



**TO:** Members, Senate Finance Committee  
**FROM:** Mary Beth Tung - Director, MEA  
**SUBJECT:** SB 902 - Dams With Hydroelectric Power Plants - Annual Compensation Fee  
**DATE:** March 1, 2021

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**MEA POSITION: UNF**

The Maryland Energy Administration (MEA) appreciates the sponsor's intent, as well as their knowledge of and commitment to Maryland energy issues. However, SB 902 may pose significant risks to a long sought after agreement regarding Conowingo Hydroelectric Generation Station (Conowingo Dam) as well the potential for new and protracted litigation.

In October 2019, Governor Hogan announced a landmark agreement with Exelon Generation Company, LLC regarding Conowingo Dam. The agreement settled challenges related to a 2018 water quality certification under the Clean Water Act, and removed the specter of costly litigation over the course of several years at great expense to all parties. Terms of the agreement required Exelon Generation to provide millions of dollars for enhancements to the dam and other environmental projects, aimed at improving the water quality for the Susquehanna River and the Chesapeake Bay. Taken together, the investments agreed to by Exelon will total at least \$200 million over the full license period for the dam.

Conowingo Dam, now operated by Constellation Energy Corp. is the state's largest renewable generator. Its carbon-free generation capacity is only bested by Calvert Cliffs Nuclear Power Plant (also operated by Constellation). Additionally, Conowingo Dam supplies Maryland with significant blackstart capability (the ability to jump-start the electricity grid after a widespread blackout) and regulates water flow to benefit upstream generation resources, making it a critical piece of infrastructure in cases of catastrophe.

Chancing millions of dollars in litigation and possibly forgoing hundreds of millions more in forfeited benefits is a risk far too great for the nominal gains provided by SB 902.

For the foregoing reasons, MEA urges the committee to issue an **unfavorable report**.