



Economic Matters Committee Hearing

House Bill 398 Feb. 6th

Abundant Affordable Clean Energy - Procurement and Development (AACE Act)

Informational Testimony

Hello Mr. Chairman, Vice Chair and members of this committee. I want to thank you all for the enormous focus and time on addressing the utility rate crisis that has hit home this winter. Like you, I'm out in the field directly helping residents, and I am also seeing and hearing about today's utility rate unaffordability first-hand.

I am Laurel Peltier, the Chair for Maryland Energy Advocates Coalition, and I want to share that HB398 includes 3 smart, consumer rates relief ideas that do not cost the state anything. Analyzing the energy crisis solutions introduced this session, HB39's positive ratepayer relief idea fall into 2 categories: Short-term, immediate rate relief and Mid-term rate relief.

HB398 includes a practical **SHORT-TERM** idea to refund future ACP balances starting after bill implementation. The same ratepayers struggling to keep their power on, funded this ACP balance. Given today's high compliance REC prices, electricity suppliers paid the lower ACP fees. **This large, ratepayer funded account could be refunded after implementation.** A similar refund process happened during COVID in 2021 under PC53 when the PSC worked with utilities to distribute \$83 million in COVID relief funds directly to residential utility bills.

One **MEDIUM-TERM** rate relief provision is redesigning the SREC procurement process, which was modeled on New Jersey's state-run SREC market. Rate payer RPS SREC investments should only go to new solar facilities that generate new, local solar in Maryland.

Another **MEDIUM-TERM** rate protection has been designed within HB398 is about future Data Center tax revenues. This critical idea should be incorporated into any Maryland data center legislation as this industry takes off in Maryland. HB398 requires that a portion of data center tax revenue be used to pay data centers' fair share for clean energy. Not the rate payers.

I wish I had better news to report from the field, especially for Maryland's 450,000 low-income accounts. Immediate rate relief is needed because we anticipate very high account terminations in 2025.