

House Bill 467

Position: SUPPORT

Testimony of Christopher Ercoli, on behalf of Brookfield Renewable Partners L.P. to members of Economic Matters on HB467 *Renewable Energy Portfolio Standard – Hydroelectric Power*

Brookfield Renewable thanks Chair Davis and members of the Committee for the opportunity to provide comments on HB467. Brookfield supports HB467 and requests the continuation of Maryland's existing Tier 2 RPS program which has expired at the end of last year. This extension allows clean, reliable, and renewable baseload hydropower resources to continue contributing to Maryland's renewable energy and carbon reduction goals.

Brookfield Renewable Partners L.P. ("Brookfield Renewable") has a substantial presence in PJM, including nearly 1,251 MW of renewable hydroelectric resources, 386 MW of wind resources, and 133 MW of distributed solar resources. In Maryland, Brookfield Renewable's nearly 40 MW of renewable resources (20 MW Deep Creek hydroelectric facility and 15 MW of distributed solar) powers the equivalent of 60,000 Maryland homes, provides local tax revenue, offers over 60 recreational areas for families to enjoy, and creates direct jobs with over 70 vendor partners in the state.

The extension of Tier 2 is important for the following reasons:

- First, Tier 2 hydroelectric resources are the most cost-effective way of meeting Maryland's clean energy targets. In the past three compliance years (2018-2020) the Tier 2 obligation represented less than 1% of total compliance costs. Further, the fiscal note attached to HB467 affirmed there would be negligible effect on Maryland's ratepayers.
- Second, without an extension these resources will unjustly lose the ability to sell their electricity as 'renewable' to Maryland customers. Hydropower electricity is an important low-cost source of clean, non-emitting electricity for Maryland. Without action, these resources will be forced to export their environmental attributes to neighboring states and Maryland will lose the ability to count these cost-effective resources towards its renewable energy and carbon reduction goals in the future. This will increase costs for Maryland ratepayers.
- Third, as Maryland and the Mid-Atlantic region increasingly interconnect intermittent renewable resources, hydropower provides the flexibility and resiliency needed by grid

operators to help meet variable real-time electricity demand and balance the intermittency of wind and solar resources.

- Lastly, while many hydropower assets are existing, long-life resources, they require substantial capital expenditures over their lifetime to maintain and periodically undergo relicensing by the Federal Energy Regulatory Commission (FERC). Typically spanning 5-7 years and requiring millions in additional capital investments, FERC relicensing brings a facility up to the highest and best environmental standards of the day, allowing them to effectively operate as new resources. These ongoing reinvestments in renewable, clean, and carbon-free electricity are critical to Maryland's carbon reduction goals and should be reflected in the state's renewable portfolio standard.

In short, HB467 will ensure that hydropower continues to provide Maryland with all their energy, environmental, and grid reliability benefits. Brookfield Renewable thanks the Committee again for the opportunity to speak today and would be happy to respond to any questions.