



February 4, 2025

**MAREC ACTION TESTIMONY HB0398: FAVORABLE WITH AMENDMENTS**

Chair Wilson, Vice Chair Crosby, members of the Economic Matters Committee,

**MAREC Action** (informally, “Mid-Atlantic Renewable Energy Coalition”) writes in strong support of HB0398, the **Affordable Abundant Clean Energy Act** (AACE). Directionally, the AACE legislation addresses key problems facing Maryland’s electricity supply. While there are some amendments that we believe would help clarify and strengthen the legislation, we urge the Committee’s support to provide us with additional time to work with the Committee and the Sponsor. MAREC Action is a coalition of over 50 utility-scale solar, wind, and battery storage developers and manufacturers dedicated to the growth and development of renewable energy across the PJM grid region.

Maryland’s demand for electricity is rising at a time when capacity market supply is diminishing due to retirements and Reliability-Must-Run arrangements. Consumer costs will rise dramatically and changes should be made to both reform capacity market function and, importantly, increase supply of electricity and dispatchable resources. Maryland’s near-term interconnection queue is almost entirely comprised of solar and storage. Maximizing the deployment of these projects is the most viable pathway to deploy new in-state resources and suppress consumer costs through the end of the decade.

Most significantly, the AACE Act takes concrete action to establish a procurement program for 1,600 megawatts (MW) of firm energy storage capacity in Maryland’s near-term PJM queue. This capacity includes 900 MW of storage capacity that will be out of the PJM queue by the middle of 2026—faster than any other dispatchable energy resource. Creating a pathway to market for these projects will directly increase capacity supply and reduce capacity market prices. These projects are the least speculative firm capacity additions that Maryland can invest in over the next 3-4 years.

The AACE Act’s procurement mechanism for storage follows a similar regulatory construct to the longstanding Offshore Renewable Energy Credit (OREC) program wherein the PSC would consider competitive proposals and select a project or projects with the best value for ratepayers through a regulatory order. The



portion of storage capacity contracted under this framework would act as a hedge for Maryland ratepayers to shield from future capacity market volatility. Increasing the availability of capacity in Maryland will also have a price suppressive effect on the capacity market, reducing the overall impact of capacity prices on all customers. Other benefits of deploying these storage resources would include deferred or avoided investments in transmission lines built purely for reliability reasons and expensive peak demand serving natural gas facilities.

Solar provisions in the AACE Act would establish a competitive process for the solicitation of utility-scale solar projects. We support this portion of the legislation directionally, but it is important to note that amendments are needed to clarify the integrity of the existing REC market. Ultimately, Maryland solar deployment will benefit from predictable incentive policy where prices are free to follow market demand.

As it relates to offshore wind, we are strongly supportive of provisions in the AACE Act that provide additional authority for the PSC to pursue long-term transmission planning in coordination with other states. These kinds of projects can address multiple needs for Maryland ratepayers beyond offshore wind. The PSC could, for example, explore coordinated transmission investments with Delaware that bring reliable offshore wind power to shore, open up new land-based energy development opportunities, and deliver clean electrons into the BGE (Baltimore) zone where the greatest demand exists to replace retiring fossil fuel generators.

Thank you for considering our testimony, we ask that you take a favorable position on this legislation to allow refinements to continue throughout the session.

Best regards,

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