; remote monitoring; and incorporation of modern fire detection systems and emergency response procedures.

Witness Wilson identified several engineering activities that remain outstanding across multiple projects.⁷⁰ Many of these activities normally occur later in the development process, but Staff believes the Commission should consider them in an overall assessment of project readiness.

Witness Wilson concludes that while development schedules are generally reasonable, each COD is dependent on numerous activities outside the Applicants' control, namely PJM interconnection, GIAs, transmission owner engineering, procurement of long-lead equipment, permitting, and local approval. Several Applicants included schedule contingencies.

Witness Wilson found that each Applicant recognizes the importance of battery safety and proposes to include multiple layers of controls and compliance with NFPA 855, UL 9540 and UL 9540A. However, witness Wilson observed varying degrees of

⁷⁰ Staff Direct Testimony at 11 of confidential filing.

completeness among Hazard Mitigation Analyses (“HMA”), Emergency Response Plans (“ERP”) and emergency coordination, which in several instances are preliminary.

Witness Wilson found that each Applicant recognized battery performance degradation over time and proposed strategies to maintain contractual performance. Applicants also acknowledge decommission responsibilities, but witness Wilson observed varying levels of detail regarding decommissioning plans.

Witness Wilson offers three issues that may warrant Commission attention: (1) project implementation is dependent on the completion of external milestones; (2) continued development of project-specific safety documentation will remain essential; and (3) the Commission should ensure that adequate planning exists for the entire project lifecycle.

B. Oystercatcher Energy Storage Project

1. Harford County

Harford County provided the Direct Testimony of witness Matthew Kropp, Harford County Government, Director, Department of Planning and Zoning, and witness Thomas Schaeck, a volunteer firefighter and President of the Harford County Volunteer Fire and EMS Association, regarding the Oystercatcher Energy Storage Project.⁷¹

Harford County requests that the Commission deny the Oystercatcher Energy Storage project. However, the County proposes thirteen minimum conditions in case the project is approved. Witness Matthew Kropp expresses concern that the site is predominantly forested with steep slopes and erodible soils and is bisected by a tributary that drains into Deer Creek, which is considered a High-Quality waterway by the

⁷¹ Maillog No. 332439.

Maryland Department of the Environment and is used as a public drinking water resource. Witness Kropp therefore has concerns about water quality and believes construction of the facility would be a net detriment to Harford County citizens.

Witness Kropp also notes that, per Section 5.6 in Power Advisory's Report, Cardinal claims to have had meetings with County officials and local stakeholder groups, but the witness's office has no knowledge of those meetings. Witness Kropp believes Cardinal has made "minimal efforts to engage with the County and community."

Witness Kropp notes that BESSs have high levels of toxic heavy metals that could pose a public health and environmental risk if leached into the ground or drinking water sources. Witness Kropp also expresses concern that the local fire department is not equipped to deal with a potential emergency. Witness Kropp does not believe there is adequate public infrastructure to support a facility of this magnitude at the proposed site.

Witness Kropp also does not believe that the project would be able to self-contain an emergency and that released materials or chemicals could enter waterways, including drinking water resources. Witness Kropp also sees issues with meeting forest conservation regulations since the area is heavily wooded, as well as issues with sediment, runoff, and erosion. A more detailed site plan would be needed to determine compliance with forest conservation regulations. If the Commission approves the project, witness Kropp requests it be downscaled and constructed with full containment measures.

Witness Schaech represents fire companies that would respond to an incident at the Oystercatcher Energy Storage Project site. Witness Schaech is concerned about the lack of water supply for firefighting operations, insufficiency of local roads to support emergency vehicles, and distance from firefighting resources. Witness Schaech lists a

number of specific items that the Applicant would need to attend to remedy emergency response concerns, including installing appropriate roadways and properly equipped access gates, and ensuring a subject matter expert can arrive within 30 minutes to respond to an emergency. Witness Schaech believes this project will have a negative impact on local fire services and that there are insufficient resources to contain an incident. Witness Schaech believes there is inadequate infrastructure to support this project and notes that the local Fire Chief has not been contacted. Witness Schaech also notes that an emergency event would leave the area without capabilities to respond to other, simultaneous emergencies in the area. Witness Schaech believes the project should be denied. Witness Schaech's filing also includes a detailed Appendix detailing fire protection challenges associated with solar photovoltaic and BESS facilities.

2. Harford County Delegates' Comments

On behalf of her constituents, Delegate Teresa Reilly raises key concerns in her comments regarding the negative environmental impacts on the Deer Creek Watershed (a major drinking source for Harford and Baltimore Counties), public safety risks regarding potential facility fires and toxic emissions, and a lack of project transparency that Oystercatcher Energy Storage Project would have.⁷² Delegate Reilly urges the Commission to deny the project to protect local watersheds and ensure resident safety.

Key concerns raised by Delegate Lauren Arikan in her comments⁷³ on behalf of constituents include that the storage facility is slated for 71 to 72.85 acres of prime agricultural land, potential chemical runoff into Deer Creek—a vital drinking water source for Harford and Baltimore Counties located 400 to 900 feet from the site, and the

⁷² Maillog No. 331033.

⁷³ Maillog No. 332283.

inability of local fire departments to combat industrial lithium-ion battery fires, which pose a safety threat to the nearby Norrisville Elementary School. Highlighting a petition with over 1,300 signatures gathered in six days, Delegate Arian urges the Commission to deny the application to protect the community and its watershed.

Key concerns raised by Delegate Mike Griffith in his comments⁷⁴ on behalf of constituents include that it is located on a forested hillside near Deer Creek, which poses environmental and safety hazards, including fire risks in rural terrain and potential toxic runoff into local water supplies and agricultural land. Additionally, economic analyses indicate the project fails to deliver sufficient ratepayer benefits to justify its scale and cost compared to alternative sites. Delegate Griffith advocates for locating energy storage facilities on existing industrial brownfields or retired power plants rather than undeveloped greenfields near pristine waterways.

3. Baltimore City Comments

On behalf of the City of Baltimore ("City"), Paul Sayan, P.E., Deputy Bureau Head Bureau of Water & Wastewater, City of Baltimore Department of Public Works, filed comments⁷⁵ expressing concerns regarding the proposed Oystercatcher Energy Storage facility located near Deer Creek, a tributary of the Susquehanna River. The City's water system serves approximately 1.8 million people, about one-quarter of Maryland's population. While raw water is stored at the Liberty, Prettyboy, and Loch Raven reservoirs, the City uses the Deer Creek Pump Station to draw water from the Susquehanna River during droughts and plans to make regular future withdrawals and significant treatment plant investments to supplement supply. The City strongly opposes

⁷⁴ Maillog No. 332751.

⁷⁵ Maillog No. 332729.

selecting the facility. Despite Cardinal's assertions of minimizing impacts to species, forests, and cultural resources, witness Sayan fears elevated contamination risks to the Susquehanna River from facility runoff. According to witness Sayan, stormwater or lithium-ion runoff from a facility failure into Deer Creek and the Susquehanna River could cause catastrophic water quality degradation, increased operational and capital improvement costs, unusable water supplies, and public health threats to 1.8 million residents.

4. Commission Staff

In Staff's Direct Testimony, witness Wilson concludes that the Cardinal Energy Storage Project has a "generally well-developed engineering approach."⁷⁶ Additional activities needed to achieve the proposed COD include completion of detailed engineering, procurement of long-lead electrical equipment, execution of required interconnection activities, construction of the facility, equipment commissioning, performance testing, and final operational acceptance. While successful execution depends on several activities outside of Cardinal's direct control, Staff finds the project schedule to be reasonable and appropriately identifies outstanding activities. According to witness Wilson, Cardinal also proposes an integrated BESS consisting of battery enclosures, process control systems, a battery management system ("BMS"), medium-voltage collection facilities, SCADA systems, communications equipment, and associated electrical infrastructure. Witness Wilson states that Cardinal describes a layered safety philosophy incorporating BMS, continuous monitoring of battery operating conditions, thermal management systems, smoke detection, combustible gas detection,

⁷⁶ Staff Direct Testimony at 56.

emergency shutdown capabilities, ventilation systems, fire alarm systems, remote monitoring, and other engineered protective features. Witness Wilson concludes that these controls, together with compliance with nationally recognized industry standards for battery safety, represent a comprehensive defense-in-depth approach. Witness Wilson notes that several project-specific safety documents remain subject to continued refinement, but that these remaining activities are appropriate given the current stage of project development. Witness Wilson concludes that the project incorporates appropriate consideration of electrical design, operational controls, battery management, fire protection, communications, cybersecurity, maintenance planning, and long-term asset management, but that several engineering activities remain ongoing. Staff finds the project to be technically feasible and generally consistent with accepted engineering practice.

C. Fourth Quarter BESS Project

1. Office of People's Counsel

In OPC's Direct Testimony, witness Freeman concluded that RWE's Fourth Quarter BESS Project is the only project that OPC recommends the Commission approve, but only if the benefit-cost ratio is equal-to or greater than 1.0 after contractual conditions are addressed and if the projections for Capacity Price Impact and ELCC are reduced. According to witness Freeman, the net cost of the Fourth Quarter BESS Project to ratepayers is the lowest of all projects and it received the highest qualitative score. Witness Freeman states that OPC recommends approving the Fourth Quarter BESS Project with a redetermination of Capacity Price Impact and ELCC multipliers. Based on these adjustments, witness Freeman estimates Fourth Quarter's benefit-cost ratio to be

1.09 using its adjustments. Witness Freeman determines the adjusted BCR by using a PJM simulation, which witness Freeman views as sufficiently conservative.

Witness Lee recommends selecting only one project, the Fourth Quarter BESS Project. According to Witness Lee, the benefits exceed the costs even after Witness Freeman's adjustments and because it is at a mature stage of development with low risk. It is advanced in its interconnection process, has site control, the applicant is experienced and has the ability to secure funding.

2. Commission Staff

Witness Wilson describes the proposed project as consisting of LFP battery energy storage units, power conversion equipment, medium-voltage transformers, a collector system, a project substation, a 230-kV transmission interconnection, SCADA systems, a BMS, fire protection infrastructure, and other associated electrical and civil facilities necessary for commercial operation. Witness Wilson states that RWE provided a detailed schedule identifying engineering, procurement, permitting, transmission-interconnection, construction, and commissioning milestones supporting a proposed October 1, 2028, COD. Witness Wilson notes that Fourth Quarter BESS Project's schedule remains dependent upon Potomac Electric Power Company's ("Pepco") timely completion of the necessary transmission facilities. Witness Wilson therefore finds that the Fourth Quarter BESS Project has achieved an advanced contractual and study position within the PJM process, but that physical interconnection, testing, energization, and operational coordination remain outstanding. Witness Wilson also finds that the proposed engineering design generally reflects current industry's best practices and incorporates multiple layers of operational controls, safety systems, monitoring

capabilities, and emergency preparedness measures intended to support reliable long-term operation. Witness Wilson also considers the executed interconnection agreement, identified equipment and operational architecture, detailed augmentation approach, sponsor financial resources, and developed preliminary safety and decommissioning documentation to be material project strengths. Witness Wilson concludes that the Fourth Quarter BESS Project application demonstrates one of the more mature engineering records presented during this proceeding. RWE has provided comprehensive engineering documentation addressing design, operational planning, safety systems, emergency preparedness, lifecycle management, and decommissioning. Although certain project-specific engineering activities remain ongoing, witness Wilson believes those activities are consistent with normal project development and do not materially detract from the overall engineering readiness of the proposed facility.

D. Chalk Point Storage Project

1. Commission Staff

In Staff's Direct Testimony, witness Wilson's evaluation applies collectively to all three proposed configurations. Witness Wilson concludes that the Chalk Point Storage Project demonstrates "a generally well-developed"⁷⁷ engineering approach but that a number of significant engineering deliverables remain under development, including completion of the PJM Transition Cycle 2 interconnection process and execution of a GIA. A Phase II PJM System Impact Study has been completed. Chalk Point provided updated milestone schedules in response to Staff Data Request No. 1-1, including critical path analyses and schedule contingencies, which witness Wilson considers to be

⁷⁷ *Id.* at 44.

indicative of thoughtful planning, but the project remains subject to significant contractual, engineering, construction, and operational milestones before it can be considered fully interconnection ready. Witness Wilson also finds that the project has a credible procurement and construction strategy but is not yet fully construction ready. The Chalk Point Storage Project will be designed in accordance with applicable industry fire and safety standards with multiple engineered safety features incorporated into battery equipment, but several significant elements of the project's safety plan remain under development, including a project-specific HMA and ERP. Several key safety components will require completion before the project proceeds to construction and commercial operation. In the event of a fire, Chalk Point proposes to allow the battery to self-consume while protecting surrounding equipment. Witness Wilson notes that successful implementation depends on project-specific HMA and ERP completion and final UL 9540A testing. Witness Wilson considers planned coordination with local emergency response authorities appropriate but notes they are largely prospective. Witness Wilson recognizes that Chalk Point proposes battery recycling through the OEM or a qualified third-party. Witness Wilson believes assumptions should be revised periodically and notes that Chalk Point has not finalized the amount or form of decommissioning financial assurance. On balance, Witness Wilson states that the Chalk Point Storage Project represents a technically feasible project with a relatively advanced engineering plan with several important engineering activities outstanding, including HMA, ERP, equipment certification, and coordination with emergency response authorities.

