

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 820 (Delegate Wu, *et al.*)
 Economic Matters

Nuclear Energy Development Task Force

This bill establishes a Nuclear Energy Development Task Force, staffed by the Maryland Energy Administration (MEA), to study specified barriers and incentives related to nuclear energy development in the State and develop/make related recommendations. The task force is required to report its findings and recommendations to the Governor and the General Assembly by December 30, 2025. The task force’s report must include specified recommendations pertaining to the creation of a permanent nuclear energy commission in the State. **The bill takes effect June 1, 2024, and terminates June 30, 2026.**

Fiscal Summary

State Effect: No effect in FY 2024. Special fund expenditures increase by \$114,400 in FY 2025 and \$51,200 in FY 2026. Revenues are not affected.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	114,400	51,200	0	0	0
Net Effect	(\$114,400)	(\$51,200)	\$0	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: None.

Analysis

Bill Summary: The task force must:

- identify the barriers to the deployment of nuclear power generation resources and other related technologies in the State, including regulatory, statutory, financial, social, environmental, workforce, and educational barriers;
- develop recommendations that a permanent nuclear energy commission may use to address the barriers to the deployment of nuclear power generation and other related technologies in Maryland;
- consult with any federal, state, or local agencies, nonprofit organizations, private industry representatives, or other stakeholders on the role of a permanent nuclear energy commission in the State;
- study whether different types of incentives should be created for different levels of nuclear development, including customer-sited residential and nonresidential, aggregated net metered, community nuclear, and utility scale nuclear, based on cost variance and other factors; and
- make recommendations on incentives and other actions needed for the deployment of nuclear power generation resources and other related technologies, including incentives and other actions to ensure that the State meets its net-zero greenhouse gas emission goals and other specified objectives are fulfilled.

In its report to the Governor and General Assembly, the task force must include recommendations on the following: (1) the organizational placement of a permanent nuclear energy commission within a unit of the State; (2) the commission's staffing needs; (3) the commission's mission statement and short- and long-term goals; and (4) the commission's role in fostering the development of the nuclear power industry in the State.

To the extent practicable, the membership of the task force must reflect the gender, racial, ethnic, and geographic diversity of the State. Members of the task force may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations. The director of MEA must designate the chair of the task force.

Current Law:

Climate Solutions Now Act

The Climate Solutions Now Act (CSNA) (Chapter 38 of 2022) made broad changes to the State's approach to reducing statewide greenhouse gas (GHG) emissions and addressing climate change. Among other things, the Act accelerated previous statewide GHG emissions reductions targets originally established under the Greenhouse Gas Emissions

Reduction Act, requiring the State to develop plans, adopt regulations, and implement programs to (1) reduce GHG emissions by 60% from 2006 levels by 2031 and (2) achieve net-zero statewide GHG emissions by 2045.

CSNA required the Maryland Commission on Climate Change to establish an Energy Resilience and Efficiency Working Group to (1) advise the commission on issues and opportunities related to energy infrastructure improvements, transmission efficiency improvements, and battery backup viability and (2) conduct a study of, among other things, the lifespan and viability of energy facilities in the State that do not emit GHG, including solar, nuclear, wind, geothermal, hydroelectric, and biofuel energy generating facilities. CSNA required the working group to report to the General Assembly on the findings of the study by December 31, 3023.

CSNA also requires the Public Service Commission to report, by December 1, 2024, and each December 1 thereafter, on information regarding the current status of electric distribution system evolution, including information on electric distribution system planning processes and implementation that promote, among other things, measures to decrease GHG emissions incident to electric distribution, including high levels of distributed energy resources.

2020 Power Plant Research Program Study

Chapter 757 of 2019 required the Power Plant Research Program to conduct a [study](#), by January 1, 2020, of nuclear energy and its role as a renewable or clean energy resource that can effectively combat climate change in the State.

State Expenditures: Special fund expenditures increase by \$114,375 in fiscal 2025, which reflects a 30-day start-up delay. This estimate reflects the cost of hiring one full-time contractual employee to staff the task force and provide technical expertise. MEA indicates that existing staff do not have the necessary expertise regarding nuclear energy. The estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1.0
Salary and Fringe Benefits	\$106,849
Other Operating Expenses	<u>7,526</u>
Total FY 2025 State Expenditures	\$114,375

Fiscal 2026 expenditures reflect termination of the contractual position after the task force's report is completed.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

The Department of Legislative Services notes that costs may alternatively be incurred for contractual services, to hire a consultant to assist the task force, in place of a contractual employee, if it is determined by MEA to be more appropriate.

This analysis assumes that MEA can use special funds from the Strategic Energy Investment Fund (SEIF), MEA's primary funding source, to cover the costs of implementing the bill. While this bill does not expressly reallocate other, existing SEIF revenues/spending in order to support the costs of implementing the bill, the net impact on SEIF expenditures resulting from the bill may be less than the amount of the costs identified above if MEA correspondingly reduces other SEIF spending in order to implement the bill.

Any expense reimbursements for task force members are assumed to be minimal and absorbable within existing budgeted resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 805 (Senators Brooks and Klausmeier) - Education, Energy, and the Environment.

Information Source(s): Maryland Association of Counties; Maryland Municipal League; Maryland Energy Administration; Public Service Commission; Department of Legislative Services

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