



**Written Testimony of the National Hydropower Association Regarding SB 837
House of Delegates, Environment & Transportation Committee
April 1, 2024**

Chair Korman, Vice Chair Boyce, and Members of the Environment and Transportation Committee, I submit this written testimony to you on behalf of the National Hydropower Association (NHA) to express our concern regarding SB 837. NHA is a non-profit national association dedicated to securing hydropower as a clean, carbon-free, renewable, and reliable energy resource that serves the nation's environmental and energy objectives. Our membership consists of more than 320 organizations, including public and investor-owned utilities, independent power producers, equipment manufacturers, and professional organizations that provide legal, environmental, and engineering services to the hydropower industry. NHA members are excited about the opportunities for hydropower to contribute to a 100% clean energy economy in Maryland.

SB 837's implications for the hydropower industry will be profound and result in new barriers to clean energy projects in Maryland. We urge you to reject this legislation for the following reasons:

It risks the renewable, baseload electricity provided by Deep Creek and existing hydropower in Maryland and chips away at grid reliability.

The lower water levels outlined in SB 837 would decrease the amount of generation from a uniquely flexible resource during critical months for the PJM grid. When the sun goes down or the wind isn't blowing, hydropower rushes in to fill the gaps and balance the grid in seconds. As greater levels of renewable generation come onto the Maryland grid, hydropower's role as a flexible source takes on even greater importance. For example, in the Spring of 2020, when a nuclear unit tripped offline in New England, the lights in Boston didn't flicker due to the ability of Bear Swamp (another Brookfield hydro plant) and Northfield Mountain to provide 1700 MWs of on-call generation. Resources like the Deep Creek facility provide essential grid



services such as energy, capacity, reserves, and regulation. More recently, hydropower played a critical role in PJM during Winter Storm Elliot over the 2022 Christmas holiday, where the grid operator relied on flexible resources to keep the lights on. PJM, in turn, found that hydropower had a 95% availability factor in its most recent analysis. This bill threatens the benefits provided by hydropower and handicaps a flexible resource.

It creates a harmful precedent for the clean energy industry in the state.

This bill will allow one stakeholder group to unilaterally dictate a clean energy resource's operating parameters instead of relying on the robust permitting process through Maryland's Department of Environment. Bypassing this tried-and-true process creates risk for existing businesses and uncertainty for future clean energy projects. Legislation is not the appropriate vehicle to adjust operating parameters for hydropower resources that cannot fully evaluate risks associated with operating changes without reasonable time and study. The permitting process also allows for robust stakeholder involvement while this bill largely leaves the public out of the decision-making process.

It creates regulatory uncertainty and harms Maryland's clean energy goals.

Instead of preserving and enhancing the waterpower industry, this bill will create a precedent that is diametrically at odds with Maryland's clean energy goals. To continue to invest in Maryland, clean energy businesses and investors need a permitting system that is efficient and definitive to create jobs, invest capital, and deploy pollution reducing technologies. Allowing a bill to create arbitrary permit requirements undermines investor certainty and jeopardizes continued economic and environmental benefits. Hydropower is an important part of the clean energy transition, both in terms of its flexibility to integrate higher levels of wind and solar and its baseload renewable generation. The value it provides should be protected through sustainable business policies.



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Thank you for your attention to these concerns.

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