E. Jade Meadow III Battery Storage Project

1. Commission Staff

Witness Wilson notes that the Jade Meadow III Battery Storage Project would be co-located with a utility-scale PV facility, but those facilities will operate as separate market resources with the same transmission interconnection. Witness Wilson concludes that Jade Meadow demonstrates a generally mature engineering approach, but remains subject to completion of detailed engineering, permitting, procurement, and operational planning activities prior to commercial operation. Witness Wilson notes that REV Renewables explains that the project will be able to satisfy its operational obligations while participating in PJM wholesale markets independently of the co-located solar project, but witness Wilson states that REV Renewables did not entirely demonstrate the engineering basis for that conclusion; REV Renewables did not fully describe operation of the two facilities or provide sufficient engineering detail describing whether electrical infrastructure will be shared. This limited documentation does not, however, materially affect witness Wilson's overall engineering assessment, which is that the project is technically feasible and demonstrates a level of engineering maturity generally consistent with the current stage of development. According to witness Wilson, REV Renewables proposes multiple layers of engineered safety systems and indicates that the project will comply with applicable nationally recognized fire and safety standards for BESS projects. Witness Wilson finds that the proposed safety plan is generally consistent with current industry practice. Witness Wilson stated there are several remaining engineering activities, but Witness Wilson considers those activities appropriate for the current stage of the project. Witness Wilson finds that Jade Meadow III incorporates engineering

characteristics associated with technically mature battery storage projects, but believes additional information would provide greater confidence in operational independence from the co-located solar facility.

V. REBUTTAL TESTIMONY

1. Power Advisory LLC

Power Advisory filed Rebuttal Testimony⁷⁸ that includes the testimony of witness John Dalton, President of Power Advisory, and witness Utsav Adhikari, Associate Director of Consulting at Customized Energy Solutions.

In his testimony, witness John Dalton, responds to critiques of Maryland's NGEAtx Round 1 RFA evaluation process, specifically addressing the testimony from OPC witnesses Michael Freeman and Christine Lee, Jade Meadow witness Michael Svedeman, and Cardinal witness Keith Latham.

Witness Dalton disagrees with witness Freeman's proposal to revise the commercial construct or reduce the ESCC payment for the RWE Fourth Quarter BESS Project after submission. Witness Dalton argues that changing negotiated terms at this stage would be irregular, unfair, and could discourage participation or undermine competitive bidding in future solicitation rounds.

In response to OPC witness Christine Lee's testimony, witness Dalton rejects the view that qualitative evaluation should apply only to projects with BCRs near or above 1.0. Witness Dalton argues that the NGEA and COMAR allow the Commission to consider broader factors, including nonprice considerations, deliverability, reliability, safety, siting, environmental requirements, and community benefits. Witness Dalton also

⁷⁸ Maillog No. 332698.

provides a defense of the qualitative evaluation framework, explaining that the framework was shaped by NGEA requirements. Witness Dalton argues that scoring factors such as project maturity, interconnection status, site control, developer experience, safety plans, climate resilience, system benefits, and community benefit agreements were appropriate because treating them merely as minimum requirements would not incentivize applicants to provide the strongest proposals.

Regarding OPC witness Lee's critique that the analysis of system benefits overlaps with the quantitative evaluation methodology, diluting its value as an evaluation metric, and should be revised or excluded from the qualitative evaluation, witness Dalton acknowledges some possible overlap between qualitative and quantitative evaluation, but argues that several system benefits such as ancillary services, renewable energy value, and project-specific transmission deferral benefits were not fully captured in the quantitative BCA and were therefore appropriate to consider qualitatively.

Regarding OPC's recommendations to select only the Fourth Quarter BESS Project, subject to other conditions, witness Dalton warns that selecting only RWE's Fourth Quarter BESS Project's 300 MW option would leave Maryland 500 MW short of the first-round 800 MW procurement goal and could push as much as 1,300 MW into Round 2, increasing customer exposure to future prices and delaying reliability benefits.

In response to Jade Meadow witness Svedeman's argument that the Jade Meadows III BESS Project deserved higher qualitative scores, witness Dalton states that missing supporting documentation legitimately limited the ability to assess development risks, even if the project itself may be mature. Witness Dalton also states that the Jade

Meadows III BESS Project already received strong scores for key development milestones and applicant experience relative to other Applicants.

In response to Cardinal witness Latham's critiques regarding the Oystercatcher Energy Storage Project, witness Dalton argues that Cardinal should not be allowed to revise pricing or supplement its application after the application window closes. Witness Dalton cites RFA Section 6.2, which prohibits refreshing or restating applications after submission. Witness Dalton states that allowing Cardinal to update pricing, environmental studies, engineering work, experience information, or community-benefit materials would be unfair to other applicants and could make the project evaluation process unworkable. Witness Dalton agrees that Cardinal may have valid reasons for not yet selecting a BESS supplier but says that absence creates real risks around cost escalation, tax credit qualification, COD achievement, lead times, warranties, and performance, so the lower project-characteristics score was reasonable.

In summary, witness Dalton defends the original RFA evaluation process, argues against post-submission changes or rescoring, supports the use of a broad qualitative evaluation framework, and cautions against selecting only one project because doing so could undermine Maryland's statutory energy storage procurement goals and delay reliability benefits.

In his testimony, witness Adhikari responds to comments and criticisms concerning the quantitative evaluation used in Maryland's competitive NGEAtx procurement. Witness Adhikari's testimony explains the evaluation framework, addresses concerns raised by other parties, and supports the reasonableness of CES's assumptions, modeling choices, and conclusions. Witness Adhikari rebuttal primarily responds to OPC

witness Michael Freeman, Chalk Point witness Colin Schofield, Jade Meadow witness Michael Svedeman, and Cardinal witness Keith Latham.

Witness Freeman challenged several aspects of the quantitative evaluation, including projected capacity price impacts, projected ELCC values, the level of locational detail used for energy price modeling, and the approach to avoided emissions. Witness Svedeman argued that the EmPOWER Maryland capacity forecast should be treated as a Maryland-recognized capacity-value forecast and that Jade Meadow III should be considered cost-effective under that forecast. Witness Schofield supported much of the evaluation but sought clarification on the Improved Reliability value assigned to the Chalk Point Storage Project. Mr. Latham submitted an alternate pricing proposal for Cardinal based on a 4-hour configuration rather than the original 6-hour configuration.

Witness Adhikari summarized the quantitative evaluation framework stating that CES evaluated applications in two phases. First, CES conducted a BCA to assist the Commission in determining whether applications were cost-effective under the applicable statutory and regulatory framework. Second, CES developed a Net Price for each application based on projected ESCC payments and monetizable benefits. The Net Price and qualitative evaluation were then used together to calculate application scores.

The BCA compared quantifiable benefits and costs over the ESCC price schedule term on a net present value basis. The main cost was ESCC payments, along with a nominal administrative cost. The benefits included Energy Price Effects, Capacity Price Effects, Wholesale Capacity Value, Avoided Emissions, Avoided Transmission Costs, and Improved Reliability. These categories were intended to capture the benefits expressly or indirectly identified in the NGEA. Energy Price Effects and Capacity Price

Effects measured reductions in wholesale market costs borne by ratepayers. Wholesale Capacity Value reflected Deemed Capacity Revenues returned to ratepayers through an escrow account. Avoided Emissions were valued using Social Cost of Carbon values referenced by the NGEA. Avoided Transmission Costs reflected reductions in peak transmission-level demand, and Improved Reliability measured system-wide reliability benefits from incremental capacity in PJM.

CES used a production cost modeling framework comparing a BAU case against a RR case representing 800 MW of hypothetical Maryland battery energy storage projects distributed across the Allegheny Power System (“APS”), Pepco, and BGE transmission zones. PROMOD was used for energy market simulations, and CES used a proprietary capacity market model for capacity market simulations. Inputs included PJM data, PROMOD defaults, state policy goals, reliability needs, natural gas price forecasts, and CES judgment based on market experience. Project-level benefits were estimated by scaling the RR benefits based on project capacity, location, and duration.

Regarding the EmPOWER Maryland sensitivity study, witness Adhikari does not agree that those capacity values should replace CES’s core assumptions. The EmPOWER projections were developed primarily for evaluating energy efficiency and demand response programs, and CES was not directly involved in their development. Using them as the primary forecast could create an internally inconsistent framework because their supply and demand assumptions may not align with CES’s energy, capacity, and emissions modeling. However, CES acknowledges that capacity price forecasts are sensitive to market design changes and therefore used the EmPOWER values as a useful sensitivity and reference point for the Commission.

Regarding Improved Reliability, witness Adhikari explains that the Chalk Point Storage Project's reported value appeared as \$0 only because the BCA results table rounded values to millions of nominal dollars. The testimony clarifies that the project did receive an Improved Reliability benefit, but the value rounded to zero in the summary presentation. Witness Adhikari therefore does not agree that further analysis is needed on that point.

Regarding the Oystercatcher Energy Storage Project evaluation, witness Adhikari confirms that CES evaluated Mr. Latham's alternate 4-hour pricing proposal. The summary of the record notes that Cardinal originally proposed a 6-hour configuration and later offered an alternative based on a 4-hour configuration, while continuing to acknowledge the reliability benefits and higher costs associated with a 6-hour system.

Regarding Capacity Price Impact, witness Adhikari rejects the claim that it held other auction variables constant across delivery years or attributed all clearing price reductions to new storage without accounting for other factors. CES simulated each delivery year separately, projecting relevant demand and supply parameters for each year. Within a given delivery year, the only difference between the BAU and RR cases was the addition of 800 MW of storage to the supply curve. This structure isolated the effect of the storage resource while still allowing load, supply, offer behavior, market design, and other parameters to vary over time.

Witness Adhikari acknowledges that scaling the 800 MW RR to individual projects is imperfect, particularly if only one smaller project is selected. A 300 MW project may not produce a proportional capacity price impact relative to an 800 MW portfolio. However, the RR was developed to evaluate the expected portfolio of projects

associated with the procurement target. Modeling every possible combination of selected projects would not be practical, and evaluating projects only on an individual basis could understate the market price effects of a portfolio because it would miss supply-curve step changes.

Regarding the PJM scenario analysis, witness Adhikari explains that CES uses PJM scenario results to validate and refine its capacity market model, but does not agree that the cited PJM scenario analysis requires reducing CES's Capacity Price Impact estimates. Witness Adhikari notes that some PJM scenarios showed no clearing price change because the auction cleared at the cap, while a larger supply addition did lower prices materially. CES's projected price reductions in the RR case were generally modest, commonly in the 2 percent to 3 percent range in years when prices declined and were considered reasonable given projected load growth and tighter future supply-demand conditions.

Regarding ELCC projections, witness Adhikari states that ELCC is uncertain and highly sensitive but does not agree that its projections overstate storage accreditation. PJM's longer-term ELCC projections are indicative and subject to change. CES used PJM forecasts as a starting point and adjusted near-term values based on more recent PJM data, including actual class-average ELCC ratings that exceeded earlier projected values. Witness Adhikari concludes that CES's approach to projected ELCC ratings is reasonable given the uncertainty and available information.

Regarding nodal modeling, witness Adhikari agrees that project-specific nodal modeling could improve the precision of Energy Price Impact estimates, particularly with respect to marginal losses and congestion. However, the timing of the procurement

created significant modeling constraints because project-specific simulations could not begin until applications were received and administratively reviewed. CES concluded that more precise nodal estimates would not materially affect cost-effectiveness conclusions because Energy Price Impacts were a relatively small share of ESCC payment values. CES also performed a sample-year nodal simulation with all applicants mapped and the preliminary results did not materially differ from the zonal analysis.

Regarding Avoided Emissions, witness Adhikari clarifies that the underlying PROMOD simulations were conducted hourly. Monthly dispatch data were extracted as aggregates by technology class due to data-volume and runtime considerations, but the operational modeling itself was hourly. Witness Adhikari also defends the use of system-wide PJM emissions impacts because the BAU case provides the counterfactual and because carbon dioxide reductions are a global benefit rather than a local one. Witness Adhikari states that the 800 MW RR affects dispatch not only during charging and discharging hours, but also through broader system dispatch effects, all of which are attributable to the modeled resource difference between the two cases.

Witness Adhikari supports the reasonableness of CES's quantitative evaluation and explains why the principal criticisms do not require fundamental changes to the methodology or results. Witness Adhikari acknowledges areas of uncertainty, including capacity forecasts, ELCC projections, and the precision of locational modeling, but maintains that its approach was appropriate for the purpose, timing, and scale of the procurement. The analysis used a consistent BCA framework, relied on recognized data sources and modeling tools, and incorporated sensitivity analysis where useful. Overall, witness Adhikari concludes that the quantitative evaluation reasonably assessed the

applications’ costs and benefits and provided the Commission with a sound basis for evaluating whether the proposed storage resources are cost-effective and beneficial to Maryland ratepayers.

2. Cardinal Energy Storage East, LLC

Cardinal filed Rebuttal Testimony⁷⁹ that includes the testimony of witness Latham, who states that Cardinal elected to return to its 6-hour proposal and withdraw the 4-hour proposal offered in direct testimony because the 4-hour configuration did not improve the project’s BCR. Witness Latham notes that a 6-hour project provides differentiated value, could be less susceptible to ELCC compression as more 4-hour batteries come online, and can ride through a 50 percent longer need for capacity. Witness Latham notes that, in light of Pulaski’s withdrawal, Oystercatcher is now the only project in the constrained BGE zone.

Witness Latham states that the Oystercatcher Energy Storage Project was the only battery project in Maryland selected through PJM’s RRI due to its unforced capacity (“UCAP”), ELCC, and location. Witness Latham disagrees with OPC’s conclusion that only one project should be selected. Doing so would leave Maryland very short on capacity and unable to meet its BESS goals.

