

Larry Hogan, Governor Boyd K. Rutherford, Lt. Governor Mary Beth Tung, Director

TO: Members, House Economic Matters Committee

FROM: Mary Beth Tung – Director, MEA

SUBJECT: HB0613 - Prince George's County – Coal– and Gas–Fired Generating Stations – Prohibitions

(Prince George's County Stop Environmentally Unjust Coal and Gas Plants Act of 2021) PG 410-21

DATE: February 25, 2021

MEA Position: Letter of Information

Our mission at MEA is to promote affordable, reliable, and cleaner energy that benefits all Marylanders. Our programs and policies help lower energy bills, support business energy upgrades, support a cleaner environment and promote energy independence for the State.

The premature decommissioning of generators may have an adverse effect on the reliability and cost of energy within the State. MEA often emphasizes the need to consider resilience and reliability when making broader energy policy decisions. Ignoring these issues can contribute to the kinds of grid failures that we have recently seen in both Texas and California.

The infrastructure that carries electricity from generation facilities to homes, "transmission and distribution", is relatively congested in Maryland. Having generation located near demand limits the need for additional transmission infrastructure. However, by removing these generation resources, the need for transmission assets may be exacerbated or, at the very least, accelerated.

New transmission line projects and upgrades on existing infrastructure often meet local resistance similar to that of other CPCN projects. Additionally, the increased costs of new transmission assets would likely be socialized by ratepayers outside of Prince George's County. Alternatively, a failure to adapt the grid by adding additional transmission may result in increased congestion, which also carries associated costs.

One possible avenue to remove the concerns of increased costs would be to amend the bill to limit the financial impact to the county creating the prohibition, by requiring that any increase in costs be socialized only within that county.

This bill may also set a precedent, where all the counties of the State seek similar bans; creating a patchwork State energy grid in which each county selects generation mixes that promote local interests without concern for the overall reliability and resiliency of the electricity grid.

MEA urges the committee to consider the proceeding prior to issuing its report.