



Committee: Economic Matters

Testimony on: HB0398 – Abundant, Affordable, Clean Energy – Procurement and Development (AACE Act)

Organization: Maryland Legislative Coalition Climate Justice Wing

Submitting: Frances Stewart

Position: Favorable

Hearing Date: February 6, 2025

Dear Mr. Chair and Committee Members:

Thank you for allowing our testimony today in support of HB398. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, urges you to vote favorably on HB398.

For many years, Maryland residents and businesses have had fairly stable electricity costs. Now, in large part because of problems with our grid operator PJM, costs are increasing rapidly. Increasing electricity demand due to high-intensity energy use facilities like data centers plays a major role. PJM has been slow to bring more energy onto the grid. Many developers have proposed new renewable energy and storage projects, but the PJM interconnection queue is so long that [hundreds of projects](#) have been in limbo for years. Some of those projects will never be built because the long delays have made them unviable for investors.

This has caused a mismatch between supply and demand that has dramatically increased capacity prices. In the most recent PJM capacity auction, there was an [800% increase](#) that will be passed on to Maryland ratepayers.

The Abundant, Affordable Clean Energy or AACE Act provides a comprehensive, no-regrets path to ensuring resource adequacy in Maryland while also protecting ratepayers and workers. The solutions in the bill can be implemented more quickly than ill-conceived resource adequacy proposals like new gas-fired power plants and untested small modular nuclear reactors which would inevitably take longer to come online and jeopardize the state meeting its climate requirements. The AACE Act will:

- Provide abundant energy by increasing energy generation and storage in Maryland
- Increase clean energy by bringing more wind and solar projects online
- Enhance grid reliability by creating a market for battery storage, improving financing for solar projects and transmission for offshore wind energy
- Create new family-supporting local jobs

- Keep energy affordable by making procurement of clean energy more competitive and efficient and improving Maryland's supplier diversity and energy independence
- Protect ratepayers by using funds from the Renewable Portfolio Standard Alternative Compliance Payments and state energy use and franchise tax generated from data centers to offset higher electric costs.

Finally, the bill will provide alternate state funding for Calvert Cliffs nuclear facility, should it no longer be profitable and cease to have access to a Federal Production Tax Credit. While we have concerns with the high cost of nuclear power and the associated waste disposal, the bill would help Constellation justify investing in a license extension for Calvert Cliffs in 2034 and 2036, thus remaining online as a carbon-free source. These subsidies could cost Maryland taxpayers \$200 million or more per year, or \$4 billion over the term of the subsidy, however it is a better path than building and operating new greenhouse gas-emitting gas-fired power plants.

For all of these reasons, we strongly support HB 398 and urge a FAVORABLE report in Committee.

350MoCo

Adat Shalom Climate Action

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry

Chesapeake Earth Holders

Climate Parents of Prince George's

Climate Reality Project

ClimateXChange – Rebuild Maryland Coalition

Coming Clean Network, Union of Concerned Scientists

DoTheMostGood Montgomery County

Echotopia

Elders Climate Action

Fix Maryland Rail

Glen Echo Heights Mobilization

Greenbelt Climate Action Network

HoCoClimateAction

IndivisibleHoCoMD

Maryland Legislative Coalition

Mobilize Frederick

Montgomery County Faith Alliance for Climate Solutions

Montgomery Countryside Alliance

Mountain Maryland Movement

Nuclear Information & Resource Service

Progressive Maryland

Safe & Healthy Playing Fields

Takoma Park Mobilization Environment Committee

The Climate Mobilization MoCo Chapter

Unitarian Universalist Legislative Ministry of Maryland

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