

February 20, 2024

Education, Energy, and Environment Committee
2 West
Miller Senate Office Building
Annapolis, Maryland, 21401

Public Testimony of Brookfield Renewable on SB 0837, An Act Concerning Deep Creek Lake – Lower Lake Levels – Requirements and Impact Study

Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and Environment Committee:

Brookfield Renewable respectfully submits these comments in opposition to SB 0837, which would require Brookfield Power Piney & Deep Creek LLC to lower the level of Deep Creek Lake for a period of at least four weeks each winter from 2024-2028. While Brookfield Renewable supports efforts to improve the health and safety of Maryland's waterways, we are concerned that this proposal fails to consider the merits of the existing processes and could have unintended consequences for communities and businesses in Garrett County.

In Maryland, Brookfield Renewable's 20 MW Deep Creek hydropower facility provides renewable, carbon-free power, local tax revenues, recreational opportunities, and both direct and indirect jobs in Garrett County. Brookfield Renewable owns 1,441 MWs in PJM and has 120 employees in the PJM territory and supports 460 indirect jobs across the region and pays more than \$48,000 in property taxes and \$10,000-\$40,000 in donations within Maryland annually, which provides critical funds for local schools, fire departments and public services. This bill will severely impact our operations and imposes risk on our Deep Creek facility and the benefits it provides to the community.

While we support efforts to preserve the health and safety of Deep Creek Lake, there is no evidence to suggest that lower lake levels will create that result. In February 2022, the Deep Creek Watershed Foundation released its three-year study outlining the water drawdown efficacy in reducing Submerged Aquatic Vegetation (SAV) and its implications. The study's findings

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were inconclusive in terms of the efficacy of drawdowns.¹ In fact, for some SAV, the review found that mild drawdowns of this nature show less impact on SAV density and could have the opposite effect, potentially increasing macrophyte richness.² The study also found that “the timing and duration of drawdowns can negatively impact species by compressing life histories and changing food web structure”.³ Since this review, there have been no material changes that would provide the rationale for legislation to unilaterally bypass robust permitting processes currently in existence.

Brookfield Renewable currently holds a water appropriation permit with the Maryland Department of Energy (MDE) that outlines our operational requirements. This review is conducted every 12 years and includes a process to balance all applicable stakeholder concerns. In the previous permit cycle, approximately 18 stakeholder groups weighed in and 62 members of the public attended meeting to provide input. The provisions in this bill could also result in possible deviations from requirements in that permit. In the past, Brookfield facilitated reasonable requests from Garrett County regarding the water levels. Most recently, Brookfield lowered the water level during the initial phase of the Arrowhead cove sediment dredging project. While we welcome further discussions, the Legislature should defer these decisions to conclusions from robust stakeholder processes to ensure that all voices are heard, and all implications are thoroughly examined.

The Legislature must also consider the potential consequences of lowering the water band, including impacts to downstream fish comfort requirements, recreational boating, and the white water rafting community. This bill would harm our ability to uphold our regulatory and stakeholder obligations both upstream and downstream that must be balanced, in addition to providing an essential service in ensuring that clean, reliable power is delivered to homes and businesses throughout the region. As noted above, Brookfield is a significant owner and operator of hydro generation in PJM. Lowering the water band jeopardizes our ability to meet obligations to the electric grid and inject power during crucial winter months where the risk of outages and

¹ Argent, David. “Water Drawdown Efficacy and Implications.” The Deep Creek Watershed Foundation, February 2022.

² Ibid., at p.10

³ Ibid., at p.18

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extreme weather events are frequent. In fact, as a result of Winter Storm Elliot in 2022, the Federal Energy Regulatory Commission (FERC) recently approved changes to the PJM capacity market that, among other things, improves PJM's modeling of reliability risk during the critical winter period.⁴ Cold weather events during the winter are typically longer in duration and therefore have a higher potential of negatively impacting grid reliability.⁵ During these winter events, PJM relies on resources with short start-up times and consistent run times, like our Deep Creek hydro-electric facility to meet demand during peak-hours.⁶ Reducing Deep Creek's availability during PJM's peak winter period could have a negative impact on reliability in the Deep Creek area of PJM.

Finally, this bill could have costly impacts to a relatively small, economically sensitive facility in the state. By our estimate, this draw down requirement could result in approximately \$100,000 in additional costs annually (a cumulative loss of \$400,000 over the four-year period).

In other words, this bill may result in i) risks to the current and future operations of the hydropower dam, which supports family-sustaining jobs, local taxes and recreation within the watershed and generates energy necessary to meet Maryland's laudable policy goals and ii) costly impacts to the recreation communities and the health of the grid. It would also circumvent a well-established stakeholder process and substantially shift operating parameters in the middle of licenses previously issued by the state without adequate evidence while ignoring study results that indicate there is no substantially positive benefit to the lake. The Legislature must avoid this outcome and the related consequences. Thank you for your consideration of our comments. Please don't hesitate to contact me directly to discuss this issue further.

⁴ FERC Docket No. ER24-99-000, Order Accepting Tariff Revisions Subject to Condition, January 30, 2024.

⁵ North American Electric Reliability Corporation, 2023-2024 Winter Reliability Assessment, November 2023.

⁶ PJM Learning Center, How PJM Schedules Generation to Meet Demand, <https://learn.pjm.com/three-priorities/keeping-the-lights-on/how-pjm-schedules-generation-to-meet-demand>

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Sincerely,

A handwritten signature in black ink, appearing to read "Prusha Hasan". The signature is stylized with a large initial "P" and a long horizontal stroke extending to the right.

Prusha Hasan
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