

# UTILITY-SCALE SOLAR ENERGY COALITION OF MARYLAND



## Economic Matters

February 28, 2020

### CARES (HB 363)

#### Opposed

Chairman Davis and members of the Committee, the Utility-Scale Solar Energy Coalition of Maryland (USSEC) comprises solar energy developers dedicated to responsible development of solar energy generation in Maryland.

While we commend the Hogan Administration for joining in the General Assembly's ongoing effort to clean up our electricity grid, USSEC urges that you **OPPOSE** HB 363 in its current form for two reasons.

First, HB 363 actually represents a reduction in new renewables vs. current law. By including hydroelectric power and in-state nuclear power in the calculation of the annual renewable mandate, HB 363 would represent a reduction in annual clean energy demand. For example, under current statute, Maryland requires ~30.8% of its power come from renewable sources in 2021. Under CARES, once existing nuclear and in-state hydroelectric power are deducted from the now higher topline renewable requirement in 2021, the comparable renewable energy required under HB 363 would be ~25% vs. ~30.8% under current law. This dynamic, which extends through the full term of the current RPS in 2030, is further exacerbated to the extent that existing out-of-state hydroelectric power qualifies under CARES currently structured. In short, HB 363 represents a reduction in clean energy vs. current law while appearing to increase clean energy requirements over the next decade.

Secondly, by linking nuclear power production to the state's existing Renewable Portfolio Standard (RPS), HB 363 would make Maryland's clean energy goals a function of the amount of nuclear power generated in any particular year, adding uncertainty and complexity to a well-functioning and high-fidelity RPS mechanism and weakening the stimulating effect Maryland's RPS construct has on the annual addition of new renewable energy sources.

While USSEC acknowledges there is debate about the environmental and climate benefits of nuclear power, we urge the Committee to oppose any policy that would allow existing nuclear generation to become intertwined with the RPS Tier 1 compliance market mechanism. And while we applaud the Hogan Administration's stated desire to bolster clean energy additions, HB 363 does the opposite vs. current law and should thus be **OPPOSED**.

We thank you for your consideration.

Submitted on behalf of USSEC:

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