Witness Latham states that Harford County witness Kropp’s concerns will be addressed when the Commission evaluates the project’s environmental impacts. It is Cardinal’s understanding that these are meant to be addressed in the construction approval process. Cardinal plans to address all of witness Kropp’s concerns when filing an application for construction approval.

⁷⁹ Maillog No. 332667.

In response to witness Kropp's claim that he has no knowledge of Cardinal meeting with County officials, witness Latham listed four meetings held between March and June with County officials and listed the names of attendees. Cardinal requested three other meetings in April and May by email and phone and expects significantly more local interaction. Cardinal selected the project site because it is adjacent to BGE's Conastone Substation. It also appears to be permitted by right in the agricultural land use zone.

Witness Latham further states that Cardinal will address Harford County witness Schaech's concerns during the construction permitting process. Cardinal also plans to initiate discussions with the Harford County Volunteer Fire Department in the coming weeks. That said, a lack of water supply is not expected to be an issue because most battery manufacturers do not recommend water for fire suppression. Instead, supervised self-consumption with cooling water for surrounding containers is the best practice. Cardinal will work with local fire departments to develop site-specific hazard mitigation analysis and emergency response plans, which will take into account distance to emergency personnel. Site-specific training will also be provided. Cardinal will also evaluate the local road system and make improvements if needed in compliance with Fire Department standards. Witness Latham does not believe specialized firefighting materials are needed, but notes that Cardinal is considering including a weather station, infrared sensors, and air quality monitoring on the site. Witness Latham notes that the HMA provided with its bid begins to address some of witness Schaech's concerns. The HMA will continue to be refined with local fire department input. Further, each element of the ERP is responsive to witness Schaech's concerns, and this plan will be developed and validated in coordination with local first responders. Witness Latham notes that the

Norrisville Fire Company is approximately three miles away and at least eight other departments are located within 10 miles of the project site.

Witness Latham also disagrees with Witness Schaech's assertion that Cardinal's application does not adequately address the role of the Fire Chief. All aspects of the HMA and ERP will be refined in coordination with local emergency response personnel, including the Fire Chief.

In response to Harford County's proposed conditions, witness Latham states that those conditions are the kind that Cardinal would voluntarily agree to meet or exceed in working with the County. Witness Latham notes that this proceeding relates only to the award of ESCCs and that all of the County's proposed conditions would be addressed in the construction approval phase. Witness Latham therefore asserts it is premature for Cardinal to address these conditions in Case No. 9866.

3. RWE Supply & Trading Americas, LLC

RWE filed Rebuttal Testimony⁸⁰ that includes the testimony of RWE witness Kevin Conger, who disagrees with OPC's assertion that Power Advisory overestimated Capacity Price Impact. Witness Conger asserts that while it is true that multiple factors impact capacity prices, the purpose of the analysis was to estimate the incremental impact of additional storage capacity by comparing the RR scenario to the BAU scenario, with all other assumptions held constant. The difference is therefore appropriately attributable to the addition to storage. Witness Conger also disagrees with OPC's assertion that Power Advisory improperly attributed 100 percent of clearing price reduction to storage capacity because the analysis did not assume that storage was the only factor. Power

⁸⁰ Maillog No. 332618.

Advisory via CES used a capacity market simulation model that accounted for other drivers. The Capacity Price Impact represents the incremental effect of additional storage. Further, OPC identifies inherent uncertainty, not evidence of overestimation. Power Advisory recognizes uncertainty by providing an EmPOWER sensitivity. According to Witness Conger, Power Advisory employed a reasonable and widely accepted methodology for estimating the impact of additional storage.

Witness Conger also rebuts OPC's recommendation to reduce ELCC assumptions by 10 percent, concluding that it is not supported by an ELCC analysis and therefore should not be afforded any weight. OPC's proposed 10 percent adjustment is based on an interpolation and extrapolation exercise, which is not a rigorous analytical basis. ELCC degradation is not linear and is influenced by many factors. PJM itself uses a detailed probabilistic methodology for calculating ELCC.

Regarding OPC's argument that Energy Price Impact should be modeled individually instead of based on an aggregate, witness Conger aligns with Power Advisory's original methodology. Witness Conger points out that OPC's suggested changes to the Standard Agreement [Obligations] were already discussed at length in the PC75 NGEAtx Obligations Work Group ("Work Group"). Additionally, New Jersey's storage solicitation is different from Maryland's and does not provide a reliable basis for comparison: New Jersey's program was incentive-based, while Maryland's is a partial toll. A project in New Jersey would retain revenue from PJM capacity, energy, and ancillary services markets in addition to the incentive. That is not the case in Maryland. Actual capacity toll transactions in PJM are a more appropriate reference point.

In response to Staff's suggestions, RWE agreed to clarify or update the following issues before energization: development schedule, battery technology, battery degradation, preliminary emergency services response plan, coordination with emergency responders, and decommissioning plan.

4. Chalk Point Reliability Storage LLC

Chalk Point filed Rebuttal Testimony⁸¹ that includes the testimony of witnesses Charles McGovern and Colin Schofield.

Witness McGovern generally agrees with Staff's characterization of the Chalk Point Energy Storage Project. Witness McGovern states that outstanding completion of project-specific safety planning and certifications are not evidence of project weakness. Flatiron has appropriately sequenced development milestones so that critical documents are based on final information. Flatiron is confident in PJM's schedule of completing Phase III System Impact Study and executing a GIA in late Q1 2027. The activities that Staff notes as outstanding are aligned with the project's current stage of development. Witness McGovern agrees with Staff's assessment of the project's operational design. Also, Flatiron will finalize project-specific HMA and ERP after final UL testing, which is prudent engineering practice. Flatiron has commenced stakeholder engagement, which is not a one-time exercise, and will continue to host virtual and in-person meetings, office hours, and open houses with childcare as needed, food, and cultural resources. Witness McGovern states that it is Flatiron's understanding and expectation of the construction approval process that a decommissioning plan and financial surety instrument will be

⁸¹ Maillog No. 332666.

filed with the construction approval application and that the financial surety instrument will be periodically reassessed.

Witness Colin Schofield contends that OPC's recommendations should not be adopted and that Chalk Point should be included in the Round 1 award group. Witness Schofield also notes that the withdrawal of Pulaski leaves only two projects in the Evaluation's recommended award group.

Witness Schofield contends that OPC's recommendations for a revised methodology are flawed in three primary ways: despite acknowledging that ELCC is complex and based on system-wide factors that OPC's witness cannot model or study, OPC recommends a 10 percent reduction in ELCC value based on a single linear interpolation of nameplate capacity to ELCC, even though the relationship is not direct or necessarily linear. This methodology also fails to consider that a reduced ELCC would put upward pressure on capacity clearing prices and therefore increase Deemed Capacity Revenues. While witness Schofield does not disagree with the recommendation to use the project node for Energy Price Impacts, Power Advisory's method seems to be a fair representation. Witness Schofield also notes that OPC used a BGE proxy node for the Chalk Point Energy Storage Project, but the project is located in the Pepco zone. Witness Schofield also notes that Power Advisory's methodology adjusted results of the RR scenario to the appropriate zone.

Witness Schofield notes that New Jersey's procurement is an inappropriate comparison because it is structured as an annual incentive where the project retains all PJM wholesale market revenues, including capacity payments. The risk allocation is different, but so is the benefit allocation, with Maryland ratepayers receiving a greater

benefit in the form of credit for capacity revenue from the escrow account. Witness Schofield states that the New Jersey solicitation could still be a useful indicator, but only after accounting for differences in structure.

Witness Schofield disagrees with OPC's proposal to introduce an ELCC floor and characterizes it as a radical and fundamentally unfair shift from the original contract structure. Applicants either would have priced this condition into their bid or would have been unable to secure financing in the face of that condition and would not have participated. The Commission should reject OPC's proposal to impose an ELCC floor. Requiring projects to bear ELCC risk in future rounds could result in higher bid prices, low participation, or both. Witness Schofield recommends continuing to use the partial toll structure. Witness Schofield also disagrees with OPC's assertion that developers would prefer an option for post-submission negotiation, which could result in artificially higher initial prices in anticipation of negotiation. Witness Schofield recommends the current "best-and-final offer" approach.

Witness Schofield concludes that OPC's recommendation of awarding only one project provides for no diversification and ties the success of the program to one project, which, as demonstrated by the withdrawal of the Pulaski Energy Storage project, is not 100 percent assured. Additionally, awarding substantially less than the 800 MW goal leaves Maryland ratepayers exposed to historically high and increasing PJM Capacity Market prices. The results of PJM's latest auction show the urgent need for new capacity. Therefore, the Commission should include the Chalk Point Energy Storage Project in its ESCC award group. Witness Schofield also states, "If desired by the Commission, the offered capacity from Chalk Point could be increased up to 535 MW with minimal

changes to the 400 MW configuration offer terms, in order to replace the withdrawal of 135 MW of capacity from Pulaski and maintain the initially recommended award amount at or above 800 MW.”⁸²

5. Jade Meadow III LLC

Jade Meadow filed Rebuttal Testimony⁸³ that includes the testimony of witness Svedeman, who agrees with Staff’s overall conclusion that Jade Meadow III Battery Storage Project has a sound conceptual engineering foundation and is technically feasible, contingent on completing remaining engineering, permitting, and operational milestones, which Svedeman argues is normal and expected at this project stage. On Staff’s one area of concern regarding details on solar/BESS plant-control coordination, dispatch, telemetry, and charging strategy, witness Svedeman states that level of detail is typically developed later in project engineering, not at this proposal stage, and that REV Renewables has already provided extensive information appropriate to its current stage.

Regarding Staff’s list of ten outstanding engineering/development activities across all Round 1 proposals, witness Svedeman emphasizes that Jade Meadow has already executed its GIA with PJM, materially de-risking the project relative to others. Witness Svedeman contrasts this with Pulaski Energy Storage, which withdrew from the proceeding after adverse PJM interconnection study results.

Witness Svedeman notes the project retains its option to build the transmission owner’s switching station, with tie-in work targeted for completion between November and December 2027.

⁸² *Id.*, Schofield Rebuttal at 2-3.

⁸³ Maillog No. 332668.

Witness Svedeman agrees with Staff that Round 1 projects will generate valuable lessons for future NGEA procurements, and argues that the Jade Meadow III Battery Storage Project is uniquely valuable in that respect because its co-located solar+storage configuration will generate distinct insights on shared interconnection infrastructure, dispatch coordination, and storage/renewable integration that other projects can't provide.

Witness Svedeman disagrees with OPC's recommendation to approve only the Fourth Quarter BESS 300 MW Project and reject all others. Witness Svedeman argues that limiting approval to one project would leave Maryland roughly 500 MW short of the NGEA's 800 MW Round 1 target at a time when PJM faces a widening capacity shortfall. Witness Svedeman cites the PJM 2028/2029 Base Residual Auction results and PJM's 2026 Load Forecast as evidence that the shortfall is likely to grow. Witness Svedeman points to PJM's newly initiated Reliability Backstop Procurement as further evidence of urgency.

Witness Svedeman concludes that this proceeding is an opportunity for the Commission to approve a portfolio of cost-effective, deliverable storage projects, including the Jade Meadow III Battery Storage Project, rather than a single project, to meet or exceed the 800 MW NGEA target and address PJM's reliability crisis.

6. Commission Staff

Jade Meadow filed Rebuttal Testimony⁸⁴ that includes the testimony of witness Wilson, who states that OPC's testimony does not demonstrate that projects are physically incapable of being constructed and operated. Engineering findings do not validate economic or production cost modeling assumptions. Technical feasibility is

⁸⁴ Maillog No. 332673.

distinct from finding that a particular economic value is correct. Actual operation may differ from a model that assumes perfect foresight. Witness Wilson does not equate project viability solely with interconnection status and generator interconnection agreement execution.

Witness Wilson has no recommendation on whether the Commission should adopt or reject OPC's ELCC adjustment, but notes that an appropriate estimate requires a system-wide resource adequacy analysis. The Commission should distinguish between a project's physical discharge capability and capacity accreditation. Witness Wilson also notes that the addition of battery capacity does not necessarily reduce ELCC by a fixed amount.

Witness Wilson states that a RR scenario can be helpful to compare proposals under common assumptions but that it does not represent individual project performance. Nodal modeling could provide helpful additional information, but the model should accurately capture a number of project-specific technical factors.

Witness Wilson notes that perfect foresight is not a representation of actual operation, but actual charging and discharging does not need to happen in contiguous blocks. Witness Wilson also notes that repeated cycling contributes to degradation, but degradation is not determined solely by the number of dispatch events.

Witness Wilson concludes that models evaluating avoided emissions should define the electrical boundary at which charging and discharging are measured and does not offer an opinion on whether hourly or monthly emissions should be used, but states that the model should use a feasible operational profile and account for round-trip losses and auxiliary consumption.

Witness Wilson states that OPC witness Lee's suggestion to reduce the number of qualitative evaluation criteria and adjust the scoring approach are not engineering recommendations. Witness Wilson notes that project viability and engineering readiness are related but not the same. A project can be technically feasible but not yet ready for construction and operation. Witness Wilson also notes that an executed GIA can reduce uncertainty but does not eliminate other categories of risk.

Witness Wilson also states that the Pulaski [withdrawal] example demonstrates that interconnection maturity and financial exposure are important considerations, but that earlier stage projects will not necessarily fail. Interconnection status is not the only factor in a project's ability to meet a 24-month COD.

