



HB1035/SB937- Public Utilities- Electricity Generation Planning- Procurement, Permitting, and Co-Location (Next Generation Energy Act)

Testimony of Brittany Baker, Maryland Director
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UNFAVORABLE
February 28, 2025

Chair Feldman, Vice Chair Kagan, Chair Wilson, Vice Chair Crosby, and Members of the Education, Energy, and Environment and Economic Matters Committees,

Rising utility bills are a very salient and crippling problem for Maryland households. The recent utility bill increases that Maryland experienced at the start of 2025 were caused by an intentional increase in spending by utility companies on maintaining gas pipes through the STRIDE program. The additional increases expected this summer can be attributed to the most recent capacity market auction at PJM and will be equally painful. Near-term solutions are needed to protect households from these escalating costs.

At the same time, the escalating climate crisis is affecting households and communities in Maryland. The U.S. Treasury Department analysis of the household level impacts of climate change includes additional rises in utility bills due to increased number of days of temperature extremes, added healthcare costs due to climate-related hospitalization and medical services, and destruction to property due to extreme weather impacts.¹ Maryland is uniquely vulnerable to specific climate impacts such as sea-level rise, saltwater intrusion, and extreme heat because of our 3,000+ miles of coastline, Eastern Shore communities, and large urban populations.

Maryland has codified its commitments to environmental justice and climate action with bolder action each year. This is the year to direct investments into clear energy infrastructure that will lower bills and slow climate change. This is not the year to expedite the \$3 billion construction of a methane gas generation facility.

Chesapeake Climate Action Network (CCAN) Action Fund opposes the Next Generation Energy Act's "Emergency Energy Procurement" for the following reasons:

¹ <https://home.treasury.gov/news/press-releases/jy1775>

1. **New gas would be polluting communities and walking back on our climate commitments.**

Gas generation emits climate pollution and local particulate/air pollution. Methane is responsible for around 30% of the rise in global temperature.² The global warming potential (the amount of warming impact of each type of greenhouse gas) is much higher for methane than carbon dioxide.

2. **The specifications in the bill lack parity. Although battery storage is listed in the “dispatchable energy” language, the unique needs and features of battery storage limit its ability to qualify for the October 1, 2025 solicitation.**

Most of the battery storage projects that are set to be ready for construction in Maryland in the near future are 4-hour battery storage projects. These do not meet the ELCC requirements outlined in the bill. Also, the bill as written does not provide any financial support to ensure battery storage projects will have the financing to ensure deployment.

3. **There is no modeling to show that the amount of new generation outlined in the bill is needed in the short term.**

The bill suggests that an RFP for the amount of gas generation equivalent to the current combined summer peak capacity profiles of coal and oil is the requirement. This equals 3 gigawatts of gas generation, the same as 2 Brandon Shores powerplants. This amount of gas generation will likely cost upwards of \$3 billion. Fortunately, the bill includes language that prevents these costs from being rate based (paid for by utility customers). However, \$3 billion dollars of clean energy investments would be no-regrets investments into the clean energy future that Maryland has been working toward for over 20 years.

4. **Building a new gas generation facility will not lower utility bills in the short term nor ensure stable utility prices in the long term.**

A new gas-powered facility would take at least 5-8 years to complete. Battery storage projects can be constructed in less than 3 years. *While the provisions of the Next Generation Energy Act have the potential to lower PJM capacity auction costs many years from now, they do nothing to lower energy costs in the near term.* Further, the gas commodity will always need to be purchased from out-of-state, unless we repeal our fracking ban, which means gas generation facilities will always be exposed to commodity price fluctuations.

5. **There are other carbon-free, cheaper, quicker options to upgrade the grid and ensure Maryland has the near-term energy it needs.**

These opportunities include battery storage deployment, grid enhancing technologies, reforming the RPS, and changing the Solar Renewable Energy Credit structure. Many of these technologies are outlined in other legislation that is being considered this year. Google recently commissioned a study from Brattle, a respected research firm, to examine the relative cost of different approaches to meeting new energy demand. They compared building a new gas plant to deploying batteries on the transmission and distribution grid. They found that batteries can mean new energy demand at a lower cost than a new gas plant.³

6. **An expedited permitting process would practically ensure the new gas generation facility is located in the place where a currently operating facility is retiring- an overburdened and underserved community.**

² <https://www.iea.org/reports/global-methane-tracker-2022/methane-and-climate-change>

³ <https://www.brattle.com/insights-events/publications/real-reliability-the-value-of-virtual-power/>

The expedited process would further limit the community's ability to fight against the chosen location and advocate for community benefit provisions.

7. **The timelines in the bill are too short to ensure that the gas generation build out is prudent and necessary.**

The timelines in the bill are for an October 1, 2025 request for proposals, a subsequent 120 day closing date, a 90 decision window, and a 6 month CPCN process.

8. **Green hydrogen is an unproven, unscaled technology.**⁴

9. **Carbon capture and storage is prohibitively expensive and is not currently being widely adopted.**⁵

10. **We have already paid transmission projects to cover the energy shortfalls that we are expecting from the closing of the Brandon Shores power plant.**

The other provisions in the bill could be useful in creating the next generation of energy needed to meet Maryland's shifting energy needs. However, due to the "Emergency Energy Procurement" section, we are unfavorable with the bill as drafted. Attached, please find a list of organizations and Maryland residents who are vehemently opposed to new gas generation in the state.

We ask that you please seriously consider our concerns and are delighted to work together to create a pathway for Maryland's next generation of truly clean energy resources.

Respectfully,

Brittany Baker

Maryland Director

Chesapeake Climate Action Network (CCAN) Action Fund

⁴ <https://www.canarymedia.com/articles/hydrogen/the-problem-with-making-green-hydrogen-to-fuel-power-plants>

⁵ Institute for Energy Economics and Financial Analysis "Carbon Capture and Storage" Factsheet. 2023. [LINK](#)