



**Maryland Senate Finance Committee
February 24, 2022**

Testimony of Andrew Gohn on Behalf of the American Clean Power Association
OPPOSE House Bill 569

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Chair Wilson, and members of the Committee, thank you for the opportunity to offer testimony in opposition to House Bill 569. The bill advances several worthy policy goals, but our members feel it is trying to combine too many of these goals into one bill. Moreover, members have expressed particular concern around the Community Benefits Agreement requirements which they feel is overbroad, redundant, and unnecessary given the significant economic development benefits such projects already bring to communities.

I am Andrew Gohn, Eastern Region Director of State Affairs for the American Clean Power Association (ACP). American Clean Power is the voice of companies from across the clean power sector that are powering America’s future and providing cost-effective solutions to the climate crisis while creating jobs, spurring massive investment in the U.S. economy, and driving high-tech innovation across the nation. ACP works to champion policies that will transform the U.S. power grid to a low-cost, reliable, and renewable power system.

HB 569 would require any projects seeking a Maryland Certificate of Public Convenience and Necessity (CPCN) or CPCN exemption to “take all reasonable actions to enter into a community benefits agreement” that “details the contributions that the project will bring to the community in which the project will be located (and) details actions to be taken to mitigate adverse conditions caused by the project,” as well as several social and workforce policy goals. It also requires projects to either pay prevailing wage or enter into a Project Labor Agreement.

ACP supports many of the goals in the bill. Generally speaking, our members building projects in Maryland either pay prevailing wage already and/or are entering into project labor agreements currently. However, the additional reporting requirements and potential penalties will adversely impact financing for some projects and could impact project pricing. Since such changes reflect a change of law and are not priced in, this could cause many projects to have to modify project plans that have already been positioned in the PJM Interconnection Queue. In other words, projects in early development might lose their queue positions and have to re-apply. Given that PJM has indicated their backlog is



so extensive that they need to “pause” processing new applications, this could put some projects into a years-long delay.

Clean energy projects are some of the most beneficial investments in communities, providing valuable tax base while requiring almost no local infrastructure investments. Our members know that community support is vital for clean energy projects. Communities and landowners have the ultimate say in whether a project will be accepted in an area. As a result, project developers build in generous land-lease payments for landowners, pay state & local taxes (or payments in lieu of taxes), and negotiate community benefit agreements directly with local leaders and residents. With existing flexibility, community benefit agreements are structured according to community priorities and can include a range of benefits, such as: direct financial contributions to local coffers, funding for new or updated public infrastructure (roads, recreation facilities, etc.), funding or training for first responders, conservation and wildlife initiatives, and much more. HB 569 would create a one-size-fits-all approach that would limit flexibility around these community conversations. This can only hamper continued renewable energy growth in the state.

Maryland has established some of the nation’s most ambitious solar targets, requiring that, by 2030, 14.5% of all electricity consumed in the state is generated from Maryland solar systems. Due to the aforementioned challenges, our members are currently not on target to meet this demand. Additional barriers like HB 569 will only exacerbate these difficulties and make Maryland’s renewable goals harder to meet.

There has been a long history of challenges in Maryland around zoning renewables, especially with regard to local authority versus CPCN precedence that has only recently resulted in clarity that our members can move forward with to plan projects with confidence. The issue has now been adjudicated by the highest court in the state. Moreover, last year, the Commission implemented new rules that ensure early engagement and collaboration with local governments on new solar or wind CPCN applications, increase transparency in the CPCN process, and ensure that such applications are processed and adjudicated in a reasonable timeframe. HB 569 threatens to upend these settled outcomes and once again plunge Maryland’s solar industry into uncertainty and red tape. CBA requirements could well result in more years of project delays and ultimately litigation.

For these reasons, we urge members of the Committee to move unfavorable on HB 569.