Reckless

HB793/SB781 proposes power purchase agreement (PPA) of up to $190/MWh (2012$, $242/MWh 2022$) for up to 8 million MWh/yr of OSW. This is a big proposal, energy equivalent to about 60% the size of Calvert Cliffs. The PPA discounts to a present value of $35 billion. There are several problem areas:

- The proposed PPA price cap is 24.2 cts/kWh (2022$) is 2x the retail price, 3x the blended OSW-2 OREC price that MPSC awarded in December 2021, 5x the PJM market clearing price several years ago.
- Stop spinning social cost of carbon, ignoring transmission costs.
- OSW remains an unproven technology at scale. Zero Carbon PJM system modeling shows that OSW is the highest cost option and unlikely to be a minor player on a zero-carbon PJM system.
- There is no risk assessment or ratepayer impact. Data is necessary to evaluate risks like that of OSW harming whales. This issue should be resolved before committing $35 billion.

Recommendations:

1. **Unfavorable SB781/HB793** until evidence emerges that OSW is affordable, reliable and low risk.
2. **Build OSW-1** for the purpose of acquiring risk mitigation data: a test platform to support research on the impact of OSW on whales and marine life; local resistance to transmission; maintenance costs in a North Atlantic (NA) marine environment; capacity factors; production profiles; structural requirements for Northeasters and hurricanes.
3. **Independent audit the OSW-2 award.**,- Did MPSC exceed the ratepayer statutory cap by a factor of 4 as suggested by OpEds is Maryland Matters and the Washington Post?
4. **Upgrade Maryland's goal** to be zero carbon electric power (not net-zero or 100% renewables). Net-zero & 100% Renewables are political goals; that can be satisfied by exporting over-generation and importing 40% from West Virginia coal keep the lights on.
5. **Retask the Power Plant Research 100% Study to be zero carbon PJM (not 100% RPS)** – The rational sequence is to first figure out what works best for PJM, then figure out how Maryland best fits within that structure. A preliminary Zero Carbon PJM Options indicates that while a PV + OSW + storage only system is theoretically feasible, it would have a ratepayer impact exceeding $300/month.
6. **Maryland's role should be full-scale demonstrations. Demonstrate any technology (renewables & new nuclear) that can be a major component of a zero carbon PJM.**
    a. Qualification is by an approved zero caron PJM dispatch model like the Zero Carbon PJM model.
    b. Awards for 2 million MWh/yr for 20 years.
    c. While ppa price is a primary criteria, competitive evaluations should ratepayer impact, in-State jobs impact, risk assessment (whales, public opposition to transmission, NRC approvals ...)
    d. Develop the ability to objectively calculate ratepayer impact from system models that include transmission and intermittent backup costs..
    e. Ask PJM asked to score impact on firm capacity and system reliability.

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