Regarding OPC witness Lee's recommendation that qualitative system benefits should be eliminated because they overlap with quantitative benefits, witness Wilson states that not all qualitative engineering considerations are duplicated in the quantitative evaluation. Witness Wilson agrees in part that project location should be taken into account when evaluating congestion, avoided transmission, and other system benefits. Witness Lee's testimony does not change witness Wilson's assessment of any of the projects.

Witness Wilson acknowledges Harford County's concerns as material and credible, but its testimony does not establish the Oystercatcher Energy Storage Project as inherently unsafe or incapable of being constructed. Instead, it establishes that the record does not yet demonstrate the completion of all project-specific documentation and measures. Witness Wilson does not recommend the adoption of a 100 percent containment standard; the appropriate objective is comprehensive layered security.

Witness Wilson states that the present record does not support a definitive conclusion that the Oystercatcher Energy Storage Project will contaminate Deer Creek. The presence of hazardous or potentially hazardous materials does not by itself establish that the project is unsafe. Similarly, witness Wilson acknowledges witness Schaech's concerns, but they do not establish that the Oystercatcher Energy Storage Project is inherently unsafe. A comprehensive layered safety system is the best approach for addressing his concerns. Cardinal has not demonstrated operational readiness because safety documentation and emergency coordination remain incomplete. It is a significant concern that local fire services lack the training and resources to address an emergency, but the fact that first responders are not presently trained does not necessitate denying the Oystercatcher Energy Storage Project. Witness Wilson lays out a number of factors that a project-specific emergency response plan should address. The lack of public water or sewer does not make the site unsuitable for BESS. Witness Wilson also notes that using water to extinguish a thermal runaway may be difficult or impractical. Witness Schaech recommends specific numerical requirements, but Staff does not recommend adopting these without further site-specific evaluation.

In light of Harford County's testimony, witness Wilson recommends approval of the Oystercatcher Energy Storage Project be conditioned on the following: final equipment specific safety analysis; emergency response plan; local responder consultation; emergency access plan; water and exposure protection plan; site-specific responder training; technical support; emergency information; environmental incident controls; long-duration incident planning; and pre-energization certification. Witness Wilson recommended that the Commission's review should not replace that of the

applicable local authorities and argued that not every selected project should be subject to Harford County's requested conditions.

Witness Wilson's conclusion that projects are technically feasible remains unchanged, but not all projects are equally mature. Witness Wilson's testimony should not be interpreted as validating or rejecting OPC's proposed quantitative adjustments. OPC witness Lee's testimony does not change witness Wilson's evaluation framework. Harford County's testimony does not change witness Wilson's conclusions about the Oystercatcher Energy Storage Project but strengthens the finding that significant site-specific work remains to be done. Witness Wilson emphasizes that the relevant question is not whether emergency responders are prepared today to respond to a facility that has not been finalized, but whether Cardinal can complete outstanding tasks. Witness Wilson believes these requirements can be addressed.

VI. INITIAL AND REPLY BRIEFS

1. Cardinal Energy Storage East, LLC

In its Initial Brief,⁸⁵ Cardinal presents the project as a uniquely large and strategically located resource that would materially advance Maryland's statutory energy storage goals. Cardinal argues that Maryland's recent legislation reflects an urgent policy mandate to accelerate energy storage procurement. Cardinal emphasizes that prior procurement efforts produced no viable storage awards and that the General Assembly subsequently removed prior procurement caps, signaling that the Commission should use Round 1 to make meaningful progress toward statewide storage targets. The

⁸⁵ Maillog No. 333757.

Oystercatcher Energy Storage Project's scale is central to this argument: after the Pulaski Energy Storage Project's withdrawal, it represents more than 40 percent of Round 1 megawatt capacity and more than half of Round 1 energy capacity.

Cardinal challenges several parts of Power Advisory's evaluation, contending that the Pulaski Energy Storage Project was unfairly underscored for not yet selecting a battery manufacturer, even though delayed selection may reduce ratepayer costs and does not threaten the project schedule. Cardinal also argues that the evaluation failed to credit supplemental engineering, environmental, floodplain, and community-benefit information submitted after the application deadline once that information became available. In addition, Cardinal asserts that Tenaska's applicant-experience score was too low because the record identifies substantial BESS development experience beyond California.

Cardinal also argues that the Commission should not rely mechanically on the BCR because the governing standard allows consideration of qualitative and non-quantifiable benefits. Cardinal identifies several benefits it says were omitted or underweighted: the Oystercatcher Energy Storage Project's 500 MW size, 6-hour duration, location in the resource-constrained BGE Zone, potential to reduce Reliability Must Run conditions, and selection by PJM for the RRI. Cardinal argues these factors show reliability, resource adequacy, diversity, and ratepayer benefits that require Commission judgment.

Cardinal acknowledges that the Oystercatcher Energy Storage Project's expected COD is October 1, 2029, rather than October 1, 2028 but argues that this later date should qualify for good cause [waiver] because the schedule depends on interconnection

planning, potential use of an existing Conastone Substation bay, circuit-breaker lead times, and coordination with BGE. Cardinal states that schedule improvements may be possible through expedited equipment selection, EPC selection, construction, and commissioning if interconnection timing can be shortened.

Cardinal urges the Commission to reject OPC's recommendation to select only one project, arguing that it conflicts with the Commission's discretion to deem projects cost effective based on qualitative benefits and is unrealistic in light of Maryland's statutory storage targets. Cardinal also responds to Harford County's safety, siting, and environmental concerns by noting that this phase concerns ESCC awards and that later construction approvals will require additional public review of non-financial issues. Cardinal states that it takes local concerns seriously and will address them as development proceeds.

Cardinal argues that the Commission should find the Oystercatcher Energy Storage Project cost-effective based on the full record, including qualitative benefits, and select it for an ESCC award in Round 1. In doing so, the Commission should give substantial weight to Maryland's statutory urgency, the Oystercatcher Energy Storage Project's contribution toward the 2033 storage goal, and the reliability value of a 500 MW, 6-hour resource in the BGE Zone. The Commission should also recognize that certain quantitative scores appear artificially low because supplemental information and development milestones were not fully credited. Finally, the Commission should reject OPC's single-project recommendation and allow remaining project-development, safety,

siting, and local-impact issues to be addressed through later approval processes and continued engagement with Harford County and BGE.⁸⁶

2. Chalk Point Reliability Storage LLC

In its Initial Brief,⁸⁷ Chalk Point summarizes that Power Advisory recommended Chalk Point's 400 MW, 4-hour battery energy storage project as one of the highest-value proposals, and that the record supports adoption of that recommendation. Power Advisory evaluated five administratively complete proposals using quantitative and qualitative criteria and recommended awards to the Fourth Quarter BESS Project, the Pulaski Energy Storage Project, and the Chalk Point Storage Project. After the Pulaski Energy Storage Project withdrew, the Chalk Point Storage Project remains one of the two Power Advisory-recommended projects. Chalk Point supports Power Advisory's evaluation methodology, including the 60%/40% weighting, as a reasonable, balanced framework for assessing project value, deliverability, and nonprice benefits. However, Chalk Point asserts that the Commission should reject OPC's proposed alternate methodology and proposed new contractual conditions because they were not part of the RFA, may shift unanticipated risk to applicants, and could undermine project financeability, pricing, and participation in future procurements.

The Chalk Point Storage Project is a viable and comparatively mature project, with meaningful interconnection progress, site and development planning underway, and a development team with relevant experience. Chalk Point emphasizes robust safety planning, including ERP and HMA planning, alignment with NFPA 855 and local fire codes, and ongoing coordination with emergency responders through workshops,

⁸⁶ Cardinal Energy Storage East, LLC did not file a Reply Brief. Maillog No. 334256.

⁸⁷ Maillog No. 333749.

planning, and training. The project is located near the Chalk Point Generating Station in an overburdened and underserved community. Chalk Point argues that repurposing existing industrial infrastructure for battery storage will support cleaner energy, reduce reliance on fossil-fuel peaking resources, and provide community-focused stakeholder engagement. Chalk Point asserts that the project will help reduce capacity prices and alleviate transmission constraints by charging during off-peak periods and discharging during peak demand, when local zones are most exposed to congestion and reliability risk. The Commission should recognize the Chalk Point Storage Project's claimed benefits: project maturity, safety planning, emergency-response coordination, community engagement, potential capacity-price mitigation, and contribution toward Maryland's statutory energy storage goals. Therefore, Chalk Point requests that the Commission include the Chalk Point Storage Project in the Round 1 award group for ESCCs under the NGEA transmission-connected energy storage procurement.

In its Reply Brief,⁸⁸ Chalk Point highlighted that Commission Staff included Chalk Point in both recommended selection options and found those portfolios would produce net benefits for ratepayers. Both Staff and the independent evaluator consider the project technically feasible. Remaining engineering, safety, permitting, and interconnection work is described as normal for this stage. Chalk Point would accept reasonable, uniformly applied milestones and development conditions including milestone reporting using quarterly reports before commercial operation and annual reports afterward.

Chalk Point characterizes OPC's flat 10 percent ELCC reduction as too simplistic because ELCC depends on multiple system-wide variables. Imposing an ELCC floor or

⁸⁸ Maillog No. 334261.

reducing prices after bids were submitted would retroactively shift risk, potentially harming financing, increasing costs, and discouraging project participation. Furthermore, Chalk Point argues that OPC's proposed reductions to forecasted benefits and ELCC assumptions are unsupported and could result in no Round 1 award. Furthermore, the Commission should reject OPC's recommended post-bid price reductions that could make projects unfinanceable or cause further withdrawals.

Chalk Point states that failing to select Chalk Point could undermine Maryland's statutory energy-storage deployment goals and reduce benefits to ratepayers. After Fourth Quarter BESS and Pulaski Energy Storage withdrew, Chalk Point argues it is the highest-value and most deliverable remaining project and should be selected to advance Maryland's reliability, affordability, and storage-deployment objectives. Chalk Point also offers the original 400 MW project, or an upsize to 535 MW at the same ESCC price and guaranteed commercial-operation date.

3. Jade Meadow III LLC

In its Initial Brief,⁸⁹ Jade Meadow highlights the Jade Meadow III Battery Storage Project as a transmission-connected battery energy storage project located on a reclaimed coal mine brownfield site in Garrett County, co-located with a 300 MW solar facility. Jade Meadow argues that Maryland faces growing reliability, resource adequacy, load growth, capacity-price, and transmission-constraint challenges, making fast-deployable storage resources important under the NGEA. The NGEA directs the Commission to procure transmission-connected storage, target 800 MW in Round 1, and allows approval of more than 800 MW if projects are cost-effective and support statutory goals such as

⁸⁹ Maillog No. 333732.

affordable, reliable electric service. Power Advisory found that the Jade Meadow III Battery Storage Project satisfied all eligibility requirements, including technology, safety, commercial operation timing, project size, interconnection status, site control, permitting, stakeholder engagement, developer experience, and applicant commitments. The project achieved a BCR of 1.03 under the Maryland EmPOWER capacity-price forecast and 0.87 under the more conservative CES forecast. Jade Meadow argues that the lower result reflects forecast sensitivity rather than project weakness. Jade Meadow characterizes customer impacts as modest, citing approximately 1.8 cents per MWh of customer load or about \$4.50 per residential customer over the 15-year procurement operating term.

Other qualitative strengths cited were that the Jade Meadow III Battery Storage Project has an executed GIA, CIRs, site control, experienced development support, and a proposed schedule aligned with the NGEA's October 2028 operational target. Jade Meadow also highlights the Pulaski Energy Storage Project's withdrawal after increased PJM network-upgrade costs as evidence that interconnection status matters. Jade Meadow's executed GIA reduces that risk. Staff's engineering review also concluded the project uses commercially proven battery technology, accepted engineering practices, a reasonable operational concept, appropriate safety planning, emergency-response coordination, and lifecycle management planning. Jade Meadow highlights its significant storage, solar, pumped-storage hydroelectric, PJM, and Maryland development/operations experience.

Jade Meadow requests that the Commission find the project cost-effective by considering both quantitative BCR results and qualitative/non-price factors required under the NGEA; give weight to deliverability and interconnection maturity, especially

because the project has an executed GIA and CIRs; recognize the project's broader policy benefits, including reliability, resource adequacy, grid modernization, renewable integration, use of a reclaimed brownfield site, and support for Maryland's clean energy goals; and consider approving a portfolio above 800 MW if the Commission finds additional projects cost-effective and supportive of NGEA goals. Finally, Jade Meadow requested that the Commission approve the Jade Meadow III Battery Storage Project for ESCCs as part of the Round 1 transmission-connected energy storage portfolio.

In their Reply Brief,⁹⁰ REV Renewables and Jade Meadow reiterated their central argument that the project is the lowest-cost remaining proposal, is comparatively ready to proceed, and would help Maryland meet its statutory storage targets.

Specifically, the Jade Meadow III Battery Energy Storage Project is the lowest cost remaining project with the lowest levelized cost among the three remaining proposals and a Maryland EmPOWER benefit-cost ratio of 1.03. The project has lower execution risk with an executed, FERC-accepted generator interconnection agreement and is expected to begin commercial operation in October 2028. Staff found the project technically feasible, backed by an advanced development plan and an experienced developer. Its APS transmission zone and Potomac Edison location would diversify a portfolio otherwise concentrated in the Pepco and BGE zones. Also, co-location with a utility-scale solar facility could reduce intermittency, improve renewable integration, and generate useful operating experience for future paired projects.

