



Maryland Chapter

7338 Baltimore Avenue, Suite 102
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Committee: Economic Matters

Testimony on: HB336 - “Renewable Energy Development and Siting (REDS) – Evaluations and Tax and Fee Exemptions”

Position: Favorable With Amendments

Hearing Date: February 28, 2020

The Maryland Sierra Club supports HB336 subject to the amendments specified below.

Proposed incentives for “clean or renewal energy” facilities: The bill would establish: a fee waiver for participating in the state’s Voluntary Cleanup Program by building a facility on a brownfield site; and a franchise tax exemption for public-private partnership facilities if at least 30% of the energy is bought by the public partner, and is built on a rooftop, parking lot, landfill, or other distressed site.

The Sierra Club strongly supports incentives for clean renewable energy facilities in preferred locations. Maryland is highly vulnerable to climate change, and must take urgent action to reduce greenhouse gas emissions. The electricity sector is Maryland’s second largest source of greenhouse gas emissions. As other sectors including transportation are electrified, it will be increasingly important to reduce greenhouse gas emissions from electricity production.

The bill should be amended, however, to clarify that the new incentives would be available only for clean energy projects (e.g., wind, solar, and electricity storage). As written, the incentives could be made available for projects that are “renewable” but not “clean,” that is, projects that emit carbon and other pollutants. Incentivizing such projects would directly undermine the state’s climate and pollution goals.

Proposal to require the Public Service Commission to “evaluate any material change to a clean or renewable energy generating station for which a certificate of public convenience and necessity is required”: This provision is ill formed and potentially harmful, and should be amended out.

It would discriminate against the very projects the bill seeks to incentivize by requiring evaluations of material changes to clean or renewable energy projects, but not for non-clean, nonrenewable energy projects. In particular, singling out clean energy projects in this manner makes no policy sense.

Moreover, it is our understanding that the PSC already has the flexibility to review significant project changes, but making this into a statutory mandate could render the PSC process more rigid and cumbersome, and thus interfere with the responsible and timely development of clean energy projects. Maryland should recognize and promote the rapidly improving technology that characterizes clean renewable energy – for example, more efficient solar panels that create the possibility of generating more clean energy from a given size array; new materials allowing more efficient propellers for wind turbines that generate more energy from a given site; and increasingly affordable and scalable energy storage battery technology.

For these reasons, we support a favorable report on this bill only if it is amended as indicated.

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Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has approximately 70,000 members and supporters, and the Sierra Club nationwide has more than 800,000 members.