

Thursday, February 20, 2025

TO: Brian Feldman, Chair Education, Energy, and the Environment Committee; and Committee Members
FROM: Humna Sharif, The Nature Conservancy, Climate Adaptation Manager; and Michelle Dietz, The Nature Conservancy, Director of Government Relations
POSITION: Support SB 434 Empowering New Energy Resources and Green Initiatives Toward a Zero-Emission (ENERGIZE) Maryland Act

The Nature Conservancy (TNC) supports with amendments SB 434 offered by the Administration and Senators Brooks, Ellis, and Watson. TNC appreciates Governor Moore and the Administration's ongoing leadership in setting a 100% clean energy standard for Maryland. Clean energy can be produced cheaper and safer than non-renewable energy generation methods. The ENERGIZE Act would reduce fossil fuel generating sources' adverse health and climate impacts and promote clean energy development in Maryland.

SB 434 renames the Renewable Energy Portfolio Standard as the Clean Energy Portfolio Standard; this includes Tier 1 and Tier 2 renewable sources as well as nuclear energy generating facilities and small modular reactors. The bill also sets a statewide goal in achieving 100% clean electricity. We know that the existing renewable energy portfolio and current offshore wind leases will not satisfy our state's clean energy goals. SB 434 seeks to enable construction of at least 3000 MW of electricity from clean energy generation sources including a mix of solar, wind, geothermal, and nuclear. This bill aims to increase energy independence for our state. Incentives for clean energy deployment will also protect our state against fossil fuel prices' volatility.

SB 434 takes a phased approach for implementing clean energy projects and amends the clean energy portfolio to make up at least 60.5% of the state's energy mix in 2025. This number steadily increases annually to 75% by 2030, with energy being sourced from a mix of Tier 1 and Tier 2 sources. While the state has a goal of 100% clean energy, this bill only sets the pathway up to 75% clean energy. Though some uncertainty is to be expected in the energy mix for the state beyond 2030, **TNC recommends bill language reflecting a target date for achieving 100% clean energy.**

SB 434 sets nuclear energy procurement guidelines for new projects in place, including a 90-day minimum open application period for interested parties to submit proposals. This legislation requires nuclear project applicants to include a cost-benefit analysis with components such as anticipated environmental benefits, health benefits, and environmental impacts of the project on Maryland residents. Additional requirements are an impact analysis for residential, commercial, and industrial ratepayers over the life of the project and any long-term effect on energy and capacity markets as a result of the project.

TNC supports providing a path forward to address resource adequacy in Maryland to meet current and future electric load requirements and to alleviate the burden on ratepayers. **TNC recommends amendment language to include provisions from the Abundant Affordable Clean Energy (AACE) Act (SB 316/HB 398) within this legislation.** The AACE Act's proposed pathway brings on new energy projects that will serve Maryland's load requirements within this decade on a least-cost basis, while allowing flexibility to respond to potential shifts in future energy markets through rapid, low-cost, and flexible solutions.

The AACE Act is complimentary to SB 434 in many ways, though the AACE Act drafted a methodology to refresh and "right size" incentives for new renewable energy projects in the state. TNC would like to see these pieces reflected within SB 434, specifically concerning Maryland's historic REC and SREC incentives. These incentives have been a powerful tool to jumpstart renewable generation in the state, but the "one-size-fits-all" approach often results in incentives that are mismatched to specific projects' needs. **Within SB 434, TNC requests including the SREC-II and REC-II provisions of the AACE Act.** These provisions will ensure that individual clean energy

projects can receive the incentives they need to come online, while also preventing unneeded incentives from being passed through to ratepayers.

We urgently need more energy, but we also need that energy to be clean and readily available. **TNC requests that SB 434 be amended to maximize the inclusion of all clean energy pathways available to our state and include battery storage in the legislation.** Energy storage can be built faster to address our supply and demand challenges within a shorter time frame. [In the last decade, solar photovoltaic costs have fallen by 90%, batteries' cost decreased by 90%, and onshore wind by 70%.](#)

The Nature Conservancy thanks the Administration and Senators Brooks, Ellis, and Watson for introducing this legislation. Our intent in sharing these amendments within this testimony is to support Maryland's swift and secure transition to a fully clean energy future – as is the goal of SB 434. We look forward to continuing to work with leaders in the state to support implementing programs coming out of this legislation.

Therefore, we urge a favorable with amendments report on SB 434.