

Written Testimony

SB 316 - FAVORABLE

Brian Sailer

Conservative Energy Network

Email: brian@flywheelgs.com / Ph:202-695-0841

SB 316 - Abundant, Affordable Clean Energy Procurement and Development (AACE Act)

Economic Matters Committee

February 6th, 2025

Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy and Environment Committee,

On behalf of my organization, I urge a favorable report on HB0398.

The Conservative Energy Network (CEN) was formed in 2016, and is a national leader in advancing American-made, clean energy solutions, to address our country's energy, economic, and environmental security. From state capitols to local county government, CEN is the conservative vanguard helping to promote market-based, pragmatic and achievable policy and programs to secure America's energy future.

Maryland faces a critical energy crisis, with timelines slipping to implement and achieve the aggressive clean energy goals and mandates the legislature has set. Unfortunately, while state leaders continue to say there is a climate emergency and continue to accelerate our climate goals, goals are not a strategy – and the state lacks a cohesive, pragmatic and realistic strategy. The state is significantly behind in meeting its basic milestones towards deployment of clean energy generation, and is still reliant on importing nearly 40% of its energy from out of state. This is a significant threat to individual ratepayers ability to afford to stay in Maryland, and does not help Maryland keep existing businesses thriving or in attracting new businesses to the state. Action must be taken now to maximize the benefits of a diverse energy portfolio to meet our resource adequacy goals. The future of Maryland's economic security and stability rests in this legislature's hands.

In the fall of 2024, PJM's 2025/26 Base Residual Auction (BRA) resulted in staggering and unprecedented pricing increases, with most of the regional seeing 10x the previous year price. In the case of Baltimore Gas & Electric (BGE) in Maryland, pricing soared to \$466.35/MW-day (\$170,217.75/MW-year), a 538.84% increase from the previous year (\$26,645). This explosive cost-curve is unsustainable without significant new in-state generation and investment in grid modernization.

Maryland must prioritize technology and solutions that are market competitive, and not reliant on heavy subsidies, and our government should not be picking winners and losers. Competition always lowers costs – and Maryland should promote the advancement of nuclear, solar, storage, innovative technologies that leverage natural gas with reduced carbon emissions (i.e., solid oxide hydrogen fuel cells) and support new transmission by prioritizing reconductoring over new transmission, which could see lengthy delays due to

siting opposition. The legislature should also focus on expedited permitting reform – in many cases, the same people who are advocating for clean energy are now standing in the way of siting projects in rural areas where land owners are trying to seed project development. In many cases, agricultural land owners are trying to grow energy, for economic reasons and to preserve their farms from ever-increasing housing and commercial development. State nor local authorities need to work with these communities to ensure a level-scale of equity and justice applies to economic opportunity.

While HB398 is not comprehensive roadmap, it does help address key elements of the strategy to achieve our shared goals, and offers a path forward path forward to addressing resource adequacy in the state. It helps deploy more energy faster, and ease the burden on ratepayers. AACE enables and expedites the development of a wide array or new energy projects that can serve Maryland's ever-increasing load requirements. The AACE Act provisions allow for project flexibility, focused incentives to spur development, ensuring that energy projects will directly benefit the state's energy requirements, directly benefiting ratepayers.