

Senate Bill 434 - Empowering New Energy Resources and Green Initiatives Toward a Zero-Emission (ENERGIZE) Maryland Act

Baltimore Gas and Electric Company (BGE) supports *Senate Bill 434* with amendments. This bill aims to establish a state goal of achieving 100% clean electricity and redefines the Renewable Energy Portfolio Standard (RPS) as the Clean Energy Portfolio Standard (CEPS). The CEPS expands the definition of "clean energy" to include nuclear energy and reduces the emphasis on offshore wind. It mandates progressive increases in clean energy targets, starting with 60.5% by 2025 and reaching 75% by 2030, incorporating solar, geothermal, offshore wind, and nuclear energy. *Senate Bill 434* also establishes a process for the Public Service Commission (Commission) to review and approve applications for proposed nuclear energy generation projects, including outlining a pricing schedule for nuclear energy.

BGE fully supports the goal incentivizing in-state generation, including nuclear generation, to meet near-term energy supply and demand challenges in the State. The bill appears poised to support new nuclear generation in the state by providing long-term financing for the energy produced. However, we recommend revising the pricing structure for nuclear projects as envisioned in this legislation.

Senate Bill 434 requires utilities to enter into long-term pricing arrangements to stabilize revenue streams for nuclear power plants amidst fluctuating electricity prices. However, nuclear projects are inherently complex and susceptible to delays or cancellations and potential cost overruns. Furthermore, *Senate Bill 434* retroactively alters provisions of the Renewable Portfolio Standards with exempting existing contracts.

To address these potential concerns, BGE recommends two amendments that offer protections to electricity customers and energy markets. *HB 505* should:

- 1) Grant the Commission flexibility to alter long-term pricing schedules and limit cost overruns to avoid ratepayer impacts. This flexibility will help ensure that energy remains affordable and reliable in the long term.
- 2) Remove retroactive RPS provisions and grandfather existing arrangements to protect existing standard offer service contracts for future delivery.

With these amendments, BGE supports *HB 505* and respectfully requests a favorable report.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.



Position Statement

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