Jade Meadow also argues that late bid changes are risky. Changing pricing, ELCC treatment, or performance-risk allocation after bids are submitted could impair financing, prompt additional withdrawals, and discourage Round 2 participation. The Commission

⁹⁰ Maillog No. 334265.

should preserve the existing procurement terms to protect project viability and confidence in future solicitations.

Finally, the NGEA directs procurement of 800 MW by October 1, 2026, followed by another 800 MW by October 1, 2027. Two of the five original applicants have withdrawn, increasing the risk of falling short. Jade Meadow asserts that the Jade Meadow III Battery Energy Storage Project offers the strongest combination of cost-effectiveness, readiness, reduced interconnection risk, geographic diversity, and renewable-integration value. The Commission should approve the Jade Meadow III Battery Energy Storage Project as part of the Round 1 portfolio and reject OPC's proposed restrictions, including conservative benefit adjustments, a revised pricing schedule or ELCC floor, reallocation of performance risk, and procurement below the statutory target. The Commission should evaluate the full evidentiary record, including project maturity, interconnection status, site control, developer experience, safety, and development milestones—not just adjusted cost-benefit metrics. The Commission should also adopt Staff's milestone conditions requiring additional pre-energization information on plant controls, dispatch, charging, telemetry, protection coordination, and power-flow management.

4. Office of People's Counsel

In its Initial Brief,⁹¹ OPC concludes that while the NGEA mandates that the Commission hold an initial solicitation for 800 MW of transmission-connected energy storage, this requirement does not compel the approval of the full 800 MW irrespective of financial feasibility. OPC's primary concern centers on committing ratepayers to fixed

⁹¹ Maillog No. 333756.

15-year ESCC payments when many anticipated benefits rely heavily on speculative, long-term forecasts. Projected customer savings depend significantly on Capacity Price Impact and Deemed Capacity Revenue. These projections hinge on assumptions regarding future PJM capacity rates, potential market-design revisions, and ELCC values. Because these projections represent modeled estimates rather than guaranteed returns, actual outcomes could fluctuate substantially. Under the current RFA framework, ratepayers carry excessive downside risk, remaining locked into fixed ESCC payments even if market conditions, ELCC metrics, or capacity prices underperform. Consequently, OPC urges the Commission to apply downward adjustments to the CES BCA estimates, treating point estimates as uncertain variables rather than definitive results. OPC maintains that qualitative considerations should never compensate for a deficient quantitative evaluation; rather, qualitative metrics should strictly serve as secondary criteria for proposals where adjusted benefits closely align with costs. To safeguard consumers, OPC advances several recommendations:

- (a) Conservative Valuation: Incorporate conservative assumptions for Capacity Price Impact and Deemed Capacity Revenue when assessing project cost-effectiveness;
- (b) Payment Alignment: Refrain from obligating ratepayers to 15-year fixed payment schedules unless projected benefits demonstrably support the expenditure;
- (c) ELCC Floor Protections: Condition project approvals on an ELCC floor or comparable mechanism to shield customers from financial exposure if realized ELCC values fall short of expectations;
- (d) Statutory Pricing Adjustments: Leverage statutory authority during selection to define pricing structures instead of accepting developer proposals without alteration; and
- (e) Contractual Risk Sharing: Revise the Standard Agreement [Obligations] to distribute performance and forecast risks more equitably between developers and ratepayers, avoiding one-sided ratepayer liability.

Applying conservative analytical assumptions, OPC identifies the Fourth Quarter BESS Project 400 MW option as the single NGEAtx proposal whose quantified benefits exceed its quantified costs.

In its Reply Brief,⁹² OPC notes that RWE's withdrawal materially changes the posture of the case. The withdrawn 300 MW Fourth Quarter BESS Project was the only project that passed OPC's conservative quantitative screen. Despite the withdrawal, the Commission is not required to select replacement projects merely to reach the 800 MW target. OPC argues the NGEA permits the Commission to select no proposal if the remaining projects do not adequately support statutory goals, especially affordable and reliable electric service. The remaining projects must be evaluated on their own merits. OPC emphasizes that RWE's withdrawal does not make lower-ranked or less cost-effective projects more attractive.

OPC opposes relying on the EmPOWER capacity price forecast. OPC argues that the forecast was not developed by the RFA Administrator, was not tested in the proceeding, and would create an internally inconsistent evaluation framework. OPC opposes using qualitative factors to overcome weak quantitative results. Qualitative factors may help distinguish among otherwise viable projects; but OPC argues they should not make an uneconomic project appear affordable. Forecast and performance risks fall on customers. Customers would make fixed payments for 15 years, while key benefits depend on uncertain future capacity prices, ELCC values, market effects, and project performance. General storage benefits are not enough. OPC argues that Maryland's storage goals and broad benefits such as emissions reductions, avoided transmission, reliability, and price impacts do not prove that any specific remaining

⁹² Maillog No. 334282.

project is cost-effective. The Commission has authority to impose customer-protective terms. OPC argues the NGEA allows the Commission to specify pricing schedules and impose conditions rather than accepting applicants submitted terms.

OPC recommends that the Commission decline to select any remaining project on its submitted terms. OPC also recommends that the Commission not rely on the EmPOWER capacity price forecast as the basis for selection or reduce the importance of quantitative cost-benefit analysis by increasing qualitative weighting. The Commission should also reject arguments that general storage policy goals alone justify project approval and use the Commission's statutory discretion to select no project if the remaining proposals do not adequately support affordable and reliable service. If the Commission selects a project anyway, OPC argues the Commission should impose pricing terms and conditions that materially improve customer value and protect ratepayers from forecast and performance risks.

5. Commission Staff

In its Initial Brief,⁹³ Staff concluded that all four projects were technically feasible, but their readiness and risks differ materially. The Fourth Quarter BESS Project has the strongest economics and is comparatively advanced, with an executed GIA and secured CIRs. The Chalk Point Storage Project has strong modeled benefits and substantial planning, but still needs to complete key interconnection, engineering, safety, permitting, equipment, and decommissioning-related milestones. The Jade Meadow III Battery Storage Project offers geographic diversity and solar-plus-storage integration value, but its economics are weaker and its co-located operating architecture remains

⁹³ Maillog No. 333759.

insufficiently documented. The Oystercatcher Energy Storage Project offers storage duration and potential reliability value, but it ranks last economically, has negative modeled benefits under both forecasts, and faces significant local opposition, emergency-response concerns, water-quality concerns, and unresolved interconnection/schedule risk.

Staff recommends that the Commission consider two options:

Option 1: Select the 300 MW Fourth Quarter BESS Project and the 400 MW Chalk Point Storage Project, totaling 700 MW. This option provides the strongest combination of economics, readiness, and modeled customer benefit; or

Option 2: Select Option 1 + the 40 MW Jade Meadow III Battery Storage Project, totaling 740 MW. This adds geographic diversity and solar-plus-storage integration, but at a modest modeled customer cost and with additional operational-integration risk.

Staff does not recommend including the Oystercatcher Energy Storage Project in the main selection options because of its weaker economics, lower ranking, unresolved operational-readiness issues, local opposition, and significant site-specific risks. If the Commission selects the Oystercatcher Energy Storage Project despite Staff's concerns, Staff recommends especially stringent site-specific conditions addressing emergency response, responder coordination, water supply, access, environmental protection, long-duration incidents, and documentation before energization. If any project is selected, Staff recommends that the Commission also impose enforceable conditions before commercial operation, including:

- (a) final engineering and design documentation;
- (b) completion of PJM and transmission-owner interconnection obligations;
- (c) major-equipment procurement milestones;
- (d) UL 9540 and UL 9540A documentation;
- (e) final hazard mitigation and emergency-response plans;
- (f) responder coordination and training;

- (g) cybersecurity, maintenance, augmentation, and operating procedures;
- (h) commissioning requirements; and
- (i) decommissioning financial assurance.

Staff notes in its Reply Brief⁹⁴ that the legal standard is that Applicants must show by a preponderance of the evidence that their projects satisfy PUA § 7-1226 and serve the public interest. Ratepayer cost is important but not controlling. Staff agrees affordability and ratepayer risk matter but argues OPC overemphasizes BCRs and ratepayer impact. Staff states the NGEA also requires consideration of reliability, deployment, safety, deliverability, renewable integration, and system benefits.

Staff contends that OPC's proposed approach is too restrictive. OPC would limit qualitative review largely to projects with adjusted BCRs near or above 1.0. Staff argues that approach narrows the Commission's options and is especially impractical because the Fourth Quarter BESS Project—the only project OPC favored after its adjustments—has withdrawn. Staff asserts that the 400 MW Chalk Point Storage Project is the strongest remaining project economically, with BCRs above 1.0 under both forecasts and the lowest modeled residential-customer cost. The Jade Meadow III Battery Storage Project is smaller at 40 MW and offers geographic diversity and renewable-integration benefits, but its co-location with a solar project raises operational-independence, dispatch, charging, telemetry, protection, and power-flow issues that require conditions. Staff continues to view the Oystercatcher Energy Storage Project for the reasons noted in its Initial Brief. While adding the Oystercatcher Energy Storage Project to the Chalk Point Storage Project and the Jade Meadow III Battery Storage Project would increase total capacity to 940 MW, Staff finds the added capacity and reliability benefits do not offset

⁹⁴ Maillog No. 334284.

the decline in modeled economics and increased ratepayer costs. Therefore, Staff contends that a 940 MW portfolio is not justified.

Staff recommends that the Commission select the Chalk Point Storage Project 400 MW configuration and the 40 MW Jade Meadow III Battery Storage Project as a 440 MW portfolio. Staff recommends this as the best balance of economic value, geographic diversity, renewable integration, and manageable execution risk. Furthermore, Staff recommends approving the selected projects only with enforceable conditions that address interconnection, engineering, site control, permitting, safety documentation, emergency-response planning, performance, reporting, maintenance, decommissioning, and financial assurance. Staff also argues for the use of conditional approval rather than rejecting a procurement entirely since conditions can protect customers while still advancing the NGEA's storage, reliability, and deployment goals. Staff also recommends that the Commission not end Round 1 without selecting any project. Staff recommends against forgoing procurement because the record supports conditioned approval of projects that can provide meaningful reliability, renewable-integration, storage, and system benefits.

6. Harford County

Harford County's Initial Brief⁹⁵ asks the Commission to deny ESCCs to Cardinal for the proposed 500 MW Oystercatcher Energy Storage Project in northwestern Harford County. The County does not broadly oppose Round 1 energy storage procurement, and it takes no strong position against the remaining proposals, which appear from the Power Advisory evaluation to provide net-positive economic benefits. Its objection is focused on

⁹⁵ Maillog No. 333757.

the Oystercatcher Energy Storage Project because the record shows that the project is economically inferior, insufficiently mature, poorly sited, and unsupported by adequate safety and emergency response planning.

Harford County argues that the most immediate basis for denial is the project's weak quantitative showing. Power Advisory found that the Oystercatcher Energy Storage Project was the only proposal to score below 1.0 under the relevant benefit-cost metrics, assigned it the lowest quantitative score, and estimated a negative levelized net credit or cost to residential customers. Cardinal attempted to revise its proposal, including a possible shift from a 6-hour to a 4-hour system, but the changes did not materially improve the project's standing, and Cardinal ultimately reverted to the original six-hour design. The County therefore argues that awarding ESCCs to the Oystercatcher Energy Storage Project would not advance the statutory goal of securing affordable and reliable electrical service for Maryland residents.

Harford County also contends that Cardinal and its parent company, Tenaska, have not shown meaningful experience operating front-of-the-meter BESS. Although Tenaska has experience developing energy projects and has developed a limited number of BESS facilities, the record indicates that it has no current operational BESS facilities and historically developed and sold such projects rather than owning and operating them. Because the PUA directs the Commission to consider developer experience, including operating experience, Harford County views this lack of operational history as especially concerning for a facility of the Oystercatcher Energy Storage Project's size and location.

Harford County also argues that Cardinal has not demonstrated key development milestones sufficient to show that it can be operational within 24 months after an award,

as contemplated by PUA § 7-1226(a)(5)(v). County planning testimony identified serious unresolved issues with local zoning, land use compatibility, easements, forest and wetland impacts, stormwater management, and protection of Deer Creek and downstream water resources. Even if the Commission has authority to preempt local zoning, the County argues that the practical permitting and environmental review issues remain unresolved and would likely delay any reliable development timeline.

Harford County further emphasizes safety and emergency response concerns. County fire service testimony described the proposed site as remote, rural, sloped, and difficult to access, with narrow or unpaved roads, limited nearby emergency resources, lack of public water and sewer infrastructure, and possible multi-jurisdictional response complications. Harford County asserts that Cardinal had not meaningfully coordinated with local fire response officials before the hearings, had not provided adequate safety information, and had not completed early pre-incident or hazard mitigation planning. Harford County therefore argues that the safety planning record is insufficient for a project of this scale.

Harford County also concludes that nonprice factors weigh against approval and stresses that the Oystercatcher Energy Storage Project would place a large industrial energy storage facility in an agricultural and rural preservation area not planned for such development. The site is near and connected hydrologically to Deer Creek, a significant drinking water source, and Baltimore City raised concerns regarding possible downstream contamination in an emergency. Harford County also points to aesthetic impacts, community disruption, lack of infrastructure, environmental risk, and the

possibility of forced relocation during a prolonged emergency event as reasons the Commission should exercise its discretion to deny ESCCs.

