

The Abundant, Affordable, Clean Energy Act (AACE)

What This Bill Does



Abundant Energy

- Generate more energy in Maryland and increase the storage capacity of Maryland's electric distribution and transmission systems, which will benefit customers and enhance reliability.



Affordable Energy

- Protect ratepayers from increasing energy prices, make procurement of clean energy more competitive and efficient, and improve Maryland's supplier diversity and energy independence.



Clean Energy

- Bring more clean energy from solar and wind projects online in Maryland, improving our grid's capacity and reliability.

Why This Bill Matters

New industries like **Artificial Intelligence (AI), data centers, crypto mining, and cannabis cultivation** will increase our energy demand and strain existing infrastructure much more than beneficial electrification to cars and buildings.

Without action, our grid capacity may not be able to meet these increasing demands, let alone do so while keeping electricity rates affordable and achieving our renewable energy target of 50% by 2030. According to the U.S. Energy Information Administration, clean energy supplied just 12% of Maryland's total in-state electricity in 2022.

With the AACE Act, we have the opportunity to meet rising demand for electricity with clean energy technologies, protect and create family supporting local jobs, build health and wealth across the state, and incorporate labor standards into all projects.

The AACE Act will better position Maryland to meet the climate crisis by creating a framework for the quicker adoption of clean energies, ensuring affordability and reliability in our energy system.

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Maryland Energy Landscape

Maryland is part of an electricity grid shared by 13 states and the District of Columbia, managed by an organization called PJM Interconnection (PJM), which is supposed to ensure sufficient and affordable energy. In high demand periods when PJM is worried the grid does not have the capacity to generate enough electricity, it increases the price of electricity or **capacity prices**.

PJM has managed new electricity generation ineffectively, doing a **worse job than any other grid in the nation** at bringing wind and solar onto the grid. PJM's backlog of clean energy projects that are proposed and waiting to connect to the grid is so long that since 2020 it has stopped allowing new projects to even enter the queue.

The way PJM has constructed its market rules, along with its inability to timely deploy new clean electricity generation, **caused capacity market prices to increase by 800% this year, which will increase many Maryland households' average electric bills by hundreds of dollars a year, starting this June**. There are many steps Maryland can take to accelerate the growth of renewable energy and battery storage, to better serve the grid and keep rates down. The AACE Act includes some of the most vital steps, and will help lower prices by rapidly deploying more solar, wind, and batteries.

We must take a no regrets approach to this moment. The AACE Act will:

- Create a market for battery storage projects that are coming out of the PJM queue
- Change the way we finance solar projects and thereby support more solar deployment
- Direct transmission for offshore wind to address Maryland load
- Support the relicensing of Calvert Cliffs nuclear facility
- Introduce new ratepayer protections using funds from the RPS's Alternative Compliance Payments (ACPs) and state energy use & franchise tax generated from data centers

