2025 HB1217 Testimony For 2025-02-21 v2.pdf Uploaded by: Alan Lang

Position: FAV

Honorable Delegates

I support

- Authorizing the construction, permitting, and operation of natural gas generating facilities in the State until the State meets 50 percent of its energy needs from renewable energy resources; and
- requiring the Maryland Energy Administration to work with the owners and operators of natural gas generating facilities in the State to decrease the production of energy from natural gas after the State meets 50 percent of its energy needs from renewable energy resources.

Reducing the number of power plants that use fossil fuels to generate electricity before alternative energy sources were available, has made us dependent on other states for our energy needs and driven up the prices of the electricity we use.

We do not want to be like California and have brown-outs during the summer because we do not have enough energy and the exporting states cannot spare any extra. Not having a reliable energy source will prevent businesses from coming or even staying in Maryland, which will hurt our tax base and limit jobs as we face terrible budget deficits.

Please enter a favorable report for HB1217.

Alan Lang 45 Marys Mount Road Harwood, Maryland 20776 Legislative District 30B 410-336-9745 <u>Alanlang1@verizon.net</u> February 21, 2025

2025 HB1217 Testimony For 2025-02-21.pdf Uploaded by: Alan Lang

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Alan Lang 45 Marys Mount Road Harwood, Maryland 20776 Legislative District 30B 410-336-9745 <u>Alanlang1@verizon.net</u> February 21, 2025

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Alan Lang 45 Marys Mount Road Harwood, Maryland 20776 Legislative District 30B 410-336-9745 <u>Alanlang1@verizon.net</u> February 21, 2025

HB 1217 testimony.pdf Uploaded by: Chris Anderson Position: FAV



PLUMBERS AND STEAMFITTERS UA LOCAL UNION 486

VALOCAL UNION 480 8100 Sandpiper Circle, Suite 200 Baltimore, Maryland 21236 Phone: 410-866-4380 Fax: 410-933-3515 www.UALocal486.com Founded 1889 Pasquale D. Petrovia Business Manager

Gary G. Glab Financial Secretary/Treasurer

Harry M. Schleicher Jr. Business Agent

C. Ryan Ambrose Business Agent

Stephen M. Nitsch Business Agent

Christopher D. Anderson . Business Agent

Todd E. Eckley Recruiter

Economic Matters Committee

To: Delegate C.T. Wilson, Chair; Delegate Brian Crosby, Vice-Chair; and Members of the Committee.

From: Christopher Anderson, Business Agent, Plumbers and Steamfitters Local 486

SUPPORT HB 1217 – Natural Gas Generating Facilities - Authorization

On behalf of the Plumbers and Steamfitters Local 486, which represent 2,000+ Plumbers, Steamfitters, Welders, and HVAC Techs across Maryland, I ask you to SUPPORT HB 1217.

We often hear the claim that "Maryland only produces 40% of its energy." Despite this, there is ongoing pressure to close power plants due to strict renewable energy standards. Coal and gas plants throughout Maryland are being shut down, leaving workers who build and maintain these plants seeking new opportunities to secure middle-class jobs. At the Plumbers and Steamfitters Local 486, we support a comprehensive approach to energy generation. While we are not opposed to the development of wind and solar energy, we believe the technology is not yet advanced enough to phase out natural gas and coal plants entirely. Our main priority is to ensure good union jobs and a reliable grid, both of which are supported by natural gas generation facilities.

Natural gas plants provide well-paying union jobs, similar to those held by our members. For instance, when Cove Point was constructed in Calvert County, nearly 4,000 union steamfitters, mostly welders and pipefitters, worked diligently to complete the project. Expanding natural gas generation in Maryland will not only strengthen the grid but also create additional good union jobs, helping workers achieve middle-class status.

For the reasons listed above, we ask that you SUPPORT HB 1217.

