

February 25, 2020

The Honorable Delores G. Kelley
Chair, Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401-1991

The Honorable Paul G. Pinsky
Chair, Education, Health, and Environmental Affairs Committee
2 East, Miller Senate Office Building
Annapolis, MD 21401-1991

Re: Senate Bill 887- Oppose

Dear Senator Kelley and Senator Pinsky:

Talen Energy (Talen) submits this written testimony on Senate Bill 887. 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. Because of economics, in 2020 we project the plants to be running at an equivalent of full capacity for only 14 days, usually to provide power in times of need, acting as an insurance policy for the State and making these critical resources for Maryland.
- **Loss of Critical Resources** - The energy market is already transitioning away from coal-fired generation towards lower CO2 and renewable sources. However, SB887 may force closures before the replacement sources 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. In order to avoid unintended consequences, any decision to close the plants should only be made after a fulsome study by PJM and the Maryland PSC. Ensuring there is a plan to replace this generation and meet the State's demand is critical because once these plants are shut down, their generation cannot be brought back online.
- **Effects of Other Legislation** - 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 SB887 an **Unfavorable Report**.

Thank you,



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