

## Letter of Support for HB 0864

Allowing solar plants within the PJM region to generate tier 1 renewable energy credits, while continuing to restrict the percentage derived from solar to plants that are connected to the distribution grid serving Maryland would improve Maryland's air and water quality, benefit the economy in Maryland, and reduce the impacts of climate change. If we adopted these changes, it would support solar plants in the surrounding states because out-of-state solar plants would be eligible to receive Maryland tier 1 RECs. This would make solar projects more economically viable and could allow more solar development to replace existing fossil fuel plants or to be built instead of new fossil fuel plants.

Currently 7 of the 13 tier 1 sources already qualify for renewable energy credits if the plant is located in or connected to the PJM region, this region includes Maryland and several surrounding states. The other 6 sources must be located within or connected to Maryland to receive renewable energy credits. The main difference between these two groups is the environmental impacts of each source; although they are all renewable sources, some sources still have carbon or other emissions. In general, the sources with zero or very small net carbon emissions are eligible for RECs if they are located throughout the PJM region, and sources with higher carbon dioxide, sulfur, nitrogen, or other emissions have a more restrictive region. One major exception to this is solar, which is generally viewed as one of the cleanest sources of electricity, but it must be connected to the distribution grid serving Maryland to qualify for renewable energy credits.

Maryland's air and water quality are greatly affected by the surrounding states, and the reach of the Chesapeake Bay Watershed makes the water quality of our neighbors even more important. Helping prioritize solar in the Mideastern US, rather than Maryland alone will increase renewable energy in the area. This will decrease the usage of fossil fuel plants thus decreasing the negative effects fossil fuel plants have on air and water quality. Measures that benefit the air and water quality of Maryland's neighbors, such as increasing renewable energy, will also directly benefit the air and water quality here in the state.

Maryland will feel economic benefits from allowing solar plants from within the PJM region to receive tier 1 RECs. First, promoting solar throughout the PJM region will benefit many Maryland solar companies that work in multiple states because any projects in nearby states that they own or develop will have more value. In-state solar plants will not need to compete with out-of-state solar plants since the out-of-state plants would not be eligible for Solar RECs. The in-state plants would be the only plants that can sell SRECs which are worth about 4 times more than the general tier 1 RECs. Another economic impact will be felt by electrical consumers in Maryland. Allowing solar from within the PJM region rather than only within the state would increase the amount of tier 1 renewable energy credits available, which would lower the cost MD utilities need to pay for them each year. This should have the impact of reducing utility rates throughout the state, since the electrical utilities would have fewer expenses that they need to make up.

Lastly, these changes will help dampen the significant effects of climate change that Maryland is already beginning to feel. The eastern shore of Maryland is in a very dangerous position with regard to climate change. As sea levels rise and stronger storms occur there will be significant flooding, and the region would be extremely difficult to evacuate in an emergency. Despite the fact climate change is felt locally, it is a global issue. If Maryland reduces its emissions but the rest of the world does not, we will still feel the impacts of climate change here. This is already recognized within the Renewable Portfolio Standard by the fact that most tier 1 renewable energy sources are eligible to generate RECs if the plant is located in or connected to the PJM region. By allowing solar the same incentives already given to several other renewable sources we could expand renewable energy and in turn reduce emissions and the dangers of climate change that Maryland residents face.

Overall, allowing solar from within the PJM region to qualify for tier 1 renewable energy credits (but not count towards the percentage derived from solar unless it was connected to the distribution grid serving Maryland) would benefit our environment, economy, and help to fight climate change. This idea would not give solar from other states an advantage over other tier 1 renewable resources or hurt solar projects within Maryland. It would extend the exact same benefits that most out-of-state tier 1 sources already receive to solar plants as well, and it would not allow out-of-state sources to compete with in-state solar plants for valuable solar renewable energy credits. I hope that you will support these changes to work towards a more sustainable future for Maryland.