



Committee: Joint House Economic Matters and Senate Education Energy and the Environment
Testimony on: HB1035/SB937 - Next Generation Energy Act
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Monica O'Connor, Co-Chair
Position: Unfavorable
Hearing Date: February 26, 2025

Dear Chair and Committee Members:

Thank you for allowing our testimony today on HB1035. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations respectfully urges you to vote unfavorably on HB1035.

We appreciate that Maryland ratepayers are struggling to pay rising utility bills and are looking to the General Assembly for solutions. However, we believe the solutions proposed in HB1035 will not result in greater energy reliability in the timeframe needed and will increase rather than lower electric rates in Maryland. Unlike the clear factors driving up gas utility rates (i.e., excessive investment by BGE in gas infrastructure replacement under the STRIDE law), the factors affecting electric utility costs are more complex and nuanced and affect all electric utilities in Maryland.

Unfortunately, there are misconceptions that the steep jump in electricity costs today are due to the summer 2024 PJM capacity auction and the impending retirements of Brandon Shores and Wagner coal plants. While last summer's PJM capacity auction and omission of these coal plants will result in a future increase of 800% in the capacity pricing portion of our electric bills, starting June 1, 2025, it does not explain the current electric rates, (The [capacity portion](#) of our electric bills is 8%). In fact, one reason for increased electricity costs is that Maryland ratepayers are bearing the cost of \$1.5 B in new transmission being built to offset the retirement of the two coal plants – a solution mandated by PJM and FERC. Another significant factor is the excessive delay at PJM in bringing on new solar and storage, as well as Marylanders' share of the cost of new generation and transmission for Virginia data centers. We believe the best policy solutions for Maryland are those that address the real and complex reasons for rising electricity costs.

To that end, we support several other bills and policies that offer no-regrets solutions more likely to result in near-term reliability improvements and at lower costs, while also allowing Maryland to reduce greenhouse gas emissions. Examples of these policies include incentives for utility scale battery storage and solar (both utility scale and community solar) and getting more out of the grid we have through grid enhancing technologies and reconductoring. According to the [PJM state infrastructure report](#) (see pg.10) Maryland has over 7000 megawatts of solar and battery storage in its capacity queue. The fastest and cheaper option for Maryland is for the legislature to develop the regulatory and planning processes to resolve the various barriers that have made it difficult to deploy renewable energy projects.

The proposed HB1035 provisions to promote new in-state gas generation will neither increase near term reliability or reduce rates, instead burdening Marylanders with polluting and costly investments for decades - particularly those communities (presumably communities near the Brandon Shores and Wagner plants) that will be subject to another 40 -50 years of environmental injustice. Gas generating plants are massive undertakings, even when they are renovating a pre-existing coal plant, which can take upwards of 7 years to complete, particularly as proposed new tariffs will increase costs and exacerbate supply chain issues. In 2023, the Virginia 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. Additionally, a recent commissioned [report](#) by Google to determine the least expensive way to meet new electricity demand found that building a new gas power plant is more expensive than prominent zero-emission alternatives, including building new utility-scale batteries and building virtual power plants.

Beyond the barriers of time and expense, pollution from gas power plants drives up costs for Marylanders. The local air pollutants, which include ozone, sulfur-dioxide and nitrogen-dioxide, contribute to asthma and other health conditions that increase healthcare costs. Gas is a fossil fuel that contributes to climate change, effects of which are felt throughout the state. According to a Environmental Defense Fund 2023 [report](#), natural gas pipelines nationwide are leaking as much as 2.6 million tons of methane each year, which has the same climate impact as nearly 50 million passenger cars driven for a year on near-term warming scales. The proposed HB1035 provision to promote one or more new methane gas dispatchable generation projects is a significant step backwards for Maryland and contradicts the Climate Solutions Now Law enacted by this assembly in 2022. It is a false solution to our short term and long term energy needs.

Additionally, the proposed HB1035 provisions to add nuclear energy to the renewable portfolio standard and implement procurement structure for new nuclear generation will not bring new generation to Maryland for years if not decades. The Georgia Power Vogtle Units 3 and 4 took 15 years to build and cost \$36.8 billion, more than twice the project timeline and cost (see [costs for Georgia nuclear plant](#)). The Utah Associated Municipal Power Systems [NuScale Power](#)

small modular nuclear reactor project was initially projected to cost \$3 billion and ultimately rose to \$9.6 billion at which point the project was shelved. Furthermore, a 2014 [academic study](#) looked at 180 nuclear power projects around the world and found 175 of them exceeded the initial budget by an average of 117% and took, on average, 64% longer to build. The levelized capital costs of electricity production of [nuclear is three times the cost of solar](#).

HB1035 allows for a dangerous precedent that enables agencies to forego community engagement, Environmental Justice Screening, risk assessment or municipal consultation to obtain its Certificate of Public Convenience and Necessity (CPCN), waive or expedite regulatory requirements, expedite CPCN and/or follow FERC orders to prioritize dispatchable generation for in-state gas plants and nuclear generation above others in the queue. Therefore, if a company wants to build a new power plant at an old retired or abandoned plant site or a currently operating power plant, the company would not be required to do any community engagement even if the site is already an Environmental Justice zone. Basically saying that if it is a “sacrifice zone” today, it is alright to have it stay a sacrifice zone.

HB1035 will not bring down rates or add near-term reliability. Instead, it will hinder more expeditious and lower cost solutions to relieve ratepayers and bring energy reliability, such as those proposed in SB316 the Abundant Affordable Clean Energy Act, SB37 the Affordable Grid Act, SB37 the Utility Transparency Act, and SB998 the Ratepayer Protection Act. It also seems premature to offer long-term and extremely expensive nuclear and fossil fuel energy solutions, without conducting the integrated energy resource planning envisioned in SB909 Energy Resource Adequacy and Planning Act and a complementary data study bill SB0116.

For these reasons, the MLC Climate Justice Wing respectfully urges an **UNFAVORABLE** report on HB1035 in Committee.

350MoCo
Adat Shalom Climate Action
Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Chesapeake Physicians for Social Responsibility
Climate Parents of Prince George's
Climate Reality Greater Maryland
ClimateXChange – Rebuild Maryland Coalition
Coming Clean Network, Union of Concerned Scientists
DoTheMostGood Montgomery County
Echotopia
Elders Climate Action Maryland
Fix Maryland Rail
Glen Echo Heights Mobilization
Greenbelt Climate Action Network
HoCoClimateAction

IndivisibleHoCoMD
Maryland Legislative Coalition
Mobilize Frederick
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Mountain Maryland Movement
Nuclear Information & Resource Service
Progressive Maryland
Safe & Healthy Playing Fields
Takoma Park Mobilization Environment Committee
The Climate Mobilization MoCo Chapter
Unitarian Universalist Legislative Ministry of Maryland
WISE