

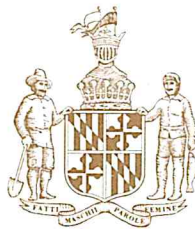
STEPHEN S. HERSHEY, JR.

*Legislative District 36*  
Caroline, Cecil, Kent, and  
Queen Anne's Counties

—  
MINORITY WHIP  
—

Finance Committee

Executive Nominations Committee



James Senate Office Building  
11 Bladen Street, Room 420  
Annapolis, Maryland 21401  
410-841-3639 · 301-858-3639  
800-492-7122 Ext. 3639  
Fax 410-841-3762 · 301-858-3762  
Steve.Hershey@senate.state.md.us

*The Senate of Maryland*  
ANNAPOLIS, MARYLAND 21401

March 10, 2020

The Honorable Delores G. Kelley  
Finance Committee  
Senate Bill 890- Clean Energy Attribute Credits and Procurement

Dear Madam Chair and Members of the Committee:

Senate Bill 890 is being introduced as an alternative, market-based solution to help Maryland meet or even exceed its clean energy goals faster and at a lower cost than other options.

This bill evolves our existing RPS Program to meet the more aggressive clean energy targets being discussed. It relies on the trade of clean energy attributes, which are similar to the renewable energy credits that are traded today to meet Maryland's RPS.

This bill does several things:

- It sets a new clean energy standard that would get us to 100% clean energy by 2040.
- It allows companies and customers to voluntarily purchase more clean energy if they choose.
- It creates a central auction process that would buy clean energy credits three years before they would need to be delivered to allow time for new generation resources to be built.
- All carbon free electricity generators would compete to sell their clean energy attributes at the lowest possible cost.
- New clean energy resources can lock in the price for seven years, creating a stable revenue stream that will help them get financing to build their projects.

Senate Bill 890 will help to ensure that Maryland can meet its decarbonization goals as quickly and at the lowest cost available.

Rather than being a complete departure from our current approach to securing renewable energy, this proposal builds on our existing RPS program and positions Maryland to be a leader in its pursuit of a clean energy future. Maryland will be able to do this by relying on the market to meet those goals, ensuring that Maryland consumers do not overpay for that clean energy.

I request this committee to consider all options available to meet our goals and I request a favorable consideration of Senate Bill 890.