Harford County's recommendation is that the Commission should not treat the statutory Round 1 capacity target as a mandate to approve an otherwise deficient project. Although the NGEA directs the Commission to pursue 800 MW of storage capacity, Harford County argues that PUA § 7-1226(d) allows the Commission to decline proposals that do not adequately support the statute's goals. Harford County also argues that, to the extent CPCN-related considerations under PUA § 7-207 inform the ESCC process, those factors likewise weigh against the Oystercatcher Energy Storage Project because Harford County's governing bodies oppose the project, and the record raises concerns regarding economics, aesthetics, water pollution, land use, and public safety.

Accordingly, Harford County recommends that the Commission decline to award ESCCs to Cardinal for the Oystercatcher Energy Storage Project in Round 1. The County's preferred outcome is not a rejection of energy storage procurement generally, but a targeted denial of this proposal because its costs, risks, siting conflicts, lack of demonstrated operational experience, uncertain deliverability, and insufficient safety planning outweigh any asserted benefit. Harford County leaves open the possibility that Tenaska or Cardinal could submit a different and better-supported proposal in a future round, but it maintains that the present Oystercatcher Energy Storage Project record does not justify public subsidy or Commission selection.

In its Reply Brief,⁹⁶ Harford County restated the arguments raised in its Initial Brief. Additionally, Harford County observes that Staff and the Office of People's

⁹⁶ Maillog No. 334283.

Counsel also oppose approval. Harford County generally adopts their arguments that approval of the Oystercatcher Energy Storage Project is not justified.

Specifically, Harford County says it need not prove that contamination or project failure is certain; the Commission should consider the probability and consequences of the identified risks. The project presents major environmental and local development issues. These include extensive forest clearing, Forest Conservation Act compliance, possible additional land purchases for reforestation, water and runoff impacts, infrastructure demands, emergency-response needs, and extensive County permitting. Furthermore, the schedule is uncertain. Harford County further states that a possible Conastone substation expansion, BGE interconnection concerns, easement conflicts, and substantial regulatory review could delay operation. Regarding re-scoring, Harford County argues that the existing Power Advisory scores should remain unchanged. Cardinal had sufficient opportunity to provide complete information and seek reconsideration. A post-hearing, applicant-specific rescoring would be procedurally unfair. Cardinal's experience score may already be generous.

Harford County claimed qualitative benefits for the project do not overcome the negative BCR. The project's size, location in a constrained area, PJM RRI status, and contribution to State's storage goals are either already reflected in the evaluation or shared by competing proposals. Harford County argues that Cardinal advances inconsistent schedule arguments. It seeks credit for potentially connecting quickly while also requesting flexibility to operate beyond the statutory deadline. Also, Cardinal's promises to resolve Harford County concerns later are inadequate. Harford County argues

that approval could weaken its leverage to obtain meaningful environmental, safety, and infrastructure protections.

Sierra Club's claimed economic and environmental benefits are speculative. Harford County disputes that approval would necessarily lower rates, accelerate retirement of the Brandon Shores coal plant, or improve future competition. Harford County argues that rejecting a weak project would strengthen, not chill, competition. It would encourage future applicants to submit mature, cost-effective, well-supported proposals.

In summary, Harford County recommends that the Commission deny the Oystercatcher Energy Storage Project ESCCs and instead approve competing projects with positive benefit-cost results. If the project remains under consideration, Harford County recommends that the Commission require specific, enforceable resolution of interconnection, forest conservation, environmental, emergency-response, infrastructure, easement, permitting, and scheduling issues before approval.

7. Sierra Club

In its Initial Brief,⁹⁷ Sierra Club asserts that Maryland is confronting a critical electricity affordability crisis fueled by PJM capacity shortfalls and elevated, volatile capacity pricing. To address this, Sierra Club advocates for the deployment of transmission-connected storage, emphasizing its capacity to reduce energy and capacity costs, defer or avoid transmission expenditures, enhance grid stability, and facilitate the integration of renewable energy. Sierra Club notes that the 500 MW, 6-hour Oystercatcher Energy Storage Project offers vital reliability enhancements, holds an RRI

⁹⁷ Maillog No. 333744.

designation, and is strategically situated within the BGE Zone. Furthermore, the Jade Meadow III Battery Storage Project provides significant demonstration value by pairing storage with solar generation, establishing a model for future hybrid solar-plus-storage initiatives. Sierra Club urges the Commission to approve all four remaining transmission-connected storage proposals, which represent a total of 1,240 MW. It rejects OPC's proposal to limit approval to the 300 MW Fourth Quarter BESS Project, warning that excluding the remaining 940 MW would impede progress toward statutory storage targets and compromise state reliability and affordability objectives.

Ultimately, Sierra Club maintains that storage procurement must be treated as a primary economic and affordability solution rather than strictly a climate initiative. Sierra Club urges the Commission to place substantial emphasis on qualitative factors such as deployment speed, siting advantages, avoided transmission outlays, and grid resilience. The Commission is also urged to act decisively to preserve developer trust, optimize federal tax credit opportunities, and encourage robust participation in the upcoming 2027 RFP.

Sierra Club's Reply Brief⁹⁸ urges the Commission to approve all three remaining transmission-connected energy storage projects, totaling 940 MW. Sierra Club argues that full approval is the best available response to Maryland's rising electricity costs, grid constraints, reliability needs, and statutory energy storage targets.

Sierra Club notes that all three projects are technically feasible. No party disputes Staff's feasibility finding. Storage could lower customer costs by adding capacity to PJM, reducing capacity prices, and potentially avoiding costly transmission upgrades. The

⁹⁸ Maillog No. 334279.

projects would strengthen reliability by supplying power during peak demand and supporting constrained parts of the grid.

The Oystercatcher Energy Storage Project offers distinctive benefits such as a 6-hour duration, 3,000 MWh of capacity, higher capacity accreditation, location in a constrained BGE area and selection for PJM's RRI. Environmental concerns about Oystercatcher can be managed. The record does not establish that contamination will occur; Sierra Club supports enforceable mitigation conditions and further review during permitting.

The Jade Meadow III Battery Storage Project offers distinctive clean-energy value by pairing a 300 MW solar facility with a 40 MW battery and providing experience for future solar-plus-storage procurements.

Approval supports Maryland's storage mandates for 750 MW by 2027, 1,500 MW by 2030, and 3,000 MW by 2033. Delays carry significant risks. Two proposals have already been withdrawn, and further delay could reduce Maryland's ability to meet targets, preserve federal tax-credit eligibility, attract future bidders, and deploy renewables quickly.

Sierra Club criticizes OPC's position as overly conservative. After OPC's preferred project withdrew, its approach would effectively approve none of the remaining 940 MW. Sierra Club argues OPC relies too heavily on uncertain modeling, undervalues qualitative benefits, overlooks the costs of inaction, and offers no alternative path to meet State targets. Staff's recommendation is also described as insufficient. Approving only 400 to 440 MW would capture less than half of the remaining capacity and fall short of legislative intent. The Commission has broad discretion and may consider qualitative

factors; including reliability, geographic diversity, avoided infrastructure, and renewable integration, even when modeled BCR results are uncertain or below 1.0.

VII. PC 75 NGEA REQUIREMENTS FOR TRANSMISSION CONNECTED ENERGY STORAGE

On March 13, 2026, the Commission issued a Notice Initiating a Proceeding, Establishing a Workgroup and Extending Confidential Treatment for NGEA Applications associated with the NGEAtx.⁹⁹ In this Notice the Commission initiated the Work Group directing that the Commission's Advisors lead several meetings with interested stakeholders and attempt to reach consensus on matters involving the establishment of escrow accounts and the Standard Obligations that a successful applicant would undertake upon ESCC award acceptance from the Commission. The Work Group was directed to make recommendations within 90 days, potentially culminating in a PC 75 Technical Conference with the Commission regarding decisions on non-consensus matters, if necessary.

The Work Group met four times since establishment in an attempt to reach consensus on the matters assigned to it by the Commission and prioritized its efforts into two separate workstreams. The first workstream is a Standard Agreement [Obligations] proposal. The second workstream is the establishment of an escrow account for the purpose of coordinating between electric companies and electricity suppliers, ESCC purchases and non-bypassable distribution charges that shall be applied to all Maryland electric customers. This first workstream is a higher priority since Standard Obligations must be finalized before October 1, 2026, when the Commission is required to issue an

⁹⁹ Maillog No. 327891.

Order selecting or denying proposals for transmission energy storage device projects pursuant to PUA § 7-1224 through § 7-1229. The second workstream for the purpose of establishing an escrow account does not have to be in place by October 1, 2026, but should be in place in 2028 before the first commercial operation date of a selected transmission energy storage device project.

On June 11, 2026, the Work Group filed a non-consensus recommendation with the Commission regarding the proposed Standard Agreement [Obligations]. Regarding the second escrow account workstream, a recommendation was not made at that time as this is a lower priority.

On June 15, 2026, the Commission issued a notice inviting interested stakeholders to file comments on the proposed agreement by July 1, 2026.¹⁰⁰ Comments were received from several parties.¹⁰¹ On July 28, 2026 the Commission issued a Notice of Technical Conference,¹⁰² which was held on August 18, 2026. The Commission engaged with its Staff and interested stakeholders regarding the proposed terms of the Standard Obligations.

The Commission notes that it initially asked the Work Group to devise Standard Obligations that the selected Project/s must meet to obtain ECSS. The Commission has devised a list of Standard Obligations or conditions in which the chosen Projects must meet in order to obtain ESCC from the terms of the Standard Agreement [Obligations]

¹⁰⁰ Maillog No. 331149.

¹⁰¹ Zenobe Americas, Inc. (Maillog No. 331618), Flatiron Energy (Maillog No.331730), Office of Staff Counsel (Maillog No. 331723), Southern Maryland Electric Coop., Inc. (Maillog No. 331709), Maryland Energy Administration (Maillog No. 331702), The Potomac Edison Company (Maillog No. 331701), Retail Energy Supply Association (Maillog No. 331662), BGE, Delmarva Power & Light Company, and Pepco (Maillog No. 331651), MAREC Action (Maillog No. 331638), and Office of People's Counsel (Maillog No. 331721).

¹⁰² Maillog No. 332560.

devised by the Work Group and discussed at the Technical Conference. The Standard Obligations are enumerated and attached as Appendix A.

VIII. DISCUSSION

After consideration of the Power Advisory Report and the testimony of applicants and stakeholders in this proceeding, the Commission’s conclusions on factors that it considered in its ESCC award decision can be categorized in the following areas: Qualitative Analysis, Quantitative Analysis, Project Ranking, and Rate Impacts. However, before expounding on the various factors that the Commission considered in its decision, we are compelled to address the energy storage policy goals of Maryland and the role of local jurisdictions in supporting these goals.

1. Role of Local Jurisdictions in Supporting Maryland’s Energy Storage Goals

The Energy Storage Program Act (“ESPA”), signed by Governor Wes Moore on May 8, 2023, and codified in the PUA §§ 7-216 and 7-216.1, directs the Commission to establish the Maryland Energy Storage Program (“MESP”) to implement phased deployment targets culminating in 3,000 MW of cumulative energy storage capacity by May 31, 2034. While the NGEAtx is targeted at 1,600 MWs of energy storage capacity, other MESP initiatives docketed in Case No. 9715 involve distribution-connected front-of-the-meter energy storage initiatives to fill the remaining gap. This will likely involve several distribution-connected front-of-the-meter energy storage devices to be located in almost every jurisdiction in the state.

However, the testimony of Bryan Lightner, Deputy Director for Harford County's Department of Planning and Zoning,¹⁰³ at the August 6, 2026 evidentiary hearing appears to preclude installing a front-of-the-meter energy storage device in Harford County because there is no applicable definition in the zoning code:

Commissioner Hoover

Q. I think I understood you to say that the proposed Oystercatcher facility would not qualify as a public utility facility. Instead, it would be considered to be in a category called power and regeneration, is that correct?

Witness Lightner

A. I'd clarify that it's -- there is no materially similar use in our current zoning ordinance. And so, it's prohibited. If I went outside of the bounds of the zoning ordinance for a second, and had my arm twisted and said, you have to pick one, the closest I could come up with is power and regeneration. Yes, sir.¹⁰⁴

Chair Barve

Q. Okay. And I think, you know, I think Commissioner Hoover asked my question. My last question is going to be, so you're basically saying that facilities like these should be located in places like Bel Air, Havre de Grace, places like that?

Witness Lightner

A. Right. I said it's -- currently, it's a prohibited use anywhere in Harford County.¹⁰⁵

The Maryland's Renewable Energy Certainty Act ("RECA") was passed by the General Assembly in April 2025 and signed into law by Governor Wes Moore on May 20, 2025. Among the other provisions of this Act, PUA § 7-219(f) stipulates that a local jurisdiction may not adopt zoning laws or other laws or regulations that prohibit the construction or operation of front-of-the-meter energy storage devices; or deny site development plans for front-of-the-meter energy storage devices that meet certain

¹⁰³ Witness Lightner adopted the testimony of Witness Matthew Kropp at the August 6, 2026 hearing.

¹⁰⁴ Hr'g. Tr., Day 3 at 342-344.

¹⁰⁵ *Id.* at 366.

requirements. In addition, a local jurisdiction shall expedite the review and approval of site development plans for front-of-the-meter energy storage devices if those plans meet the requirements of this section; and adopt standard processes for the review and approval of site development plans for the construction of front-of-the-meter energy storage devices. The Commission notes that Maryland needs a pathway forward for front-of-the-meter energy storage devices to be installed and operated, not only in Harford County but throughout the State, to meet Maryland's NGEA and ESPA goals. An energy storage facility should not be a prohibited use because there is no applicable definition in the zoning code. The Commission encourages all Maryland jurisdictions to expeditiously address their zoning code definitions and implement energy storage review and approval processes pursuant to RECA as codified in PUA § 7-219(f).