Sincerely,

Christopher Anderson

ZDU

SUPPORT HB 1217 – Natural Gas Generating Facilitie Uploaded by: Jason Ascher

Position: FAV

Mid-Atlantic Pipe Trades Association

Executive Board

Chris Madello Steamfitter Local 602 Washington D.C. Metro President

Kris Begolly Plumbers & Pipefitter Local 110 Norfolk, VA Vice President

Scott Upole Plumbers & Steamfitter Local 489 Cumberland, MD Secretary-Treasurer

Terriea "T" Smalls Plumbers & Gasfitters Local 5 Washington D.C. Metro

Nate Davenport Plumbers & Steamfitters Local 10 Richmond/Roanoke

Pasquale Petrovia Plumbers & Steamfitter Local 486 Baltimore

Robert Cooper Sprinkler Fitter Local 669 Maryland, DC, Virginia

Economic Matters Committee

To:Delegate C.T. Wilson, Chair; Delegate Brian Crosby, Vice-Chair; and Members of the Committee.From:Jason Ascher, Political Director, Mid-Atlantic Pipe Trades Association.

SUPPORT HB 1217 – Natural Gas Generating Facilities - Authorization

On behalf of the Mid-Atlantic Pipe Trades Association and our five United Association of Plumbers and Steamfitters Locals, which represent 10,000+ Plumbers, Steamfitters, Welders, HVAC Techs, and Sprinkler Fitters across Maryland, I ask you to **SUPPORT HB 1217**.

We hear it repeatedly: "Maryland only makes 40% of its energy." Yet, we see a push to close power plants based on overly strict renewable energy standards. Coal and Gas Plants across Maryland are closed, and the workers who build and maintain them must find a different path to the middle class. At the United Association of Plumbers and Steamfitters, we believe in an all-of-the-above approach to energy generation. We are not against wind and solar energy development, but we do not think we are far enough along in there development to shut down natural gas and coal generation plants. Our primary care is good union jobs and the grid's reliability, both of which come from the development of *Natural* gas generation facilities.

Natural gas-generating facilities create good-paying union jobs like the ones our members hold. When Cove Point was built in Calvert County, almost 4000 union Steamfitters, primarily welders and pipefitters, worked tirelessly to complete the project. Adding new natural gas generation in Maryland will increase the grid's capacity and help create good union jobs, helping workers move into the middle class.

For the reasons listed above, we ask that you **SUPPORT HB 1217**.

Sincerely,

Jason Ascher Political Director Mid-Atlantic Pipe Trades Association



HB1217_Letter_2.19.25.pdf Uploaded by: Juli McCoy Position: FAV



February 19, 2025

The Honorable C. T. Wilson House Economic Matters Committee 230 Taylor House Building Annapolis, Maryland 21401

Re: HB1217 – Natural Gas Generating Facilities – Authorization

Dear Chairman Wilson and Members of the Committee:

On behalf of the Allegany County Chamber of Commerce, I write to express our strong support for **HB1217 – Natural Gas Generating Facilities – Authorization**, which authorizes the construction, permitting, and operation of natural gas generating facilities in Maryland until the state meets fifty percent of its energy needs from renewable sources.

Maryland currently imports 40% of its energy, leading to increased costs for businesses and households. As energy demands rise, it is imperative to ensure a reliable, cost-effective energy supply for Maryland's economy. This bill presents a balanced approach by addressing the immediate need for affordable, in-state energy production while maintaining a clear transition toward renewable energy.

We commend legislative leaders for recognizing this challenge and taking proactive steps to secure Maryland's energy future. By allowing natural gas generation as a bridge while expanding renewable infrastructure, this bill provides a practical and responsible solution. Additionally, the requirement for the Maryland Energy Administration to collaborate on reducing natural gas production as renewable capacity grows ensures a thoughtful and forward-looking strategy.

For these reasons, we respectfully urge a **favorable vote** on **HB1217**.

Thank you for your consideration.

Sincerely,

Juli McCoy President & CEO juli@alleganycountychamber.com

cc: Allegany County Delegation

HB1217.SB950 Pavlak FWA - nat gas authorization.pd Uploaded by: Alex Pavlak

Position: FWA

HB1217 (SB950) Pavlak FWA

Natural Gas Generating Facilities – Authorization

• THE BILL SHOULD STATE A PURPOSE:

Reduce electricity rates by replacing in-state firm capacity lost by coal plant retirements.

