

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 840 (Senators West and Hester)
Education, Energy, and the Environment

Maryland Stadium Authority - Electricity Generating Facilities - Site Planning

This bill requires the Department of Natural Resources' (DNR) Power Plant Research Program (PPRP), in consultation with specified State agencies, to study and recommend to the Governor's Energy Subcabinet, by October 1, 2027, 5 to 10 sites that are suitable for rapid development of electricity generating facilities with a cumulative capacity of more than 3,000 megawatts. After assessing the sites identified by PPRP, the subcabinet must recommend to the Maryland Stadium Authority (MSA) the sites for which MSA should complete feasibility studies. By December 1, 2027, the subcabinet must report its findings and recommendations to the Governor, the General Assembly, and specified committees of the General Assembly. By June 30, 2028, MSA must complete a feasibility study for each recommended site and submit each study (and other specified information) to the Legislative Policy Committee (LPC) and the Board of Public Works (BPW). **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures for MSA increase by up to \$3.1 million in FY 2028, as discussed below. General/special fund expenditures for DNR increase by \$180,100 in FY 2027 and by \$42,500 in FY 2028. Other State agencies can provide support to DNR with existing budgeted resources. Revenues are not affected.

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

Small Business Effect: Minimal or none.

Analysis

Bill Summary: “Electricity generating facility” means a facility that is designed to generate electricity to be supplied to the State’s electrical grid. An electricity generating facility includes (1) a nuclear power facility; (2) a hydroelectric facility; (3) a fossil fuel powered facility; (4) a solar generating facility; (5) a wind generating facility; and (6) a geothermal generating facility.

In carrying out the required study, PPRP must consult with the Maryland Energy Administration (MEA), the Department of Commerce, the Maryland Department of the Environment (MDE), the Maryland Department of Planning (MDP), and the Strategic Energy Planning Office (SEPO). PPRP’s recommendations to the Governor’s Energy Subcabinet must prioritize sites that would accommodate the highest generation capacity.

When submitting a feasibility study to LPC and BPW pursuant to the bill, MSA must also provide a description of how the planned electricity generating facility for each planned facility (1) will provide for the needs of Marylanders, Maryland businesses, hospitals, schools, and all other electricity users in the State; (2) will provide electricity at reasonable prices that are comparable to those paid in surrounding states; (3) is consistent with the State’s commitment to promote clean air, clean water, and a clean environment; and (4) will result in emissions that are lower than the average emissions for the PJM region.

Current Law:

Maryland Stadium Authority

MSA was established in 1986 as an independent unit in the Executive Department to be responsible for the construction, operation, and maintenance of facilities for use by professional baseball and/or football teams. In 1992, legislation was enacted, which assigned to the authority the responsibility for expansion of the Baltimore City Convention Center. MSA’s responsibility was further extended in 1995 when legislation was enacted to have MSA participate in and manage construction of the Ocean City Convention Center. Legislation in 1996 authorized MSA to participate with Montgomery County in the construction of a conference center, and in 2000, MSA was authorized to participate in construction of the Hippodrome Performing Arts Center in Baltimore City. Since then, MSA has been authorized to construct a variety of other projects and facilities. MSA may, in fact, prepare studies and manage any type of construction project for local governments and State agencies upon request and approval by the General Assembly.

Governor's Energy Subcabinet

The Governor's Energy Subcabinet was established pursuant to Executive Order 01.01.2025.27, which directs executive agencies to take immediate actions to stabilize utility bills, improve grid reliability and efficiency, provide recommendations to the Maryland General Assembly, and accelerate cost-effective energy deployment while maintaining affordability and reliability for the people and economy of Maryland.

Broadly, the subcabinet must:

- coordinate interagency policy and oversee the implementation of the executive order;
- meet at least quarterly to align State resources and ensure that energy policy decisions support the State's energy affordability, reliability, economic competitiveness, and environmental goals;
- review and provide comments on major energy-related legislative or administrative concepts proposed by the Moore-Miller Administration;
- convene a workgroup under the subcabinet to identify opportunities to modernize Maryland's transmission infrastructure;
- establish an Energy-Site Readiness Workgroup to implement the Energy Site-Readiness Initiative (which PPRP is directed to establish in coordination with other State agencies), to (1) publish an inventory of previously disturbed land parcels which are pre-vetted as potentially suitable for rapid energy deployment and (2) for priority sites, conduct preliminary environmental and interconnection feasibility assessments, subject to available funding; and
- establish a Federal Opportunities Working Group to identify, track, and support competitive grant applications under the Infrastructure Investment and Jobs Act, the Inflation Reduction Act, and other federal programs that align with the objectives of the executive order and the State Energy Plan.