2. Qualitative Analysis

Power Advisory evaluated eight qualitative criteria: project viability, applicant experience, safety plan, financing plan, stakeholder engagement, climate resilience, local economic benefits, and system benefits, in addition to the specific criteria listed in the NGEA. The Fourth Quarter BESS Project ranked the highest with a score of 33.86 whereas Oystercatcher Energy Storage ranked the lowest with a score of 25.12. The Chalk Point Storage Project scored 30.55, Jade Meadow III Battery Storage Project scored 28.71 and the Pulaski Energy Storage Project scored 26.71.

Various stakeholders critiqued Power Advisory's qualitative analysis with OPC Witness Lee providing the broadest critique of the methodology, whereas individual Applicants and other stakeholders critiqued various scoring elements for their particular projects. While we recognize that individual Applicants will disagree with some scores,

the Commission will not address individual scoring elements further in Round 1 since no Application was disqualified or otherwise impaired from receiving an ESCC award based on disagreements with Power Advisory's project qualitative scoring elements.

However, we do feel compelled to address OPC Witness Lee's critique of the qualitative scoring methodology. The Commission does not agree with OPC's restriction of the qualitative evaluation only to projects with BCRs near or above 1.0 and to narrow the elements used in the qualitative evaluation. Power Advisory's qualitative evaluation framework was shaped primarily by NGEA and COMAR requirements along with their extensive experience in other procurements.

The Commission must align award selections with NGEA qualitative requirements. In addition, the Commission concludes that considering a broad range of qualitative factors minimizes hidden risks that quantitative metrics alone cannot capture. Quantitative metrics alone may often overlook critical variables that can determine a project's viability. For example, although Pulaski Energy Storage scored second highest in quantitative factors with a BCR range from 1.46 - 1.50, it was ultimately qualitative factors that led to the project's withdrawal on July 2, 2026: *"Pulaski does not see an economic path forward for the Project given its interconnection results, and therefore respectfully requests to withdraw its Application for consideration in this proceeding."*¹⁰⁶

In summary, the Commission is satisfied with the qualitative scoring methodology employed by Power Advisory in Round 1 and intends to continue using it in Round 2 as modified by any lessons learned from Round 1. We also conclude that Power Advisory's qualitative assessments in Round 1 will better inform Applicants what is expected for qualitative information in their Round 2 RFA responses.

¹⁰⁶ Maillog No. 331743 (emphasis added).

3. Quantitative Analysis

CES conducted a quantitative evaluation consisting of a BCA and a Net Price evaluation for Round 1. The CES BCA compared a RR case against a BAU baseline using PROMOD IV production modeling and a CES proprietary auction simulation tool whereas a sensitivity study was also performed using EmPOWER Maryland projections. The Fourth Quarter BESS Project (both sizes) and the Chalk Point Storage Project (all three sizes) achieved BCRs greater than 1.0 under both the CES BCA and the EmPOWER Maryland sensitivity study, with the largest configurations performing best. The Jade Meadow III Battery Storage Project achieved a BCR above 1.0 under the EmPOWER Maryland sensitivity study but not using the CES BCA, while the Oystercatcher Energy Storage Project BCR remained below 1.0 under both forecasts. CES then performed a Net Price evaluation to determine ratepayer impact, evaluating direct financial costs/benefits and excluding non-bill impacts such as avoided emissions and improved reliability. Projects were scored on their net price delta between the various project configurations. The net price was divided by levelized Maryland electricity load to establish the Levelized Net Credit/(Cost) per MWh and per residential customer.

The Fourth Quarter BESS Project ranked the highest with a score of 70.00 whereas the Oystercatcher Energy Storage Project ranked the lowest with a score of 35.00. The Pulaski Energy Storage Project scored 64.91, the Chalk Point Storage Project scored 55.07 and the Jade Meadow III Battery Storage Project scored 42.75.

The Commission is compelled to address the OPC concerns regarding the accuracy of the quantitative BCR estimates, which rely on various assumptions to derive projected benefits including customer savings. The Commission agrees with OPC that

projected customer savings in the quantitative analysis depends on modeled estimates for Capacity Price Impact and Deemed Capacity Revenue and that these projections may vary based on assumptions regarding future PJM capacity rates, potential market-design revisions, ELCC values and the risk allocation between ratepayers and Applicants.

Witness Adhikari addressed OPC's concerns in his Rebuttal Testimony regarding various modeling assumptions and data sources used for the quantitative evaluation. Overall, witness Adhikari's Rebuttal Testimony affirms the validity of CES's quantitative evaluation, concluding that despite uncertainties in capacity forecasts, ELCC projections, and other modeling assumptions, the consistent BCA framework, modeling tools and sensitivity study provide a sound basis for the Commission to evaluate project cost-effectiveness and ratepayer benefits.

The one thing that both OPC witness Freeman and CES witness Adhikari agree on is that market projections necessarily involve uncertainty, particularly with respect to future capacity prices, ELCC values, and the translation of portfolio-level modeling results to individual projects. Witness Freeman treats that uncertainty as a reason to discount the benefit-cost results and to impose additional conservative adjustments before approving projects, emphasizing that ratepayers should not be locked into fixed ESCC payments if projected market benefits fail to materialize. Witness Freeman's concerns imply that this uncertainty undermines the projections.

Witness Adhikari, by contrast, acknowledges forecast uncertainty but explains that CES used reasonable inputs, year-specific market simulations, PJM data, sensitivity analyses, and professional judgment to produce a consistent evaluation framework appropriate for the timing and purpose of the procurement.

Notwithstanding the impacts that lower ELCC values have on Capacity Price Impact and Deemed Capacity Revenue, there is also an interplay between them:

Mr. Byrd, OPC Counsel

Q. You said a lower ELCC is likely to result in a lower deemed [capacity revenue]?

Witness Adhikari

A. Yes.

Mr. Byrd, OPC Counsel

Q. So there's a circumstance where the ELCC could be lower without the deemed capacity revenue being lower?

Witness Adhikari

A. Yes. So if lower ELCC -- let's say four-hour storage was assigned, we're currently forecasting to have an ELCC value of 25 percent for the 2035, '36 delivery year in a scenario where the ELCC rating is say 10 percent, that means storage projects for that delivery year have a significantly lower capacity value. So the supply curve for that capacity option is it shifts to the left, which means prices would be expected to appear slightly higher. So the interplay, the deemed capacity revenue is a product of the capacity price for that delivery year -- the contracted capacity and the ELCC rating. So well, you have one variable: the ELCC rating that could potentially be lower. And in that scenario, it is possible that there would be some likelihood or some upward pressure on the other variable in that equation: the capacity clearing price. But on balance, I do agree that it is likely to be lower, but there are circumstances where you could have a materially different capacity clearing price, depending on how significant storage resources are as part of the supply stack in the future.¹⁰⁷

Witness Adhikari's response to OPC's cross-examination indicates that while it is true that ELCC values for energy storage and hence Deemed Capacity Revenue could fall in the future as more energy storage is added that participates in PJM capacity markets, these impacts may be offset by how significant storage resources are as part of the supply stack in the future. The Commission also notes that solar and storage reinforce each other. As energy storage ELCCs decline as more storage is added to the PJM grid,

¹⁰⁷ Hr'g. Tr., Day 1 at 80-81.

ELCCs for solar may increase, which would then boost solar capacity accreditation values in PJM, which could also put downward pressure on future PJM capacity clearing prices to the benefit of ratepayers.¹⁰⁸ In the end, successful NGEAtx solicitations will make the Commission a capacity renter. From a capacity renter perspective, lower PJM capacity clearing prices could result in lower NGEAtx Deemed Capacity Revenues than CES projected, thereby potentially making it appear on the surface that the Commission's NGEAtx procurement program costs more than projected. However, this potential impact must be balanced with the benefits ratepayers will receive as more energy storage resources are added to the PJM grid, resulting in downward pressure on future PJM capacity clearing prices.

Finally, uncertainty is used by OPC as a reason to discount some assumptions used in CES' BCA results and replace them with conservative adjustments. Market projections will always contain some level of uncertainty and requiring more certainty through overly conservative adjustments will reduce modeled benefits and make a forward-looking energy solicitation difficult to be successful. The Commission agrees with witness Adhikari that the existence of market forecast uncertainty does not justify wholesale rejection or across-the-board downward adjustment of the CES analysis where the modeling approach is transparent and reasonably accounts for information sufficiently supported by the available record.

¹⁰⁸ See <https://advancedenergyunited.org/blog/what-elcc-is-telling-us-about-pjms-capacity-crunch/> See Advanced Energy United "Analysis of PJM Effective Load Capacity Accreditation Report" dated Mar. 3, 2026.

4. Overall Project Ranking

Power Advisory summarized the scores for each Application for all of the quantitative and qualitative evaluation criteria and listed the relative ranking of the Applications using a range of quantitative/qualitative point allocations from 60%/40% to 80%/20%. The relative ranking of Applications did not change with different quantitative/qualitative point allocations indicating that the relative value and attractiveness of Applications is consistent across a broad range of weights for the quantitative/qualitative evaluation criteria. RWE's Fourth Quarter BESS Project 300 MW Application consistently ranked highest with a score range of 93.86 - 96.93, followed by Pulaski Energy Storage's 135 MW Application with a score range of 82.35 - 87.53 and Chalk Point Reliability Storage LLC's 400 MW Application with a score range of 82.04 - 83.94. The next highest scoring project is Jade Meadow III with a score range of 65.35 - 63.22 followed by Oystercatcher Energy Storage with a score range of 55.12 - 52.56. The Commission is satisfied with Power Advisory's overall project ranking approach.

5. Rate Impacts

The Power Advisory Report provides a Levelized Net Credit/Cost(\$)¹⁰⁹ Per Maryland Residential Customer as follows:

- (1) Oystercatcher Energy Storage Project: (\$77.17);
- (2) Fourth Quarter BESS Project: \$10.35;
- (3) Chalk Point Storage Project: (\$7.61);
- (4) Jade Meadow III Battery Storage Project: (\$4.50); and
- (5) Pulaski Energy Storage Project: \$0.95

¹⁰⁹ A credit is a positive number. A cost is a negative number represented by parentheses, "(...)."

To determine a monthly rate impact from this Levelized Net Credit/Cost Per Maryland Residential Customer, the Levelized Net Credit/Cost has to be converted into an equivalent monthly rate to spread the total present value into equal monthly cash flows while accounting for the time value of money and considering the timing of the benefits and costs. CES has performed this calculation at the Commission's request with the results being:

- (1) Oystercatcher Energy Storage Project: cost increase of 46.36 cents per month per residential customer;
- (2) Fourth Quarter BESS Project; a cost savings 5.81 cents per month per residential customer;
- (3) Chalk Point Storage Project: a cost increase of 4.45 cents per month per residential customer;
- (4) Jade Meadow III Battery Storage Project: a cost increase of 2.53 cents per month per residential customer; and
- (5) Pulaski Energy Storage Project: a cost savings of 0.57 cents per month per residential customer

Actual monthly savings/cost impacts on customer bills will vary from these projections since these estimates are levelized impacts and are based on forecasts and simplifying assumptions.

IX. COMMISSION DECISION

The positions in this case are widely divergent in that the Sierra Club urges the Commission not to delay full approval of all three remaining transmission-connected energy storage projects totaling 940 MW whereas OPC urges full rejection, with other parties holding positions in between. Sierra Club contends that full approval is the best available response to Maryland's rising electricity costs, grid constraints, reliability needs, and statutory energy-storage targets. Conversely, OPC urges the Commission to

reject arguments that general storage policy goals alone justify project approval and to use its statutory discretion to select no project if the remaining proposals do not adequately support affordable and reliable service. The Commission’s decision in this case strikes a balance between these competing views and also aligns with Staff’s recommendation.

When considering the rate impacts and the overall project rankings that reflect the qualitative and quantitative evaluations, the Commission has determined that of the remaining projects in Round 1, the Chalk Point Storage and Jade Meadow III Battery Storage projects are hereby selected to receive ESCC award offers. Combined, these projects will also deliver 440 MW of energy storage capacity in Maryland at a combined estimated monthly levelized cost of 6.98 cents per month per residential customer.

When considering cost effectiveness, the 400 MW Chalk Point Storage Project using a flat 15-year ESCC Term was determined to be the most cost-effective option using both the CES and EmPOWER BCA projections and has several attractive characteristics including being co-located at an existing power plant site in Prince George's County that is approved for PJM surplus interconnection service, among other things. Therefore, the 400 MW Chalk Point Storage Project is granted an ESCC award using a flat 15-year ESCC Term subject to the conditions in the Standard Obligations as described herein.¹¹⁰

¹¹⁰ On September 16, 2026, the Route 202 Neighborhood Coalition, on behalf of the Eagle Harbor, Cedar Haven, and neighboring Tri-County communities, requested a procedural pause to delay final decisions on the approval of ESCCs for the Chalk Point Energy Storage Project until environmental justice, socioeconomic, land use, safety, and emergency response impacts can be thoroughly evaluated (Maillog No. 334415). Letters of support for this request were sent by the Sierra Club, Prince George’s County Group (“PGSC”) (Maillog No. 334456 and Maillog No. 334480, respectively) and the Cedar Haven Civic Association on the Patuxent River, Inc. (Maillog No. 334441). Subsequently on September 24, 2026 the PGSC withdrew its comments in support of a procedural pause and clarified that will continue to advocate for [community] concerns in the appropriate later-stage proceedings, including the application for

In Chalk Point's Reply Brief, it offered to upsize the original 400 MW project to 535 MW at the same ESCC price and guaranteed commercial-operation date. Chalk Point originally made an upsize offer in Colin Schofield's Rebuttal Testimony. In a competitive sealed bidding process, updating a bid after bid opening is generally prohibited to protect the integrity of the bidding process and ensure fairness to other applicants. The RFA states, "Applicants will not have the opportunity to refresh or restate their Application after the Application Window closes."¹¹¹ These upsize offers were not included in response to the RFA, nor evaluated within the bid process and are hereby denied for Round 1. The Commission invites Chalk Point to submit an upsize offer in Round 2.

