

March 5, 2020

The Honorable Dereck E. Davis
 Chair, Economic Matters Committee
 Room 231, House Office Building
 Annapolis, MD 21401-1991

Re: House Bill 1545- Oppose

Dear Delegate Davis:

Talen Energy (Talen) submits this written testimony on House Bill 1545. Talen is an Independent Power Producer which owns approximately 15,000 Megawatts (MW) of fuel-diversified generation throughout the United States, including the Brandon Shores and H.A.Wagner generation facilities in Anne Arundel County, Maryland, which provide 2,200 MW of generation capacity – enough to power two million homes – in the critical BGE transmission zone. The plants employ 260 people and pay approximately \$7 million in taxes annually. Talen opposes this bill for the following reasons:

- **Job Loss and Economic Impact** - Coal plant jobs, and the jobs of those secondary groups who support these plants, will be nearly impossible to replace. These are lifelong careers for hundreds of individuals throughout the State, as well as ancillary jobs associated with vendors, outage workers (up to 500 laborers support annual outages to the benefit of the local economy) and local small businesses including trucking companies, suppliers, landscapers, and service providers. Losing these plants would result in hundreds of people looking for employment in a significantly smaller job pool. Gas plants require 20-30 workers and renewables rarely have more than a handful of dedicated staff, if any. This will put a significant strain on families, where these workers are oftentimes the breadwinner, and transition funding will not bridge the gap. It will also impact the local economy, which will stand to lose the benefits of a significant economic driver and taxpayer.
- **Limited Reductions in Carbon Emissions** – Brandon Shores and H.A.Wagner plants are currently emitting zero carbon, because they aren't running. These plants are around for reliability as capacity resources. In 2020, we project the plants to be running at an equivalent of full capacity for only 14 days, but being there and available to run is crucial to provide power in times of need, acting as an insurance policy for the State and making these critical resources for Maryland. Closing these plants will not reduce carbon emissions in a meaningful way.
- **Loss of Critical Resources** - HB1545 may force coal plant closures before replacement sources and their required infrastructure are built and available. During the last PJM Capacity Auction, Brandon Shores and H.A.Wagner represented approximately 80% of the available generation within the BGE zone. According to PJM's recent electric reliability analysis, the Baltimore/Washington DC area already requires PJM to deploy special operating actions during periods of high demand in order to maintain reliability. Retirement of Maryland's coal plants within that area would cause overloads in the transmission systems and lead to significant delays in restoration of the grid during a blackout. Ensuring there is a plan to replace this generation and the time required to perform the necessary upgrades/buildouts of transmission lines to carry power from other sources of generation prior to setting a closure date is critical because once these plants are shut down, their generation cannot be brought back online.
- **Effects of Other Legislation on Availability of Transition Funds**- Maryland has a wide range of policies to reduce greenhouse gas emissions from power plants. Brandon Shores and H.A.Wagner have invested \$1 billion in pollution controls already and new SO2 limits are starting in January 2021, which will further decrease emissions. A market-based transition to cleaner power will further reduce emissions from power plants in the coming years.

Forcing the premature closure of these plants will not make a significant impact in the State's efforts to reduce carbon emissions however it will put hundreds of family-sustaining jobs at risk, as well as remove the State's key source of reliable backup power without a replacement in place. It is important to understand the tradeoff being made and negative impact on your constituents if this bill is enacted. For these reasons, Talen respectfully requests you give HB1545 an **Unfavorable Report**.

Thank you,



Debra L. Raggio
 Senior Vice President Regulatory and External Affairs Counsel