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February 28, 2025

SUPPORT ONLY WITH AMENDMENTS

SB 937 The Next Generation Energy Act

Mr. Chair and Members of the Committee:

Thank you for the opportunity to submit this testimony to support the Next Generation Energy Act, only with the inclusion of the following amendments and amendment concepts. Like the Senate President and the Speaker of the House, Maryland LCV is concerned about rising electricity rates and future increases in energy demand. We are not aligned, however, on the solutions proposed to meet these concerns.

Maryland LCV is committed to advancing clean energy solutions that increase grid reliability and decrease ratepayer impacts while achieving the state's climate goals. While the stated intent of SB 937 is to deploy more energy onto the grid to meet rising demand and combat rising utility bills, several of the provisions in the bill are counter to these goals. Namely, opening the door to a new gas-fired power plant. These will be expensive to build and operate, with decades of negative consequences for Marylanders and are in direct conflict to the immediate goal of reducing ratepayers impacts.

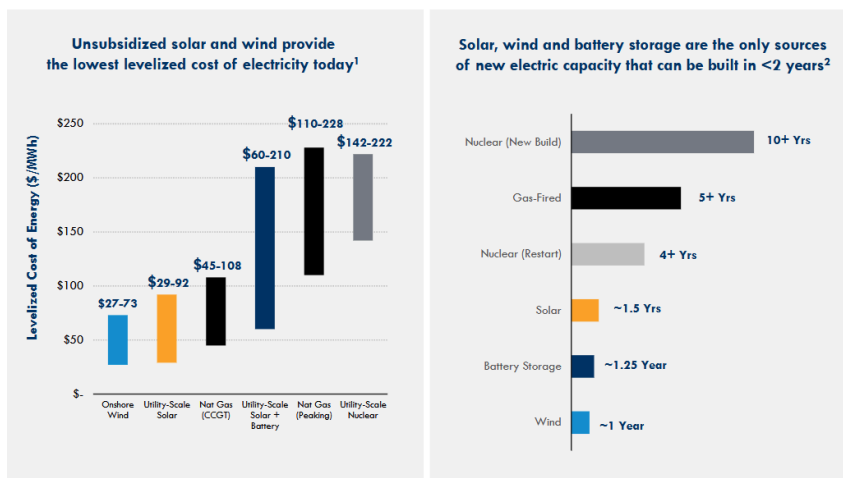
Maryland LCV strongly opposes actions that would permit new or expanding energy production from fossil fuel plants. Gas facilities are burdensome to our environment, and saddle ratepayers with costly infrastructure investments that take decades to pay off, driving up their already skyrocketing energy bills.

The language in SB 937 was drafted on the premise that we are facing an energy crisis and need new energy on the grid as quickly as possible, with the conclusion that gas plants will achieve this in the fastest and cheapest way possible. However, there are several indications that we have more time to enact solutions than perceived in this bill, and numerous sources indicate that renewables plus energy storage are the healthier and less expensive path forward.

After the most recent electricity capacity auction at our regional grid operator, PJM, resulted in an 800% increase in system-wide prices, Governors of PJM states, including Governor Moore, appealed to PJM and negotiated a rate cap on capacity charges for the next two years, keeping prices relatively stable in the near-term. It is incumbent on the state, then, to use this two-year period to ensure we are investing in the lowest cost solutions that will have the least impact on ratepayers.

HASI, an Annapolis based, public investor in sustainable infrastructure assets, with over \$13 B in assets, is just one company, government entity, or nonprofit organization [with the data](#) to show that clean energy resources are the most cost-effective and quickest way forward. In addition, Maryland has already invested \$800M of ratepayer dollars in transmission upgrades to ensure grid reliability as we transition away from fossil fuels. Combined with proposed legislation this session to expand battery storage and solar capacity, these investments create a clear path toward a reliable, clean energy future.

Solar and Wind Offer the Lowest Cost and Fastest-to-Market Solutions



1. Lazard's "Levelized Cost of Energy" (June 2024)
 2. Nuclear (New Build) based on Vogtle; Nuclear (Restart) based on Three Mile Island projections; Gas-Fired, solar, battery storage, and wind based on commentary from Next Era Energy's Q4 2024 conference call (January 24, 2025)

The General Assembly made a commitment to Maryland when they set new clean energy targets. This is not the time to reverse course toward polluting practices of the past, but a time to take actions to achieve a clean energy economy that creates a healthy environment for everyone in Maryland.

We propose two specific amendments below to change the definition of dispatchable energy in the bill to focus on clean and renewable energy, as well as respecting Maryland's existing regulatory processes (i.e. not bypassing important public participation opportunities). Additional amendments we would support in the bill language include:

- Adding the emergency procurement of 1750 MW of battery storage
- Ratepayer protections, including the creation of an escrow account using Alternative Compliance Payments from the state's RPS that would go directly back to ratepayers
- Tightening up the environmental impact analysis language for proposed nuclear power generating facilities
- Increasing load generation of co-located facilities to 150% of the large load customer's expected demand
- Environmental justice provisions to include additional considerations for projects in communities with an EJ score of 75 or above and the surrounding 1.5 miles

Maryland LCV urges the adoption of these amendments and supports a favorable report on SB 937 with the amendments.

PROPOSED AMENDMENTS FOR THE NEXT GENERATION ENERGY ACT

MARYLAND LEAGUE OF CONSERVATION VOTERS

DEFINITION OF DISPATCHABLE ENERGY GENERATION

AMENDMENT 1

PAGE 5 LINES 9 -15:

(B) (i) “DISPATCHABLE ENERGY GENERATION” **INCLUDES** ~~MEANS A GENERATING STATION OR ENERGY STORAGE DEVICE WITH: —~~

- 1) SOLAR GENERATING FACILITIES HAVING A GENERATING CAPACITY OF AT LEAST 10 MW;
- 2) AN ENERGY STORAGE DEVICE AS DEFINED IN 7-216;
- 3) OFF-SHORE WIND; AND
- 4) ON-SHORE WIND

(ii) DISPATCHABLE ENERGY GENERATION DOES NOT INCLUDE FOSSIL-FUELED GENERATION

RESPECT MARYLAND’S REGULATORY PROCESSES

AMENDMENT 2

PAGE 23 LINES 24-32:

~~(1) THE APPLICANT IS EXEMPT FROM THE REQUIREMENTS OF COMAR 20.79.01.04 AND COMAR 20.79.01.05; AND~~

~~(2) THE COMMISSION SHALL PRESUME THE PROPOSED SITE IS APPROPRIATE AND CONSISTENT WITH THE CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR A NEW OR EXPANDED GENERATION STATION.~~

~~(G) THE COMMISSION, THE DEPARTMENT OF THE ENVIRONMENT THE DEPARTMENT OF NATURAL RESOURCES, AND ANY OTHER IMPACTED STATE AGENCY SHALL WAIVE OR EXPEDITE ANY REGULATORY REQUIREMENT OR DECISION TO COMPLY WITH THE TIME FRAMES SET FORTH IN THIS SECTION.~~