



HB 398- ABUNDANT AFFORDABLE CLEAN ENERGY ACT

TESTIMONY OF BRITTANY BAKER, MARYLAND POLICY DIRECTOR AT THE CHESAPEAKE CLIMATE ACTION NETWORK

Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee,

Clean energy projects in Maryland are being delayed by insufficient planning practices at PJM, the Regional Transmission Organization that manages energy in our state. By keeping clean energy projects in a queue that takes several years of waiting to receive approval, PJM is effectively creating an unnecessary energy shortage that benefits the fossil fuel industry and puts ratepayers in a situation of uncertainty. Further, our current structure for incentivizing the clean energy transition is broken. Very few new clean energy projects are being constructed in the state other than distributed solar projects. The current structure uses Renewable Energy Credits and seeks to protect rate-payers by setting a cap (in the form of Alternative Compliance Payments) on what REC price would be paid. However, because of the high prices in REC markets, utilities have ended up paying Alternative Compliance Payments instead of buying RECs. The result is that rate-payer funds have not effectively been invested in the development of new clean energy, especially considering that the ACP funds are not being used to build out new clean energy.

The Abundant Affordable Clean Energy Act (AACE) codifies clean energy solutions to reinvigorate Maryland's clean energy portfolio, with the ultimate goal of generating more power in the state. The package of changes that are included in HB398 will lower utility bills in the near future, build more truly clean energy in-state, and reform clean energy incentive structures in order to maximize their potential and protect ratepayers. The hallmark of the bill is the emergency procurement measures that will allow the state to deploy utility scale battery storage buffers as "no regrets" solutions that solve Maryland load problems as these projects exit the PJM queue in the upcoming years. Without this particular legislation, these projects will likely not be constructed.

Furthermore, this legislation includes labor standards that ensure the clean energy transition opens the door for family sustaining jobs that will grow Maryland's economy and provide for Maryland families.

The Abundant, Affordable Clean Energy Act is the complete package. It is highly compatible with the Resource Adequacy and Planning Act and the Renewable Energy Certainty Act. AACE, however, is the only legislation under consideration during this legislative session that will lower utility bills in the near future, resolve the energy congestion issue in the Baltimore City region, and allow Marylanders to receive money back on their utility bills in order to ease their energy burdens.

I respectfully request a favorable report on HB398