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Senate Bill 265 – Clean and Renewable Energy Standard (CARES)

SUPPORT

Senate Finance Committee

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Testimony By:

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Senate Bill 265 - Clean and Renewable Energy Standard (CARES) will revolutionize the way Maryland has looked at building and growing clean and renewable energy in and around our State. The key tenets of CARES are to:

- Require 100% clean electricity by 2040,
- Create a technology-neutral, market-based approach to spur energy and environmental innovation,
- Focus on homegrown energy, environmental stewardship, economic growth, and jobs,
- And do this while minimizing the burden to Maryland's ratepayers.

The CARES program will save ratepayers more than \$70 million by 2030. It is also estimated to create over 2000 jobs and over \$420 million in economic benefits, over and beyond the Clean Energy Jobs Act.

The specifics of the CARES initiative include the addition of a Clean Energy requirement, which will layer on top of the existing Renewable Portfolio Standard (RPS). These clean energy sources would be required to be sourced in Maryland, and be zero- and low-carbon sources such as:

- Hydropower coupled with maintaining environmental stewardship
- Existing and new nuclear power (dependent on relicensing?)
- Efficient natural gas power with carbon capture, utilization and storage (CCUS) technology
- New efficient combined heat and power (CHP)/cogeneration systems
- Any other efficient technologies that are zero-carbon sources (hydro, small nuclear)

Similar to the existing RPS system, Maryland utilities would purchase Clean Energy Resource Certificates (CERCs) to meet the annual requirements, with the requirements growing over time to the 100% requirement in 2040.

CARES would remove “black liquor” (burning of paper residue left over from the milling process) and trash incineration from inclusion in Tier 1 resources. The only paper mill in the State was closed this past year, thus all of the “black liquor” RECs would be generated by out-of-state producers, thus not even providing the job benefits which Maryland was realizing.

Clean electricity by 2040 can be accomplished with very little, if any, increase to ratepayers, by replacing some RPS capacity with clean sources that are recognized through CARES.

All of these actions will place Maryland at the forefront of moving toward 100% clean energy, while doing it in an affordable and reliable way that also looks to create these jobs right here in Maryland.

For those reasons, we would ask for a favorable report of Senate Bill 265 – Clean and Renewable Energy Standard.