- NO EVIDENCE THAT PJM CAPACITY MARKETS ALONE PROVIDE SUFFICIENT INCENTIVE GIVEN MARYLAND'S LARGE AND EVER-INCREASING RGGI TAX.
 - New construction owners need confidence that they will profit from their investment.
 - Does the PSC currently have multiple applications for new natural gas plant construction?
 - If yes forget these amendments
 - If no provide an additional incentive
- PROPOSED AMENDMENT

Exempt a 2 GW of new natural gas generation from the requirement to purchase RGGI carbon allowances for 10 years.

- BENEFITS
 - Incentivize new construction
 - Reduces ratepayer cost
 - Eliminates the fuzzy parts of the bill.
 - What exactly is 50% of State energy needs?
 - How to negotiating plant retirement? Expiring tax exemption subjects the plants to RGGI induced retirement pressure.
 - Solves MEA problem of too much RGGI money



FWA HB1217 PHI 2.21.25.pdf Uploaded by: Anne Klase Position: FWA





February 21, 2025

112 West Street Annapolis, MD 21401

Support with Amendments – House Bill 1217- Natural Gas Generating Facilities – Authorization

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support with amendments House Bill 1217- Natural Gas Generating Facilities – Authorization. House Bill 1217 authorizes the construction, permitting, and operation of natural gas generating facilities in the State until the State meets 50% of its energy needs from renewable energy resources. Additionally, it requires Maryland Energy Administration to work with the owners and operators of natural gas generating facilities in the State meets 50% of its energy needs the production of energy from natural gas after the State meets 50% of its energy needs from renewable energy resources.

Resource adequacy is a pressing issue nation-wide and is of particular concern in Maryland. Given the limited local generation in Maryland and pending retirements of the dispatchable generation in the state, Maryland is dependent on generation imports to achieve its electric supply. Achieving resource adequacy requires a holistic view of solutions, including solutions from Maryland, PJM, and Maryland utilities. More resources are needed as soon as possible—power plants (renewable and natural gas), energy storage, and demand-side capabilities.

If the Committee elects to vote this bill out of Committee, Pepco and Delmarva Power recommend adding amendments that authorize utilities to recover in rates the prudently incurred costs for acquiring, constructing, owning, and operating regulated generation and language that establishes a process to protect utility customers from the rate impacts of project terms that harm the electric company's credit metrics.

Pepco and Delmarva Power are ready to partner with stakeholders to advance solutions that provide reliability electricity supply, address affordability, and advance jurisdictional climate goals.

Pepco Holdings, the parent company of Pepco, an electric utility serving Washington, D.C., and suburban Maryland; Delmarva Power, an electric and gas utility serving Delaware and portions of the Delmarva Peninsula; and Atlantic City Electric, an electric utility serving southern New Jersey. Anthony and his team are responsible for guiding the company's delivery of reliable and excellent service to more than two million customers in the Mid-Atlantic. Pepco Holdings is a subsidiary of Exelon Corporation, one of the nation's leading energy services companies.

Valencia McClure | Anne Klase | Allyson Black-Woodson | Poetri Deal | 410 980 5347

HB1217.pdf Uploaded by: Dytonia Reed Position: FWA

Favorable with Amendments Economic Matters 2/21/2025

House Bill 1217 – Natural Gas Generating Facilities - Authorization

Baltimore Gas and Electric Company (BGE) supports with amendments *House Bill 1217 – Natural Gas Generating Facilities – Authorization*. House Bill 1217 authorizes the construction, permitting, and operation of natural gas generating facilities in the State until the State meets 50% of its energy needs from renewable energy resources. Additionally, the bill requires the Maryland Energy Administration to work with the owners and operators of natural gas generating facilities in the State meets 50% of its energy needs from renewable energy from natural gas after the State meets 50% of its energy needs from renewable energy resources.

Resource adequacy is a critical concern in Maryland. It's essential to have enough electricity generation capacity to meet peak demand and ensure reliable power delivery through sufficient transmission infrastructure. With limited in-state generation and the impending retirements of dispatchable generation, Maryland relies heavily on imported electricity to meet its energy needs. This dependency underscores the importance of maintaining a robust and reliable electric grid. In order to meet the electric demand of Maryland residents and businesses, stakeholders from the State, PJM, and utilities need to collaborate on solutions.

