

HOUSE BILL 864 – RENEWABLE ENERGY PORTFOLIO STANDARD – RENEWABLE ENERGY CREDITS – SOLAR ENERGY SOURCES

FAVORABLE

HOUSE ECONOMIC MATTERS COMMITTEE March 3, 2022

NRG Energy, Inc. ("NRG") submits these comments in **support** to **HB 864 – Renewable Energy Portfolio Standard – Renewable Energy Credits – Solar Energy Sources.**

NRG is the leading integrated energy and home services company powered by its customer-focused strategy, strong balance sheet, and comprehensive sustainability framework. A Fortune 500 company, NRG brings the power of energy to millions of North American customers. Our family of brands help people, organizations and businesses achieve their goals by leveraging decades of market expertise to deliver tailored solutions. Our retail brands serve more than six million customers across North America, including here in Maryland, where NRG owns seven companies that are licensed by the Public Service Commission to serve retail customers.

NRG appreciates and supports the important public policy goal of encouraging the development of renewable resources encompassed in HB 864. Maryland's Renewable Portfolio Standards (RPS) Act of 2004 established the initial structure of relying on market-based incentives to encourage renewable energy development. The legislature has increased those incentives over time to spur further development. And it has taken steps to limit the geographical location of certain resources that can qualify as an eligible resource to drive development inside Maryland's borders.

HB 864 rightly recognizes the regional nature of air and water quality and allows solar resources that are not connected to Maryland's distribution grid to qualify as a Tier 1 resource. By allowing resources located outside of Maryland – but still located in the PJM region – to qualify as a Tier 1 resource provides flexibility to solar developers to locate those resources where they make the most economic sense. Such a change will make it less costly for electricity suppliers to comply with the RPS requirements and necessarily reduce the cost to Maryland consumers. What's more, Maryland's preference for in-state resources to meet the Solar Carve-out provisions of the RPS Act remain unchanged.

Thank you for the opportunity to share our perspective on HB 864 and for the above reasons NRG urges the Committee to give it a **favorable** report.

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NRG Energy, Inc. 2