When considering the 40 MW Jade Meadow III Battery Storage Project, the project using a flat 15-year ESCC Term, despite the project not being cost-effective using the CES BCA assumptions, it was determined to be cost-effective using EmPOWER BCA assumptions. We also conclude that the project has several attractive characteristics, being a combined solar+storage facility located on a reclaimed coal mine in Garrett County that is approved for PJM surplus interconnection service and has already secured a signed GIA, among other things. Therefore, in support of Maryland's policy goals for procuring energy storage, the Commission has decided to grant the 40 MW Jade Meadow III Battery Storage Project an ESCC award using a flat 15-year ESCC Term subject to the conditions in the Standard Obligations as described herein.

When considering the Oystercatcher project, the Commission has concluded that the project is not cost-effective. The project has a BCR below 1.0 using both EmPOWER

construction review and local permitting (Maillog No. 334709). The Commission will take no action on this request since the concerns raised should be reviewed during the Commission's construction approval process.

¹¹¹ See RFA, Section 6.2 "Updates to Applications" at 42.

and CES projections and the estimated cost increase of 46.36 cents per month per residential customer is too costly for ratepayers. When considering Oystercatcher further, we conclude that the project has many desirable electrical characteristics, most notably being 500 MW of energy storage ideally located in the BGE transmission zone at a PJM electrical node location where the connected transmission corridor has experienced historical congestion and constraints. The project also is the only project in Round 1 approved under PJM's RRI interconnection process, which is reserved for projects capable of high-capacity accreditation in desirable electrical locations with the ability to interconnect and speed to market. The Commission hereby invites Cardinal to consider participating in Round 2.

However, as evidenced by the project critiques of the Harford County witnesses and also comments from the participants in the Commission's July 30, 2026 Public Hearing, this project is strongly opposed in the local community. While the Commission does not take a position on many of these local concerns raised now because they are more appropriately addressed during the construction-approval phase, the project should continue to engage stakeholders to address concerns if the project is pursued further in Round 2.

Regarding the acceptance of projects for ESCC awards, the OPC recommended that the Commission negotiate price reductions after sealed bids, the testimony of Witness Dalton during the August 4, 2026 hearing states:

And if there's a two-stage process where parties are submitting a sealed bid, and then there's an expectation that they are going to potentially have to negotiate a price reduction after they submit that sealed price bid, they have to make a decision in terms of what are they gonna hold back so that they can participate in the subsequent negotiation. And it would be up to the Commission or

whoever is negotiating with developers to make sure that through that negotiation that they capture all of that hold back. And if not, then customers won't be as well served as just having a single sealed price bid.¹¹²

The Commission agrees to maintain the integrity of the RFA process to get the most competitive bids for Round 2 so that developers do not hold back on their bids in anticipation of a price negotiation. Therefore, the Commission will not attempt price negotiations at the conclusion of Round 1.

In summary, we have selected two projects with a combined capacity of 440 MW in Round 1, 360 MW short of the NGEA 800 MW Round 1 target. We are disappointed that the Fourth Quarter BESS Project and Pulaski Energy Storage Project withdrew their Applications as their offers were competitive with positive BCA results and projected net savings to ratepayers. However, Maryland will still reap the energy storage capacity benefits since “RWE has decided to pursue an alternative path forward to construct and commercialize the Fourth Quarter Project as planned.”¹¹³

When reflecting on the Round 1 results, the competitiveness of our Round 1 solicitation was limited, but we expect more competitive offers in Round 2. This is due to the fact that the pool of eligible projects will expand to include projects in PJM Cycle 1 that closed April 27, 2026. The results for PJM Cycle 1 include over 40 energy storage New Service Requests (“NSRs”)¹¹⁴ in Maryland entering the PJM interconnection process with a total energy storage capacity exceeding 8,000 MWs. The Commission concludes that this large influx of NSRs in PJM Cycle 1 has the potential to make Round 2 more competitive than Round 1. Therefore, the results for Round 1 should not be used

¹¹² Hr’g. Tr., Day 1 at 29-30.

¹¹³ Maillog No. 333743.

¹¹⁴ Details on specific projects seeking interconnection may be found on the PJM Cycle Service Request Status Page at <https://www.pjm.com/planning/m/cycle-service-request-status>.

by potential Applicants to benchmark the cost-effectiveness ranges of the projects that will likely be accepted in Round 2.

Finding Chalk Point and Jade Meadow to both be cost-effective Projects, having several attractive characteristics, we therefore approve the proposals of both of those applicants, subject to the Standard Obligations set forth in the Appendix to this Order, which we consider to be conditions of our approval as contemplated by PUA § 7-1227(a) and, therefore, not subject to modification without prior Commission approval. If for some reason a Project has a financing issue due to a Standard Obligation set forth in the Appendix, we encourage the Project to notify the Commission as soon as practical but no later than 30 calendar days from the issue date of this Order.

In regards to the terms regarding the escrow account, the Commission has decided to remove language associated with the escrow account from the standardized agreement filed with the Commission on June, 11, 2026 in PC 75. It is clear there is still significant work that needs to be completed such that putting the details as to the operation of the escrow account into the document now would be improper, especially considering they may change. The cover letter associated with the proposed agreement noted that the Work Group has been involved in two separate work streams, one focused on the development of the draft agreement, which was amended and included as within. The second workstream is focused on the establishment of the escrow account and noted that a recommendation regarding the escrow account “cannot be made at this time as there are many complexities involved that still must be addressed.”¹¹⁵ The letter further clarifies

¹¹⁵ Cover Letter, Maryland Standardized Agreement Proposal for Approval of Energy Storage Capacity Credits. PC 75, Jun. 11, 2026, at 3.

that the escrow account, and comments from the hearing indicate, that the escrow account does not need to be in place until October 1, 2028.¹¹⁶

At the hearing Work Group Leader and Senior Commission Advisor, John Borkoski discussed issues such as who will be responsible for the escrow account including that the complexity may make it harder to attract an administrator. It was also discussed at the hearing that the escrow account language may be reduced in the final order; Mr. Borkoski acknowledged that less detail may be acceptable, but stated that the storage projects may want some assurances.¹¹⁷ Evan Vaughn, a representative of Mid-Atlantic Renewable Energy Coalition at the hearing, acknowledged that storage developers envisioned there would be a separate process where the escrow account administrator responsibilities would be determined.¹¹⁸ Colin Schofield, another storage representative, indicated support for a skeletal proposal that defers decision making on how the escrow account will work later, but noted that developers wanted the document to establish a non-bypassable charge because they wanted to be able to point to the funding mechanism behind the revenue stream when taking the document through the financing process.¹¹⁹

One of the key issues that has complicated the escrow account is that the enabling legislation requires suppliers to purchase the energy storage capacity credits. Parties argue that this creates a complication and that it would be simpler for the utilities to pay for the credits. To accomplish this outcome, it was recommended that utilities act as “central agents” and purchase the credits on behalf of the suppliers, which is generally

¹¹⁶ Cover Letter, Maryland Standardized Agreement Proposal for Approval of Energy Storage Capacity Credits. PC 75, Jun. 11, 2026, at 2, indicating the escrow account should be in place by 2028. *See* Hr’g. Tr. at 6, PC 75, Aug. 18, 2026.

¹¹⁷ *See* Hr’g. Tr. at 106, PC 75, Aug. 18, 2026.

¹¹⁸ *Id.* at 113-114 for exchange between Commissioner Suchman and Mr. Vaughan.

¹¹⁹ *Id.* at 116.

supported by all parties except by The Potomac Edison Company (“Potomac Edison”). Potomac Edison challenges the legality of this claiming the law clearly puts the obligation upon the electricity supplier and not the utility.¹²⁰ Most parties generally agree it would be preferable for the General Assembly to enact legislation to make it more clear and less administratively burdensome.

The Commission recognizes that the proposed central agent concept is generally consistent with the law. Although, PUA § 7-1226(a)(1)(ii) places the obligation to purchase storage capacity credits on each electric supplier, PUA § 7-1226(a)(1)(vi) allows for cost recovery through a non-bypassable surcharge on either the distribution or supply rate on a customer’s bill. Therefore, the concept of the utility acting as a “central agent” is not necessarily prohibited, though the Commission acknowledges that there may be concerns if this becomes an obligation for all suppliers to avail themselves of this. The Commission will be delegating the task of working out the details regarding an escrow account to the Work Group to work through this identified concern and address it in the subsequent report to the Commission.

Also as discussed at the hearing, was the Commission’s concern with the document attempting to place obligations upon parties that are not the direct subject of the solicitation. This Order and the subsequent attachment dictate the obligations of the winning storage units and not obligations of other parties, which will be determined once the escrow account structure is finalized.

For all of these reasons, the Commission will remove from the attached obligations discussion of the escrow account, which will continue to be worked upon and edited by parties. This includes the official establishment of the “non-bypassable

¹²⁰ *Id.* at 104.

surcharge.” The Commission will retain the statement that it shall not take any action that would materially impair the timely flow of ESCC Payments to the Project during the ESCC Term of this Agreement, except as expressly provided herein, as clearly the project needs assurance they will receive payment, but how that occurs is still being finalized and frankly, should be the main concern of the projects.

In order to provide the storage units documentation as to how the Commission intends to proceed, the Commission finds either a non-bypassable surcharge or a rider as permitted under PUA § 7–1226 to be the model. We intend to adopt these mechanisms unless changes are proposed by the Work Group and accepted by the Commission in its subsequent decision, or there is a change in law. The Commission also includes the escrow account language in Appendix B, as proposed by the parties, as the strawman the parties should continue to work from as they develop the final escrow account proposal for Commission consideration.

The Commission also supports, to the extent possible, that utilities shall collect and remit payment to the escrow account as this appears to be the simplest approach but will not go so far as to incorporate the language from the RECA as the Commission is expecting further work on this subject.

The Commission notes that the parties or the escrow account administrator, through the request for proposals that will subsequently be issued, need to determine how the escrow account will continue to be funded if a supplier or utility fails to make timely payments. Failure to pay timely is unacceptable and the appropriate financial disincentives in place to prohibit this. That said, failure to pay by any of these parties should not ultimately afford the Project the opportunity to exit its obligations under this

order. This should only occur if the escrow account fails to timely remit or remediate untimely payment to the Project. The Commission also reminds all parties to the case that the liability for untimely payment to the escrow account or payment to the project by the escrow administrator lies with the suppliers, utilities, and the project; not the Commission. This should be reflected in any revised proposal submitted by the Commission.

Therefore, the Work Group is directed to continue to work upon the structure of the escrow account and develop a final recommendation for Commission consideration and acceptance. The Commission has attached the removed escrow language as Appendix B as a strawman for parties to work from. Additionally, as noted previously, the parties thought legislation might be prudent, even if the Commission went forward with the central administrator approach. The Work Group shall provide a status update no later than December 18, 2026, as to their progress on developing the escrow account structure, include any proposed amendments to the statute they believe would allow for a more simple establishment of the escrow account, and provide a timeline for making a final proposal to the Commission regarding the escrow account. The Work Group's timeline shall provide the utilities with enough time to procure an Escrow Account administrator prior to October 2028 and provide certainty to the storage projects as they are developed.

PUA § 7-1224(b)(2) provides that "On or before October 1, 2026, the Commission shall issue a decision on whether to approve one or more proposals in accordance with § 7-1226(c) of this subtitle. After considering the matters raised in this

proceeding for the award of energy storage capacity credits to transmission-connected energy storage devices,

IT IS, THEREFORE, this 1st day of October, in the year Two Thousand Twenty-Six, by the Public Service Commission of Maryland, **ORDERED:**

(1) that the 400 MW Chalk Point Reliability Storage Project and the 40 MW Jade Meadow III Battery Storage Project are both granted an ESCC award using a flat 15-year ESCC Term subject to the conditions in the Standard Obligations;

(2) that Chalk Point's proposed 535 MW upsize option is denied an ESCC award in Round 1 and that Chalk Point Reliability Storage LLC is hereby invited to participate in Round 2 as described herein;

(3) that the Chalk Point Storage Project and Jade Meadow III Battery Storage Project shall notify the Commission within 30 calendar days from the issue date of this Order whether they accept the list of conditions in the Standard Obligations, or if they propose project specific changes to the Standard Obligations before accepting an ESCC award; and

(4) that the Oystercatcher Energy Storage Project is denied an ESCC award in Round 1 and that Cardinal Energy Storage East, LLC is hereby invited to participate in Round 2 as described herein.

/s/ Kumar P. Barve

/s/ Frederick H. Hoover, Jr.

/s/ Bonnie A. Suchman

/s/ Odogwu Obi Linton

/s/ Ryan C. McLean

Commissioner