HoCoClimateAction.org
Howard County, Maryland

Testimony: **HB1035/SB0937 – Electricity Generation Planning - Procurement, Permitting, and Co-Location (Next Generation Energy Act)**
Hearing Date: **February 27, 2025**
Bill Sponsor: **The Speaker and Delegate Wilson, The President and Senator Feldman**
Committee: **Economic Matters, Education, Energy, and the Environment**
Submitting: Liz Feighner for **Howard County Climate Action**
Position: **Unfavorable**

HoCo Climate Action is a 350.org local chapter and a grassroots organization representing approximately 1,400 subscribers. We are also a member of the Climate Justice Wing of the Maryland Legislative Coalition.

We strongly urge you **to vote unfavorably on HB1035/SB0937** which"approves" a type of electricity generation that only gas can provide and that is equal to the peak capacity of the 20 existing coal- and oil-fired power plants that are close to retirement in the state equal to 3.109 gigawatts of power. A recent study commissioned by the US Department of Energy found that a modern combined cycle plant of the type this bill envisions now costs nearly $1000 per kilowatt to build. That comes out to over $3 billion. Meanwhile, a recent Brattle Group study shows gas as more expensive than battery storage and efficiency.

The better solutions in the The Abundant, Affordable Clean Energy (AACE Act) can be implemented more quickly than ill-conceived resource adequacy proposals like new gas-fired power plants and untested small modular nuclear reactors which would inevitably take longer to come online and jeopardize the state meeting its climate requirements.

Electricity costs are increasing rapidly in large part because of problems with PJM, our grid operator. Proposed clean renewable energy projects have been stuck in PJM's interconnection queue for years and the queue has been so long that they stopped accepting projects at one point. By the time projects clear the queue and are approved, they are no longer financially viable and many are not built. Now, increasing electricity demand due to high-intensity energy use facilities like data centers plays a major role in our rising rates.

This has caused a mismatch between supply and demand that has dramatically increased capacity prices. In the most recent PJM capacity auction, there was an 800% increase that will be passed on to Maryland ratepayers.

Provisions in the Abundant, Affordable Clean Energy (AACE Act) HB0398 bring on new energy projects that serve Maryland's load requirements within this decade on a least-cost basis, while allowing flexibility to respond to potential shifts in future energy markets. **Building a new gas plant is the most expensive, slowest, and most polluting energy solution available to Maryland.**

In 2023 the Virginian utility Dominion proposed building a new gas plant at the location of an old coal power plant, which they promised would be operational in 2026. Now they say it won't be running until at least 2030. New gas power plants are massive undertakings, even when they are renovating a pre-existing coal plant, which can take upwards of 7 years to complete. New Gas generation cannot provide any additional energy resources to Marylanders in the 2020s.

Batteries, on the other hand, can be deployed in a matter of months, rather than a matter of years, and are already meeting surging energy demand in states like Texas

Renewables and batteries can keep the lights on. A combination of rapidity, low-cost, and flexibility makes AACE a “no regrets” path to achieving resource adequacy to meet current and future electric load requirements in Maryland. AACE’s pathway to energy development is in line with the State’s carbon reduction goals, allows for the flexibility to respond to future energy demands, and provides solutions to resource adequacy in this decade.

For all of these reasons, we strongly urge **an UNFAVORABLE report for HB1035/SB0937 and instead,** we urge **strong support for provisions in the AACE ACT, HB0398.**

Howard County Climate Action
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