



February 13, 2025

Chair Brian J. Feldman
Members of the Senate Education, Energy, and the Environment Committee

Re: Earthjustice **support** of SB 316:
Abundant Affordable Clean Energy - Procurement and Development (AACE Act)

Earthjustice¹ strongly supports the passage of SB 316, the Abundant Affordable Clean Energy - Procurement and Development Act (“AACE Act”). The AACE Act would create a market for battery storage projects, change the way Maryland finances solar, protect ratepayers from increasing energy prices, make procurement of clean energy more competitive and improve Maryland’s energy independence.

Maryland residents are facing an energy affordability crisis. Utility bills are rising as the cost of living increases, further straining already stretched households and businesses. The gas rates of BGE and Columbia Gas have increased significantly since 2010, with BGE’s rates tripling during the period and Columbia Gas rates increasing more than three times the rate of inflation.² Electric rates for Maryland’s Exelon utilities have also increased well above the inflation rate.³ Unfortunately, this problem isn’t going to get better soon. According to BGE, Marylanders should expect to see another combined increase for gas and electric service of over 12% by June 2025 – this will look like an additional \$26 on a \$210 residential bill.⁴ Fortunately, the Economic Matters Committee can pass the AACE Act, which will rein in energy spending, increase energy affordability, and secure Maryland’s energy future.

While policymakers have made steady progress toward a future where renewable energy is supported by a reliable electric grid and widely available to consumers at a low cost, that progress is now being stymied by the failure of Maryland’s grid operator to adequately do its job. Maryland is part of an electricity grid shared by 13 states and the District of Columbia, managed by an organization called PJM Interconnection (PJM). PJM’s goal is to ensure these states have

¹ Earthjustice is a non-profit public interest environmental law organization that represents other non-profits free of charge. Earthjustice uses the power of law and the strength of partnerships to advance clean energy, combat climate change, protect people’s health and preserve magnificent places and wildlife.

² Maryland’s Utility Rates and Charges, Report of the Maryland Office of People’s Counsel, at 6 (June 2024).

³ Id. at 10.

⁴ 3 Think Your BGE Bill is High? Rates are Rising, Tim Prudente and Hayes Gardner, Baltimore Banner, Jan 5, 2025.

access to 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.

To say that PJM has ineffectively managed adding new electricity generation to the grid is a massive understatement. PJM is doing a worse job than any other grid in the nation at bringing wind and solar generation onto the grid. New energy projects looking to come online in the PJM region face years-long wait times before they're even considered. Wind, solar and battery projects account for 95 percent of the 250 gigawatts in its interconnection queue — as much prospective clean energy as now exists in the entire country. At the end of 2023, PJM had 3,309 projects — mostly solar and battery storage — waiting to connect to the grid.

This failure directly affects energy affordability. The results of PJM's latest annual electricity market auction, which is supposed to ensure there is enough generation to meet demand, were appalling. The auction produced a price of \$269.92/MW-day for most of the PJM footprint, compared to \$28.92/MW-day for the 2024/2025 auction. This 800% price increase will have a massive ripple effect across PJM's 13-states, including in Maryland. The total capacity bill for the region will increase from \$2.4 billion to about \$14.7 billion, which could increase customer bills by as much as 29% starting mid-2025.

This backlog is unnecessarily driving up electricity costs for Marylanders and unfortunately there is no reason to believe that PJM can significantly expand its interconnection capacity anytime soon. Now, Maryland is left scrambling to procure energy from other sources and to find creative ways to meet its energy demand.

The AACE Act represents a creative approach to improve energy affordability in Maryland. By AACE, the General Assembly has the opportunity to meet the rising demand for electricity with less expensive clean energy technologies, all while protecting consumers and creating family supporting local jobs. AACE recognizes that clean energy is an economic opportunity.

The AACE Act will create a market for battery storage projects by requiring each electric utility to develop a plan to achieve that utility's assigned proportion of battery storage necessary to achieve Maryland's battery storage goals, change the way Maryland finances solar projects, improve transmission plans for offshore wind to ensure Maryland has access to that generation.

Battery storage is the fastest way to respond to Maryland's current resource challenges. Batteries, combined with solar and wind energy, can store power when the grid doesn't need it and discharge it when it's in short supply — something that's already happening regularly in states like California and Texas. Batteries can also help meet fast-rising demand from corporate energy buyers like data center developers. The AACE Act will require the Commission to conduct two procurements for a total of 1600 MW of battery storage, generating more energy in Maryland and increasing the storage capacity of Maryland's energy grid.

The AACE will also improve Maryland's Renewable Portfolio Standard's Solar Renewable Energy Certificate process to allow for competitive procurement for utility scale

solar. This change should ensure efficient and orderly development of utility scale and distributed solar across Maryland.

This year, the General Assembly has the ability to put money back into the pockets of families. Maryland legislators can pass legislation that improves energy affordability across Maryland while building out battery storage and renewable energy. If the Economic Matters Committee wants to take concrete steps to improve the economic lives of Marylanders, the Committee should enact the AACE.

Finally, Earthjustice thanks Senator Brooks for his leadership on this important issue.

Earthjustice strongly urges a favorable report for SB 316.

Thank you in advance for your support. Should you have any questions, please contact me at smiller@earthjustice.org.

Respectfully submitted,

A handwritten signature in blue ink that reads "Susan Stevens Miller". The signature is written in a cursive, flowing style.

Susan Stevens Miller
Senior Attorney, Clean Energy Program
Earthjustice