

BILL: House Bill 1328: Solar Energy and Energy Storage - Development and State Procurement
COMMITTEE: House Economic Matters
DATE: February 29, 2024
POSITION: Letter of Information

Upon review of House Bill 1328: Solar Energy and Energy Storage - Development and State Procurement, the Maryland Department of General Services (DGS) provides these comments for your consideration.

The bill would require DGS to issue a competitive sealed procurement for solar energy every year for ten years. To manage the procurement would require an additional two staff members at DGS, and an additional staff member at the DGS Office of State Procurement to draft and issue the procurement every year and tracking and managing the volumes of solar energy and renewable energy credits (RECs) produced. DGS would need to either hire a vendor who is appropriately licensed or amend our current contracts to include the additional volumes of solar energy. It typically takes about 18 months to complete a procurement, so issuing a procurement every year would require overlapping work on each following year's procurement.

DGS is already issuing a solicitation to purchase all state government's power from offshore wind as directed by the POWER Act. The goal of that legislation is to remove the state from the Renewable Portfolio Standard obligations. If we are to now purchase additional solar energy, it would add to the cost of purchasing power for the state.

This bill requires DGS to annually procure "200 megawatts" of solar power to "meet the state's energy needs." It is unclear if this refers to the energy needs of the state as a whole, or just state government operations. Further, the term megawatt refers to the capacity of a generator, not its production.

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