



Committee: Joint House Economic Matters and Senate Education, Energy and the Environment
Testimony on: HB1037 – Energy Resource Adequacy and Planning Act
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Christine Pendzich
Position: Favorable
Hearing Date: February 26, 2025

Dear Chair and Committee Members:

Thank you for allowing our testimony today on SB909. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations respectfully urges you to vote favorably on SB909.

The Energy Resource Adequacy and Planning Act squarely addresses an urgent need raised by recent events in Maryland’s energy markets. For one thing, PJM has held up hundreds of renewable energy projects in its grid integration queue, thus holding up needed low-cost energy supply. In addition, PJM failed to appropriately manage retirement of the Brandon Shores and Wagner coal plants in 2025 – long foreseen due to the plant’s declining efficiency and cost effectiveness – which has resulted in State ratepayers needing to pay nearly \$800M to keep the plants open, and needing to fund construction of a \$1.5B new transmission line mandated by PJM and the Federal Energy Regulatory Commission (FERC). Beyond that, a 2024 campaign by AI developers to build new hyperscale data centers in the state has led to turmoil around the data centers’ large expected draw on the State’s overall energy supply, the consequent effect on ratepayers and the unforeseen need for major new transmission lines across wide swaths of Maryland territory. These events and others have made plain the need for State energy planning independent of PJM.

SB 909 calls for establishment of an Integrated Resource Planning Office in the Public Service Commission, with the goal of developing a 25-year comprehensive energy forecast for the State of Maryland. The purpose of the forecast is “to analyze energy scenarios and policy options for meeting the State’s energy needs and greenhouse gas (GHG) emissions reduction goals while ensuring electric distribution system reliability and cost-effectiveness consistent with the long-term energy needs of the state.” The new office is enjoined to coordinate with a range of other State agencies, such as the MEA and the MDE, in its scenario and policy development.

A range of planning goals and policy criteria is also specified. These include meeting state energy needs and GHG emissions reduction goals and assessing the financial effect of each scenario on State budgets and on ratepayers and use of all best available technologies to meet State energy goals. In general, the planning criteria laid out in the bill are balanced and reasonable.

Importantly, SB 909 complements another energy-related bill currently before the Assembly: HB270- Data Center Impact Analysis and Report. HB 270 calls for the MDE and the Maryland Energy Administration to carry out a study of the environmental, energy and economic effects of data center construction in the State. While SB 909 would assess the overall effect of data centers on the State's energy demand, it would not necessarily also evaluate the critical environmental effects, especially on water use. The MLC Climate Justice Wing supports HB 270 as an important complement to SB 909.

The current legislative session has featured a wide range of energy-related bills, from the Governor's ENERGIZE Act through Assembly leadership's three bill package (which includes SB 909) through Delegate Charkoudian's AACE Act, among many others. Lawmakers are hard pressed to decide which bill offers the State and ratepayers the best medium- and long-term solutions. SB 909 would provide a sound, objective base of analysis that would allow lawmakers to assess the bills and evaluate their merits. While setting up the new Office of Integrated Resource Planning does entail some start-up and contract costs, these are a very good investment that would more than pay off for Marylanders in the medium term through the Office's mandated work to identify the most cost-effective paths to energy resource reliability in the State.

For these reasons, the MLC Climate Justice Wing respectfully urges a **FAVORABLE** report in Committee.

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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

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