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Education, Energy, and the
Environment Committee

Energy Subcommittee

Chair, Joint Electric Universal
Service Program Workgroup



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TESTIMONY IN SUPPORT OF SB 716
Nuclear Energy – Renewable Energy Portfolio Standard and Procurement
(Decarbonization Infrastructure Solutions Act of 2025)

Education, Energy and the Environment Committee
March 6, 2025

Chair Feldman, Vice-Chair Kagan, and members of this committee,

Thank you for the opportunity to testify before you on SB 716, The Decarbonization Infrastructure Solutions Act of 2025. The purpose of this bill is to supercharge our state's transition to clean energy by integrating nuclear energy into Maryland's Tier 1 Renewable Sources for the Renewable Portfolio Standard (RPS) and establishing a framework for procuring this source while ensuring our state's communities and labor force benefit from these investments. In short, it's a blueprint for Maryland's clean energy future.

Before I get into the details of SB 716, I want to explain the motivation of this bill. This year, the General Assembly has prioritized nuclear power as one of many solutions to developing more in-state energy generation. My Abundant Affordable Clean Energy (AACE) Act, heard in this committee earlier in the session, partially answers this call by ensuring that Calvert Cliffs has the resources to relicense and continue to provide clean power for our state. However, the AACE Act stops short of procuring new nuclear facilities. That's why I am introducing the Decarbonization Infrastructure Solutions Act— to finish the job of building more nuclear generation that is safer, more efficient, and more reliable than ever before.

Two other bills already heard by this committee, the Governor's ENERGIZE plan and the Next Generation Energy Act, also both seek to procure new nuclear facilities in our state. Both bills establish a similar framework for procuring new nuclear by allowing the Public Service Commission (PSC) to create a non-bypassable surcharge. This will allow an electric company the ability to recover all costs associated with the purchase of nuclear energy from its customers.

Developing an incentive structure, funded by ratepayers, is crucial for building new nuclear power plants in Maryland. It is no secret that nuclear energy requires large investments and financial security in the long term. However, this investment in nuclear power pays dividends in the form of abundant and clean power. SB 716 is the last piece of the puzzle for creating a nuclear incentive structure by including nuclear energy as a Tier 1 source in the RPS. Since 2004, the RPS has been a successful framework for incentivizing the deployment of both solar

and off-shore wind. However, this addition of nuclear to the RPS will not undermine or take away from other Tier 1 sources– it simply allows for nuclear to also receive incentives.

When it comes to meeting our state’s climate goals, nuclear energy is an unparalleled source and would be a valuable addition to the RPS. Nuclear power stands out for its nominal land use, requiring just 0.3 square meters of land per megawatt hour of energy produced. Additionally, nuclear energy emits no greenhouse gases, making it a crucial ally in the fight against climate change. Most importantly, nuclear power boasts the highest capacity factor of any energy source, with plants operating at full capacity more than 92% of the time. This reliability is nearly twice that of natural gas and coal, and up to three times more dependable than wind and solar. In 2023, Maryland's only nuclear power plant - the Calvert Cliffs power station– accounted for 40% of the state's total electricity net generation.

Adding Nuclear Energy to the RPS

This bill will add new nuclear energy generated from licensed stations, including small modular reactors, to the list of Tier 1 renewables in the RPS. Moreover, a certain percentage of energy derived from nuclear sources will then be increased annually, with allocations starting at 4% in 2026, and growing to 50% by 2040. This change will ultimately help Maryland achieve a new goal of having 100% renewable energy by 2040. To clarify, the bill will not disrupt other investments in clean energy technologies including wind, solar, and geothermal. Additionally, only nuclear energy generating stations built after October 2025 will be eligible for inclusion in the RPS.

Both the Governor’s Empowering New Energy Resources & Green Initiatives toward a Zero-Emission (ENERGIZE) Maryland Act and Senate Bill 716 (SB 716) aim to achieve 100% clean energy for Maryland. While both recognize the role of nuclear energy in this transition, they differ in their approaches:

- SB 716 explicitly incorporates nuclear energy into the Renewable Energy Portfolio (RPS) as a Tier 1 renewable source and sets specific minimum percentages for nuclear energy contributions to meet RPS requirements.
- The ENERGIZE Maryland Act acknowledges the necessity of nuclear energy to achieve its clean energy goals but does not specify exact percentages, allowing for flexibility in nuclear energy’s contribution within the clean energy portfolio standard (CEPS).

In summary, while both legislative initiatives leverage nuclear power to attain Maryland’s clean energy objectives, SB 716 provides explicit targets for nuclear energy within the RPS, whereas the ENERGIZE Maryland Act maintains a more flexible approach regarding nuclear energy’s role in CEPS.

The Decarbonization Infrastructure Solutions Act of 2025 (SB 716) should not be viewed as competing with other proposed legislation. Instead, it acknowledges the practical aspects of increasing Maryland’s clean energy supply and offers specific incentives for potential nuclear energy producers considering operations within the state.

NRECS

The bill will also establish a Nuclear Energy Generating Station Incentive Program where certified nuclear energy generating stations generate “NRECs”. These generating stations must be located in Maryland and have a certain generating capacity to be eligible for the program. The compliance values for NRECs shall be set on a yearly basis by the Public Service

Commission to ensure the competitiveness of all renewable technologies. There is also a mandate that these compliance values not be allowed to fall under \$50 per Megawatt-Hour or be greater than \$75 per Megawatt Hour.

Procurement

The Decarbonization Infrastructure Solutions Act of 2025 (SB 716) establishes a comprehensive framework for the PSC to evaluate and approve nuclear energy generation projects. The PSC assessment will encompass various factors, including cost implications for ratepayers, environmental and economic benefits, and feasibility of proposed projects.

Labor Protection

The bill mandates fair labor practices, such as collective bargaining rights, to ensure equitable treatment of workers involved in nuclear energy projects.

Ratepayer Benefits

It requires that proceeds from nuclear projects directly benefit ratepayers, ensuring that consumers receive tangible advantages from these initiatives.

Cost Overrun Protection

The legislation includes measures to protect both ratepayers and the state from potential cost overruns associated with nuclear projects, promoting financial accountability.

Energy Cost Caps

SB 716 imposes caps on energy costs to prevent excessive charges, thereby safeguarding consumers from unreasonable energy expenses.

Collectively, these measures aim to balance the advancement of nuclear energy infrastructure with the protection of consumer interests and the promotion of fair labor standards.

For these reasons, I am requesting a favorable report on SB 716.

With kindest regards,

A handwritten signature in cursive script that reads "Benjamin T. Brooks".

Benjamin Brooks