HoCoClimateAction.org
Howard County, Maryland

Testimony for: HB1532 - Continuing the Next Generation Energy Act
Bill Sponsor: The Speaker and Chair Korman and Delegate Fraser-Hidalgo
Committee: Environment and Transportation
Organization Submitting: Howard County Climate Action
Person Submitting: Monica Oconnor
Hearing Date: March 3, 2026
Position: Favorable with Amendments

Dear Chair, Vice Chair and Committee Members,

HoCo Climate Action is a 350.org local chapter and a grassroots organization representing approximately 1,400 subscribers. We are also a member of the Climate Justice Wing of the Maryland Legislative Coalition. Our organization works with residents and ally organizations to promote a safe climate and clean energy future. Specifically, we have worked extensively on building electrification to help Maryland achieve its ambitious climate goals, including net-zero emissions.

We support the HB1532 provision that lowers the maximum monthly energy demand that is required for a certain large load customer to qualify for a specific rate schedule from 100 MW to 25MW and support some provisions on Multiyear Ratemaking and EmPOWER Maryland. We recommend changes to the Power Plant Research Program as well. We do not support the provisions related to subsidies to nuclear generation. Our comments and recommended changes/ removal of provisions are as follows.

Empower - Recommendations
We support the provisions that would consider transitioning the utility-implemented Empower program to a third-party and doing an assessment is a reasonable way to move forward. We too are concerned that utilities are not running EmPOWER in the most cost-effective way; however, the language in Section 7–225 (b) (6) could exacerbate this problem and potentially limit program offerings. We recommend that Section 7–225 (b) (6) be removed from the bill.

Multiyear Ratemaking -Recommendations
We support the bill language that will address the reconciliation process in multiyear rate plans (MYRP) by proactively preventing reconciliation through a "cost-sharing mechanism." However, we are concerned that a "forecasted rate" process could increase rates based on projected spending. This would shift the financial risk from investors to ratepayers and could exacerbate project overspending and subject ratepayers to a possible reconciliation request. We recommend fully ending the reconciliation process by adjusting language to read "*a multiyear rate plan or a rate plan that utilizes a future test year."* We also recommend fully prohibiting forecasted ratemaking.

Power Plant Research Program - Recommendation amend the section on suitable energy sites

In Section 3 of the bill we recommend stipulating that the 50 priority energy sites be limited to renewable energy generating stations or energy storage devices. We recommend this change, because most of the old or decommissioned generating sites are located in environmental justice areas that have been already overburdened with fossil fuel emissions and the associated negative health effects.

<u>Nuclear - Recommendation to Remove</u>
HB1532 has provisions that would subsidize nuclear energy to the detriment of ratepayers. In addition, implementing a procurement structure for new nuclear generation will not bring new generation to Maryland for years if not decades. Allowing a 15% cost overrun functions basically as a subsidy through an incentive to overspend. This bill sets the stage for further cost increases, which the original Next Generation Energy Act prohibited.

Another negative provision in the nuclear section of the bill is that it changes the definition of "Zero-Emissions Credit" to make it extremely vague and potentially far more expensive. HB1532 would price ZECs according to the reactor's "environmental impacts." This is not defined in the bill —i.e., how environmental attributes would be monetized. This was done in NY and has enabled the cost of ZECs to skyrocket, projected to reach $2 billion/year under the 20-year extension the New York Governor just signed. Essentially, NY turned the Social Cost of Carbon from a way to evaluate the impacts of climate change that could be avoided into a way to force consumers to pay for huge subsidies to nuclear power plants.

Also, it is not even clear what will replace the original cost recovery mechanism for new reactors in the Next Generation Energy Act revisions. It seems like the new version of ZECs would be an additional subsidy on top of that; either that or it will create a huge loophole to make the ZECs cost whatever is needed to cover the reactors' costs, regardless of the approved cost limits.

For these reasons, we urge the Committee to vote **favorably with amendments** on HB1532.

Howard County Climate Action
Submitted by Monica O'Connor, Steering and Advocacy Committee
www.HoCoClimateAction.org
HoCoClimateAction@gmail.com