BGE respectfully requests an amendment for an investor-owned electric company to obtain a credit rating assessment by a premier credit rating agency to ascertain whether the terms of any order directing the utility to construct, permit, and or operate a natural gas generating facility are likely to be credit negative. This is essential to protect ratepayers from paying higher rates in the event BGE's credit rating would be adversely impacted because of a generating facility construction investment. Additionally, appropriate language to ensure the recovery of prudently incurred generation investments and costs is requested, given BGE is a regulated utility.

BGE remains committed to supporting Maryland's energy transition and supports policies that keep affordably, resiliency, and reliability a priority. BGE requests the Committee accept our recommended amendments and issue a favorable report.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

M&A_Chris Madello_UA Local 602_Testimony_HB950 SB1 Uploaded by: Roger Manno

Position: FWA

Journeymen Pipe Fitters and Apprentices



Local Union No. 602

8700 ASHWOOD DRIVE • 2ND FLOOR • CAPITOL HEIGHTS, MD 20743

TELEPHONE: (301) 333-2356 • FAX: (301) 333-1730 AFFILIATED WITH AFL-CIO

TESTIMONY OF CHRIS MADELLO, BUSINESS MANAGER / FINANCIAL SECRETARY— TREASURER, UA STEAMFITTERS LOCAL 602

BEFORE THE HOUSE ECONOMIC MATTERS COMMITTEE AND THE EDUCATION, ENERGY AND ENVIRONMENT COMMITTEE

HB1217 / SB 950

FAVORABLE WITH AMENDMENT

Dear Chairs Wilson and Feldman, and Members of the Committees,

On behalf of the UA Steamfitters Local 602, representing thousands of skilled workers who maintain and construct the infrastructure that powers Maryland, I submit this letter in strong support of House Bill 1217 / Senate Bill 950, with a key amendment.

This bill is a significant step toward ensuring Maryland's energy security while balancing our transition to cleaner energy. However, the current 50% threshold for allowing the continued operation of natural gas plants is too low given our existing energy mix. Nuclear alone accounts for approximately 40% of in—state electricity generation, and wind and solar add another 4%. That places us already near the 50% mark, potentially triggering the ramp—down of natural gas prematurely, before we have sufficient reliable energy sources in place.

To avoid unnecessary job loss and grid instability, we urge an amendment to raise the threshold to 75%. This adjustment ensures that as we scale up renewables and nuclear, Marylanders still have reliable power without forcing undue reliance on imports from out—of—state generators. It also protects the skilled union workforce responsible for maintaining these facilities while allowing for a realistic and stable transition.

We appreciate the leadership of this committee and urge you to advance this bill with the proposed amendment to keep Maryland's energy infrastructure strong, reliable, and union—built.

Sincerely,

Chris Madello Business Manager / Financial Secretary—Treasurer UA Steamfitters Local 602

CHRISTOPHER M. MADELLO BUSINESS MANAGER FINANCIAL SECRETARY TREASURER SIDNEY O, BONILLA ASSISTANT BUSINESS MANAGER SEAN T. STRASER BUSINESS AGENT GREGORY L. DAVIS BUSINESS AGENT TIMOTHY L. BIGGS BUSINESS AGENT ROBERT T GIFFORD BUSINESS AGENT

RAYMOND E. BLACK BUSINESS AGENT

M&A_MCAMW_Testimony_HB950 SB1217_FWA.pdf Uploaded by: Roger Manno

Position: FWA



TESTIMONY OF TOM BELLO, EXECUTIVE VICE PRESIDNET, MECHANICAL CONTRACTORS ASSOCIATION OF METROPOLITAN WASHINGTON

BEFORE THE HOUSE ECONOMIC MATTERS COMMITTEE AND THE EDUCATION, ENERGY AND ENVIRONMENT COMMITTEE

HB1217 / SB 950

FAVORABLE WITH AMENDMENT

Dear Chairs Wilson and Feldman and Members of the Committee,

I am writing on behalf of the Mechanical Contractors Association of Metropolitan Washington (MCAMW) to express support for House Bill 1217, provided an amendment is included to raise the threshold from 50% to 75% before phasing down natural gas generation.

