

BILL NUMBER: House Bill 398  
Abundant Affordable Clean Energy – Procurement and  
Development - (AACE Act)

COMMITTEE: Economic Matters Committee

HEARING DATE: February 6, 2025

SPONSOR: Delegate Charkoudian

POSITION: Favorable

Dear Chair, C.T. Wilson and Members of the Committee,

As a professional electric power engineer and Maryland resident concerned with the effects of climate change, I ask for a Favorable Report on HB 398.

The Act is comprehensive and practical in its requirements.

1. Energy Storage Deployment – The combination of energy storage with clean power generators (solar and wind) can provide supplemental energy in the next few years. Continued improvement and innovation will make these technologies and newly invented ones provide the energy needed by Marylanders in the future. These distribution-connected storage devices can be installed quickly since they would be installed at the electrical level that is the purview of the State and not subject to PJM’s arcane rules.
2. Zero-Emission Credits (ZEC) for Nuclear Energy – Although not “clean” energy when factoring in waste and mining, this form of energy would not contribute to GHG emissions locally.
3. Offshore Wind Energy Development – Although the Trump administration will be putting a hold on all offshore wind development, Maryland should be making determinations and commitments to be “shovel ready” for an administration change in 2029.
4. Renewable Energy Procurement & Incentives – Solar generation is Maryland’s best chance to reduce our dependence on out-of-state fossil fuel generation. HB 398 requires procurement of renewable energy credits (RECs) in a specific order, prioritizing offshore wind and small-scale solar projects.
5. Transmission Energy Storage Procurement – requires energy storage levels that will make a real dent in our dependence on out of state generation with the goal of 1,600 MW of front-of-the-meter transmission energy storage.
6. Changes to Compliance Fees & Escrow Account - Moves alternative compliance payments from the Maryland Strategic Energy Investment Fund to a PSC-managed escrow account. Funds collected will be redistributed to electricity consumers.

7. Data Center Tax Revenue Adjustments - Redirects 75% of franchise tax and sales tax revenue from qualified data centers to fund clean energy programs.

8. Procurement Reform & Legislative Fast-Track Process - Expands procurement authority for state agencies on energy, climate, and greenhouse gas reduction projects. Creates a fast-track procurement process for legislative-mandated consulting contracts.

The requirements listed above and others in the Act will help secure Maryland's future as a state that provides the power citizens and businesses need to function while honoring our laws that protect the environment.

Thank you,

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