



The Senate of Maryland
ANNAPOLIS, MARYLAND 21401-1991

**SB 10 - Renewable Energy Portfolio Standard - Eligible Sources - Alterations
(Reclaim Renewable Energy Act of 2025)**

Testimony of Senate President Bill Ferguson

On February 13, 2024

Before the Senate Committee on Education, Energy, and the Environment

Why This Bill Matters:

As we address the exigent crisis of climate change, it's imperative that we transition our energy economy to reliable renewable sources as quickly as possible. Maryland's Renewable Energy Portfolio Standards (RPS) was created to provide State-level subsidies to true zero-emission technologies of the future, allowing them to increase the scale of the green energy generated as quickly as possible.

Maryland's RPS is in need of reform to ensure it adequately serves Marylanders' interests, especially as utility bills are rising to crisis levels. At the same time, we must make tangible, incremental steps so the RPS actually accomplishes what it was created for.

We know that waste and refuse incineration are not zero-emission energy fuel sources, yet those generation facilities receive tens of millions of dollars each year to subsidize pollution emitting power plants. As Maryland ratepayers are paying a premium for their energy due to the 800% increase in PJM Interconnection capacity auction prices, providing an additional State-level financial incentive is unnecessary and counterproductive.

What This Bill Does:

Senate Bill 10 simply removes waste-to-energy and refuse-derived fuels from inclusion in the State's RPS program. As a result, the tens of millions of dollars currently subsidizing three power plants which burn trash to generate electricity can be reallocated to spur the development of true clean energy projects, like geothermal, wind, solar, and hydroelectric plants.

Two of the three plants currently receiving these incentives are in Maryland while the other is located in Virginia. Of the two facilities located in Maryland, the one located in Montgomery County is municipally owned.

The Montgomery County government is currently using proceeds from the power plant to help pay for their Aiming for Zero Waste program. I am coordinating with Montgomery County on a sponsor amendment which will delay the bill's impact specifically for municipally owned waste incineration

facilities by one year to provide time for the County to adjust its financing so as to not inhibit their broader zero waste efforts.

Why You Should Vote For This Bill:

The incineration of waste is an important tool for generating electricity and keeping trash out of our landfills, but it is not clean energy. As the PJM Interconnection capacity auction prices skyrocket and are projected to remain at historically high levels for the foreseeable future, these waste incineration plants have sufficient incentive to continue operating without participating in Maryland's RPS program.

Nothing in this legislation should impact these plants overall operations and the impact to Maryland ratepayers is de minimis, with one estimate confirmed by the PSC to be as low as an \$0.0004/kWh increase.

Instead, Maryland will continue modernizing our RPS program to ensure it is incentivizing the new generation of true zero emission power plants at a time when we need to get more Maryland-made power built and on the grid as quickly as possible. Senate Bill 10 is an important step towards that overarching goal.

Thank you for your consideration of Senate Bill 10 and I urge the committee to move this bill with a favorable report with the amendment referenced above.