

HB1217 (SB950) **Pavlak FWA** Natural Gas Generating Facilities – Authorization

- THE BILL SHOULD STATE A PURPOSE:

Reduce electricity rates by replacing in-state firm capacity lost by coal plant retirements.

- NO EVIDENCE THAT PJM CAPACITY MARKETS ALONE PROVIDE SUFFICIENT INCENTIVE GIVEN MARYLAND'S LARGE AND EVER-INCREASING RGGI TAX.
 - New construction owners need confidence that they will profit from their investment.
 - Does the PSC currently have multiple applications for new natural gas plant construction?
 - If yes – forget these amendments
 - If no – provide an additional incentive

- PROPOSED AMENDMENT

Exempt a 2 GW of new natural gas generation from the requirement to purchase RGGI carbon allowances for 10 years.

- BENEFITS
 - Incentivize new construction
 - Reduces ratepayer cost
 - Eliminates the fuzzy parts of the bill.
 - What exactly is 50% of State energy needs?
 - How to negotiating plant retirement? Expiring tax exemption subjects the plants to RGGI induced retirement pressure.
 - Solves MEA problem of too much RGGI money