State Expenditures: General/special fund expenditures for DNR increase by \$180,051 in fiscal 2027 and \$42,524 in fiscal 2028 to conduct the required study. General fund expenditures for MSA increase by up to \$3.1 million in fiscal 2028 to complete feasibility studies on any sites recommended by the Governor's Energy Subcabinet. Other State agencies can provide support to DNR, as needed, with existing budgeted resources.

Department of Natural Resources

General/special fund expenditures for DNR increase by \$180,051 in fiscal 2027, which accounts for the bill's July 1, 2026 effective date. This estimate reflects the cost of hiring one part-time (50%) contractual site assessor to oversee the study and coordinate with other

State agencies. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The estimate also includes \$120,000 in costs to engage an independent consultant to perform GIS mapping and other technical components of the study. DNR advises that PPRP cannot complete the required study with existing resources and must retain a consultant and contractual staff to do so.

In general, special funds from the Environmental Trust Fund are used to fund a significant portion of PPRP’s operations. PPRP also receives funding from the Strategic Energy Investment Fund in the fiscal 2027 budget as introduced (see the *Governor’s Fiscal 2027 Budget Books, Volume I*, p. 462). However, PPRP’s workload and costs have been increasing and, to the extent sufficient special funds are not available to cover PPRP’s costs under the bill, general funds may be required to cover a portion or all of the costs.

Contractual Positions	0.5
Salary and Fringe Benefits	\$51,604
Consultant Expenses	120,000
Other Operating Expenses	<u>8,447</u>
Total FY 2027 DNR Expenditures	\$180,051

Future year expenditures reflect (1) a salary with annual increases and employee turnover; (2) annual increases in ongoing operating expenses; (3) consultant costs of \$30,000 in fiscal 2028; and (4) the termination of the contractual position on October 1, 2027 (concurrent with PPRP’s deadline to complete the study and make recommendations to the Governor’s Energy Subcabinet).

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.

Maryland Stadium Authority

MSA advises that it must engage an energy consultant to assist with completing the feasibility studies required under the bill and, depending on the number of studies it must conduct, may also need to hire contractual staff. MSA further advises that if feasibility studies are required for more than three sites, existing staff cannot absorb the additional workload and a project manager would need to be hired. MSA estimates that it incurs \$300,000 in consultant costs to conduct each feasibility study. Thus, if 10 sites are selected by the Governor’s Energy Subcabinet for MSA to study, overall consultant expenses for the feasibility studies are estimated at \$3.0 million. The Department of Legislative Services notes, however, that the number of sites MSA is ultimately required to study is uncertain, as PPRP may recommend between 5 and 10 sites and the subcabinet may direct MSA to complete feasibility studies for some or all of them.

Accordingly, general fund expenditures for MSA increase by up to \$3.1 million in fiscal 2028, reflecting consultant costs of \$300,000 per feasibility study completed (with up to 10 such feasibility studies that may need to be completed) and, if needed, up to \$100,000 to hire contractual staff. For purposes of this analysis, it is assumed that all of MSA's costs are incurred in fiscal 2028.

Other Agencies

In completing its study and making recommendations to the Governor's Energy Subcabinet, PPRP must consult with the following State agencies: MEA, Commerce, MDE, MDP, and SEPO. Each of those agencies can provide support to PPRP, as needed, using existing budgeted resources.

Additional Information

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

Designated Cross File: None.

Information Source(s): Department of Commerce; Maryland Department of the Environment; Department of Housing and Community Development; Department of Human Services; Department of Natural Resources; Maryland Department of Planning; Board of Public Works; Maryland Department of Transportation; Maryland Energy Administration; Public Service Commission; Maryland Stadium Authority; Legislative Services; Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2026
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