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SB0010

February 23, 2025

TO: Members of the Senate Energy, Education and the Environment Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: Senate Bill 10 - Renewable Energy Portfolio Standard – Eligible Sources – Alterations (Reclaim Renewable Energy Act of 2025)

POSITION: Support

Chair Feldman, Vice Chair Kagan and Members of the Energy, Education & Environment Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 10.

SB 10 redefines Tier 1 renewable sources such that the definition is better aligned with goals to reduce the emission of greenhouse gasses in the 2024 Climate Pollution Reduction Plan. These changes help to prioritize renewable energy subsidies for evidence-based renewable energy generation such as solar, wind, and hydro energy.

Maryland's Renewable Portfolio Standard (RPS) has an explicit goal to “*recognize and develop the benefits associated with a diverse collection of renewable energy supplies. The State's RPS Program does this by recognizing the environmental and consumer benefits associated with renewable energy.*” Through the RPS, electricity suppliers are required to meet a minimum amount of renewable energy within their sales. Renewable Energy Credits or RECs, which are classified as Tier 1 or Tier 2 can be traded or purchased by suppliers to claim those credits. REC payments function as subsidies for renewable energy generation and relate to energy output. The bill removes energy derived from high carbon emitting sources, namely waste incineration, as eligible for such subsidies under Maryland's RSP. The goals in SB 10 align well with Baltimore City's 2019 Sustainability Plan strategies to reduce emissions, support renewable energy adoption and advance clean air, including the goals to:

Energy, Strategy 2: Speed the path to decarbonization through [the] increased deployment of renewable energy and electric vehicles.

Action 2: *Advocate for a higher State of Maryland renewable portfolio standard (RPS) as well as affordable pathways to electrification*

Greenhouse Gas Emissions, Strategy 3: Create new programs to reduce greenhouse gas emissions.

Action 2: *Commit to being a “Carbon Neutral City,” meaning we would have a net zero impact on greenhouse gas emissions.*

Action 3: *Reduce short-term pollutants, developing an action plan to reduce emissions of short-lived climate pollutants (such as the harmful chemicals found in some refrigerators and air conditioning units), which cause significantly greater warming than carbon dioxide and other greenhouse gases*

Clean Air, Strategy 1: Reduce emissions from industrial operations to reduce harm to people living nearby.

Action 1: *Encourage state-of-the-art pollution controls on all “point source pollution” emitters and improve review of the effect of new permit applications for air pollution sources, particularly those in and near zip codes with high asthma hospitalization rates.*

Action 2: *Work with federal, state, and regional agencies to reduce toxic air emissions from transportation, especially reducing pollution from freight vehicles.*

Including carbon-emitting energy sources as eligible for Tier 1 renewable energy in Maryland’s RPS is counterintuitive to Baltimore City’s 2019 Sustainability Plan strategies, the City’s and the State of Maryland’s carbon neutrality goals and efforts to decrease air pollution. Based on the city’s 2020 greenhouse gas inventory, waste incineration comprises roughly 9.5% of all point source emissions in Baltimore. This same industry perennially receives subsidies in state RECs while placing an unjust environmental burden on predominantly African American and low-income residents in South Baltimore. It is imperative state renewable energy subsidies support truly renewable energy, such as solar.

Additional Background:

The State’s RPS was first passed in 2004 and subsequently amended several times. SB10/HB220 directly addresses 2011 and 2012 amendments to the RPS that added “*waste-to-energy and refused-derived fuel facilities*” as a Tier 1 renewable energy source. Municipal Solid Waste (MSW) has increased in its overall share of RECs since the bill passed in 2011 from 4% to 14% in 2014 and has since declined to 10% in 2017. According to a 2019 Report from the Maryland Department of the Environment: “*More RECs from MSW have been retired since MSW was converted to Tier 1 status than when MSW was a Tier 2 resource.*”ⁱ Maryland’s current RPS standards provide significant subsidies for highly-carbon emitting activities, causing cleaning renewable energy sources to unnecessarily compete with industries that don’t align with climate change goals for Baltimore City and across the state.

SB 10 reflects a multi-year effort to clean up Maryland’s RPS, aligns renewable energy regulations with statewide climate and sustainability goals and opens the city up to waste management alternatives that promote environmental justice, zero waste planning and opportunities to capture the value of materials in the city’s current waste stream.

For these reasons, the BCA respectfully request a **favorable** report on SB 10.

ⁱ Maryland Department of Natural Resources, Power Plant Research Program (PPRP) (2019) Final Report Concerning the Renewable Portfolio Standards as Required by Chapter 303 of the Acts of Maryland General Assembly of 2017. DNR Publication No. 12-091619-167. Available at: <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://dnr.maryland.gov/pprp/Documents/FinalRPSReportDecember2019.pdf>