Mechanical contractors are deeply involved in Maryland's energy infrastructure, from power facilities to essential mechanical systems across industries. While we fully support clean energy expansion, the current threshold of 50% does not align with Maryland's actual energy composition.

With nuclear providing 40% and renewables adding just 4%, we are already nearing 50% but lack the necessary grid enhancements and energy storage solutions to reliably reduce natural gas reliance. Raising the threshold to 75% will ensure energy resilience, prevent over-dependence on imported electricity, and allow for workforce adaptation and retraining.

We urge this committee to approve HB 1217 with this essential amendment to facilitate a balanced and practical energy transition.

Thank you for your consideration and leadership on this matter.

Sincerely,

Tom Bello Executive Vice President Mechanical Contractors Association of Metropolitan Washington

M&A_T Smalls_UA Local 5_Testimony_HB950 SB1217_FWA Uploaded by: Roger Manno

Position: FWA







4755 Walden Ln. Lanham, MD 20706 • 301-899-7861 (T) • 301-899-7868 (F)

TESTIMONY OF TERRIEA "T" SMALLS, BUSINESS MANAGER / FINANCIAL SECRETARY-TREASURER, UA PLUMBERS & GASFITTERS LOCAL 5

BEFORE THE HOUSE ECONOMIC MATTERS COMMITTEE AND THE EDUCATION, ENERGY AND ENVIRONMENT COMMITTEE

HB1217 / SB 950

FAVORABLE WITH AMENDMENT

Dear Chairs Wilson and Feldman and Members of the Committee,

I write to you today on behalf of Plumbers & Gasfitters Local 5 in strong support of House Bill 1217 / Senate Bill 950, with an essential amendment to raise the renewable energy threshold from 50% to 75% before restricting natural gas generation in Maryland.

Our members are the professionals who ensure safe and efficient gas distribution systems, and we understand the importance of balanced energy policy. While we support the move toward clean energy, prematurely phasing out natural gas before renewables and nuclear reach a true majority share risks increased energy costs, grid instability, and potential job displacement for highly skilled union workers.

With nuclear currently supplying 40% of our energy, and renewables at just 4%, we are on the cusp of hitting 50%—but that does not mean we are ready to eliminate natural gas plants. Raising the threshold to 75% ensures Maryland has sufficient in-state generation capacity to meet demand without increasing dependency on out-of-state imports. It also gives the skilled union workforce time to adapt and transition within a stable, job-protected framework. I urge this committee to adopt the proposed amendment and move HB1217 / SB950 forward with a more realistic and responsible transition threshold.

Thank you for your time and consideration.

Sincerely,

Terriea "T" Smalls Business Manager / Financial Secretary-Treasurer Plumbers & Gasfitters Local 5

HB 1217 Natural Gas Generating Support with amend Uploaded by: Tom Clark

Position: FWA

International Brotherhood of Electrical Workers



JOSEPH F. DABBS: Business Manager • THOMAS C. MYERS: President • RICHARD D. WILKINSON: Vice President CHRISTOPHER M. CASH: Financial Secretary • RICHARD G. MURPHY: Recording Secretary • WILLIAM T. NG: Treasurer



TESTIMONY IN SUPPORT WITH AMENDMENTS HB 1217 NATURAL GAS GENERATING FACILITIES – AUTHORIZATION February 21, 2025

TO: Chair Wilson, Vice Chair Crosby, Members of the Economic Matters Committee FROM: Tom Clark, Political Director, Int. Brotherhood of Electrical Workers Local 26

Mr. Chair and members of the Committee, I, like the General Assembly, would love to see Maryland use 100% renewable energy. However, the goals we set were much too high, much too soon. We put "the cart before the horse". Now, because of these lofty goals, the Maryland consumer is paying the price.

I am an electrician and represent electricians, I would love to reap the abundance of work that solar, wind and other renewable energy brings. I am also a Maryland consumer of energy that wants a cheaper energy bill and Maryland to produce more of its own energy. For these reasons I **support with amendment, HB 1217.**

I would simply change the 50% requirement to **80%.** We are close to 43% at this current time, 50% is just a stones throw away. If we want to help the Maryland consumer, and force faster production of renewable energy, let's make use of the energy source that is natural gas. Members of the committee I respectfully ask you to **support HB 1217 with this one amendment.** Thank you.



