



Testimony Supporting SB146
Senate Education, Energy, and the Environment Committee
January 25, 2024

Position: SUPPORT

Thank you, Mr. Chairman, committee members, and Senator Lewis Young, for the opportunity to speak in support of SB146, the Reclaim Renewable Energy Act.

My name is Tim Whitehouse. I am the Executive Director of Public Employees for Environmental Responsibility. We are a national non-profit organization in Silver Spring, Maryland, that works with government employees seeking a higher environmental standards within their agencies. I also live in Poolesville, Maryland, near the Dickerson Incinerator.

I want to highlight several important issues about the bill.

First, this bill will likely have a minimal impact on compliance costs and, by extension, consumer electricity rates in Maryland. Analysis by DLS and by DNR's PPRP conclude that passing this bill won't drive up RPS compliance costs, and therefore consumer electricity prices, up.

Currently, there are enough RECs in the marketplace to cover compliance needs. If there are not, or prices are too high, energy providers can make Alternative Compliance Payments (ACPs) as an alternative to purchasing RECs.

Alternative compliance payments are paid into the Strategic Energy Investment Fund, administered by the Maryland Energy Administration, which is used, among other things, to promote renewable and clean energy sources in Maryland.

REC prices are now on par with ACP payment rates. ACP payment rates are set to decrease over the next several years, indicating that the ACP option provided by Maryland law will help keep prices down.

Second, removing waste-to-energy from the RPS will not affect the amount of energy on the grid. Eliminating these electricity sources from Maryland's RPS does not shut these facilities down. Also, these facilities can continue to operate and sell any RECs they produce to other states that accept RECs from incineration.

Finally, I would like to note that the Covanta Facility in Fairfax, Virginia, is one of the largest sources of air pollution in the Washington, DC area. In addition, Covanta Fairfax was selling

their RECs to New Jersey until New Jersey determined that the facility did not meet the state's environmental compliance requirements.

RECs from the Covanta plant are now being sold to Maryland utilities instead. This arrangement does not help Maryland meet its climate goals and does not benefit Maryland ratepayers.

Thank you for considering these comments and for your support of SB146.