

SB950 (HB1217) Pavlak FWA

Natural Gas Generating Facilities – Authorization

THE THREAT:

- Electric power system stability and rolling blackouts
- Maryland needs proven baseload capacity

ROOT CAUSE ANALYSIS

- MD RGGI has made in-state fossil fuel noncompetitive with cheap imports
- The main barrier is not regulatory
- The cheapest solution is a temporary incentive for natural gas

AMENDMENT #1: Sharpen the purpose, the original purpose assumes that the barrier is regulatory:

FOR the purpose of ~~authorizing~~ the construction, ~~permitting~~, and operation of natural gas generating facilities in the State until the State meets a certain percentage of its energy needs from renewable energy resources; ~~requiring the Maryland Energy Administration to work with the owners and operators of natural gas generating facilities in the State to decrease the production of energy from natural gas after the State meets a certain percentage of its energy needs from renewable energy resources; and generally relating to natural gas generating facilities.~~

AMENDMENT #2: A temporary quick fix

Exempt up to 2 GW of new natural gas generation from the requirement to purchase RGGI carbon allowances for 10 years.

BENEFITS

- Eliminates the fuzzy parts of the bill.
 - What exactly is 50% of State energy needs?
 - How to negotiate plant retirement? Expiring tax exemption subjects the plants to RGGI induced retirement pressure.