HB 1217 - CBF - UNF.pdf Uploaded by: Matt Stegman Position: UNF



Environmental Protection and Restoration Environmental Education

House Bill 1217 Natural Gas Generating Facilities - Authorization

Date:	February 21, 2025	Position:	UNFAVORABLE
To:	House Economic Matters Committee	From:	Gussie Maguire,
			MD Staff Scientist

Chesapeake Bay Foundation (CBF) **OPPOSES** HB 1217, which allows for the construction and operation of new natural gas-burning energy generation systems until the state is able to meet 50% of its energy needs from renewable sources. The bill includes nuclear energy in its "renewable" category, but while nuclear energy does not generate the same harmful emissions as burning fossil fuels, it still depends upon a finite fuel source. It is important to distinguish it from true renewable energy sources, such as solar and wind energy. In any case, opening the door to additional fossil fuel-fired power generation in the state would be a step backwards for Maryland's air quality, water quality, and climate goals.

In addition to greenhouse gas (GHG) emissions and other pollutants, gas-fired power plants emit nitrogen oxides (NOx) into the atmosphere. Atmospheric nitrogen, from power plants, vehicle emissions, and other sources, enters the Chesapeake Bay and its tributaries through either dry deposition of particles or attached to precipitation, and contributes about one-third of nitrogen of the nitrogen reaching the Bay¹. NOx emissions have declined over time, thanks in large part to reductions from point sources like power plants². Introducing additional gas-burning energy generation systems to the state of Maryland and the Chesapeake Bay's airshed would go back on that progress, increasing nitrogen loads to the Bay and exacerbating algal blooms and anoxic dead zones. Larger dead zones imperil already-stressed aquatic species, including striped bass and menhaden.

Finally, despite natural gas's reputation as a "clean burning" fuel, its emissions pose the exact same threats to the climate as other fossil fuels. Natural gas is primarily composed of methane, which is even more effective than carbon dioxide at trapping heat in the atmosphere. Any leaks in pipelines to or equipment at a natural gas-burning facility would contribute methane, while normal energy generation activity would also release low levels of methane along with carbon dioxide. Increased GHG emissions do not align with the state's goals and investments already made to combat climate change.

CBF urges the Committee's UNFAVORABLE report on HB 1217.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at <u>mstegman@cbf.org</u>.

The Chesapeake Bay Foundation (CBF) is a non-profit environmental education and advocacy organization dedicated to the restoration and protection of the Chesapeake Bay. With over 200,000 members and e-subscribers, including 71,000 in Maryland alone, CBF works to educate the public and to protect the interest of the Chesapeake and its resources.

¹ <u>https://www.chesapeakebay.net/issues/threats-to-the-bay/air-pollution</u>

² <u>https://www.epa.gov/sites/default/files/2015-02/documents/appendix_l_atmos_n_deposition_allocations_final.pdf</u>

Maryland Office • Philip Merrill Environmental Center • 6 Herndon Avenue • Annapolis • Maryland • 21403

HB 1217 - Authorizing Natural Gas Generating Facil Uploaded by: Rebecca Rehr

Position: UNF



Kim Coble
Executive DirectorFebruary 21, 2025**OPPOSE: HB 1217 - Natural Gas Generating Facilities - Authorization**2025 Board of
DirectorsChair Wilson and Members of the Committee:
Maryland LCV opposes HB 1217 - Natural Gas Generating Facilities - Authorization.Patrick Miller, Chair
The Hon. Nancy Kopp,
Treasurer
Kimberly ArmstroneMaryland LCV opposes actions that would permit new or expanding energy production
from fossil fuel plants. Maryland LCV is committed to advancing clean energy solutions
that increase grid reliability and decrease ratepayer impacts. Maryland is at a key

that increase grid reliability and decrease ratepayer impacts. Maryland is at a key energy crossroads between increased demand from high energy using industries and rising electricity rates. As federal energy policy remains uncertain, Maryland has the opportunity to advance a clean energy economy that saves Marylanders money in the years ahead, while improving air and water quality to protect the health of everyone in Maryland.

