



Institute for
Policy Integrity
NEW YORK UNIVERSITY SCHOOL OF LAW

May 12, 2021

Andrew Johnston
Executive Secretary
Maryland Public Service Commission
6 St. Paul Street, 16th Floor
Baltimore, Maryland 21202

VIA ELECTRONIC SUBMISSION

Attn.: Case No. 9619 – In the Matter of the Maryland Energy Storage Pilot Program

Subject: Comments of the Institute for Policy Integrity

Dear Secretary Johnston:

The Institute for Policy Integrity at New York University School of Law¹ (Policy Integrity) appreciates the opportunity to submit these comments to the Maryland Public Service Commission (Commission) in response to its April 2, 2021 Notice of Request for Comments on the Energy Storage Working Group’s March 31, 2021 report (Report). Policy Integrity is a non-partisan think tank dedicated to improving the quality of government decisionmaking through advocacy and scholarship in the fields of administrative law, economics, and public policy.

Policy Integrity agrees with the Working Group’s recommendation to modify the calculation of the avoided air pollution emissions and public health “value streams” that a given energy storage project application should consider.² As the Working Group recognized, the hourly marginal emissions data to be provided by PJM Interconnection LLC (PJM) will make it possible to specify how much the charging and discharging of a given energy storage installation avoids CO₂, NO_x, and SO₂ emissions.³ This in turn will support utilities’ compliance with their emissions reporting obligations,⁴ as well as their estimation of the peak-shifting impacts of energy storage installations,⁵ using a relatively simple calculation of net emissions impacts.

¹ This document does not present the views of New York University School of Law, if any.

² See Report at 4–9.

³ *Id.* at 5–7.

⁴ Report at 5 (citing MD. PUB. UTILS. ART. § 7-216(h)(7)(i)(47)).

⁵ *Id.* at 6–7.

The Commission has said that “Understanding how [energy storage] can align with and support Maryland’s clean energy and greenhouse gas reduction goals is an important objective of the Pilot.”⁶ Employing PJM emissions data as recommended by the Working Group will support progress toward this objective, and do so in a way that creates rather than constraining options for implementing policies to address emissions. In this respect, Maryland joins a growing list of states that are committed to pursuing both storage deployment and power sector decarbonization objectives in a way that will establish a solid foundation for policies that will develop over the long-term.

We also encourage the Commission to recognize that it can and should apply more broadly the same principles that inform the working group’s recommendation to use marginal emissions rates reported by PJM to assess the net emissions impacts of energy storage installations. For instance, even if PJM delays or alters its plans for emissions reporting, the Commission could still direct utilities to use alternative methodologies to assess how marginal emissions rates interact with the net emissions impacts of storage.⁷ In the same vein, the Commission could explore options for making net emissions impacts a factor that informs incentives to deploy and compensate *all* distributed energy resources.⁸

Respectfully,

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⁶ Order on Energy Storage Pilot Proposals, Md. Pub. Serv. Comm’n Case No. 9619, at 26 (Nov. 6, 2020).

⁷ See JEFFREY SHRADER, BURCIN UNEL & AVI ZEVIN, INST. FOR POL’Y INTEGRITY, VALUING POLLUTION REDUCTIONS (2018), https://policyintegrity.org/files/publications/Valuing_Pollution_Reductions.pdf2018 (laying out stepwise methodology for valuing avoided emissions); see also MATT BUTNER, ILIANA PAUL & BURCIN UNEL, INST. FOR POL’Y INTEGRITY, MAKING THE MOST OF DISTRIBUTED ENERGY RESOURCES: SUBREGIONAL ESTIMATES OF THE ENVIRONMENTAL VALUE OF DISTRIBUTED ENERGY RESOURCES IN THE UNITED STATES (2020), <https://policyintegrity.org/publications/detail/making-the-most-of-distributed-energy-resources>.

⁸ See JUSTIN GUNDLACH & BURCIN UNEL, INST. FOR POL’Y INTEGRITY, GETTING THE VALUE OF DISTRIBUTED ENERGY RESOURCES RIGHT 9 (2019), https://policyintegrity.org/files/publications/Value_of_DER_Report.pdf.