Maryland LCV supports clean energy solutions that address grid reliability and ratepayer impacts while achieving the state's commitment to a clean energy future. 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. This two-year price cap on capacity charges will offer some protections to ratepayers while allowing states to address critical energy challenges. We must use this time to chart the path forward for sensible economic choices that keep the lights on and the air clean.

To help meet Maryland's energy needs, the state should expedite the PSC process for proposed solar projects and other non-carbon emitting sources of energy. 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.

Clean energy paired with battery storage have lower operating costs and more competitive markets, which means they will provide clean energy while lowering our energy bills in the years ahead. Maryland has already invested \$800 million of ratepayer dollars in transmission upgrades to ensure grid reliability as we transition away from fossil fuels. Combined with proposed legislation to expand battery storage and solar capacity, these investments create a clear path toward a reliable, clean energy future.

Governor Moore and 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. Maryland LCV urges an unfavorable report on this bill.

The Hon. Nancy Kopp, Treasurer from fossi Kimberly Armstrong caroline Baker energy cro Joe Gill rising elec Lynn Heller opportuni Charles Hernick years ahea The Hon. Steve Lafferty Maryland. Bonnie L. Norman

HB1217 testimony.pdf Uploaded by: Renee Hamidi Position: UNF



Committee: Economic Matters Testimony on: HB1217 "Natural Gas Generating Facilities – Authorization" Position: Unfavorable Hearing Date: February 21, 2025

Valleys Planning Council, a non-profit that conserves land and resources, preserves historic character and maintains the rural feel and land uses in northwestern Baltimore County, urges an unfavorable report on HB1217, which would authorize the construction, permitting, and operation of natural gas generating facilities.

On its face, this bill seems to address Maryland's immediate energy needs. Natural gas power plants can be built relatively quickly and cheaply compared to other types of energy. A natural gas plant can be built in 1-2 years. However, the payback period can be up to 17 years¹.

As Maryland works to increase the amount of "renewable" energy it uses to meet its energy needs (HB0505 seeks to change the word "renewable" to "clean", though they mean two different things), a gas plant may at some future time be required to decrease its production of energy, either increasing the amount of time before it becomes profitable or reducing the overall profits it can make. With this level of uncertainty, why would anyone build a new gas plant, unless they are counting on laws changing to allow gas plants to continue operating at full throttle for decrease into the future? Unintended but foreseeable consequences make it difficult to support this bill.

Gas plants may be cleaner than coal or oil plants, but they emit greenhouses gases that contribute to global warming, something we must work to limit. Valleys Planning Council urges an unfavorable report on HB1217.

Renée Hamidi Executive Director Valleys Planning Council

¹ Carvalho, Rexon Joe, "Evaluating the Profitability of Natural Gas Combustion Turbine Power Plants in the US and its Implications on Future of Natural Gas as a Bridge Fuel for Electricity Generation" (2018). Thesis. Rochester Institute of Technology.

HB1217 (SB0950) - LOI - Natural Gas Generating Fa Uploaded by: Landon Fahrig

Position: INFO



TO:Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters CommitteeFROM:MEASUBJECT:HB 1217 - Natural Gas Generating Facilities - AuthorizationDATE:February 21, 2025

MEA Position: LETTER OF INFORMATION

This bill purports to authorize the construction and operation of natural gas generating facilities, but limits such until the State meets 50% of its energy needs from renewable energy generating resources including nuclear generation.

The bill is not needed, as natural gas generation facilities may already be constructed and operated in the state. Additionally, the bill contains no language that would actually promote the construction of natural gas generation, renewable generation, or nuclear generation.

Additionally, the bill requires that the Maryland Energy Administration (MEA) work with the owners and operators of natural gas generating facilities once the state <u>does</u> meet 50% of its energy needs from renewable energy resources, again including nuclear energy, to decrease the production of energy from natural gas generating facilities. MEA has no regulatory authority to accomplish this goal. Generators in the state are regulated in various ways by the Maryland Public Service Commission, the Federal Energy Regulatory Commission (FERC), and through the market rules and other mechanisms within PJM that are approved by FERC.

MEA urges the committee to consider this information before issuing its report.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, directly (<u>landon.fahrig@maryland.gov</u>, 410.931.1537).