sb 643 testimony.pdfUploaded by: Chris Anderson Position: FAV



PLUMBERS AND STEAMFITTERS UA LOCAL UNION 486

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Education, Energy, and the Environment Committee

To: Senator Brian J. Feldman, Chair; Senator Cheryl C. Kagan, Vice Chair; and Members of the Committee

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

Support SB 643 - Public Utilities - Energy Generation

On behalf of the Plumbers and Steamfitters Local 486, I am writing to express our strong support for Maryland Senate Bill 643. This important piece of legislation represents a critical step toward improving the infrastructure and economic development in our state. We believe that SB 643 will have a positive impact on the workforce, businesses, and communities across Maryland.

Only 40% of the power that is used in our state comes from power plants within Maryland. That means that Marylanders rely on the states around us to keep our lights on. By Building Natural Gas energy generation plants in our state, we are not only creating good middle-class jobs but also, we would be developing stronger energy infrastructure in our state. Furthermore, the General Assembly's support for additional nuclear energy is yet another push in the right direction for good clean energy. The provisions outlined in the bill will provide opportunities for Maryland workers, including plumbers, steamfitters, and other tradespeople, to be a part of the projects that will shape our state's future.

Specifically, SB 643 will contribute to the creation of jobs, providing stable and well-paying positions for the hardworking members of Local 486. We strongly support the bill's provisions that will promote the development of energy infrastructure and encourage the utilization of qualified, unionized labor, ensuring that workers are provided with the necessary skills and protections to succeed in these projects.

We urge the committee to consider the positive impact this bill will have on Maryland's economy and workforce. SB 643 is an investment in our state's future, and the Plumbers and Steamfitters Local 486 are proud to support it.

Sincerely,

Christopher Anderson

2000

SB643 - Easton Utilities - FAV.pdfUploaded by: Kurt Fuchs

Position: FAV

March 6, 2025

To: Senate Education, Energy, and the Environment

From: Easton Utilities Commission

Bill: SB 643 - Public Utilities – Energy Generation

Position: Support

On behalf of Easton Utilities Commission (EUC), a small, municipally-owned utility and telecommunications company operating the electric, natural gas, water, wastewater, cable TV, and internet services for the Town of Easton and portions of the surrounding area, I am writing to express our support for **SB 643**.

This bill would make explicit the ability to construct, permit, and operate an energy generating system fueled by natural gas in Maryland. Additionally, it authorizes investor-owned electric companies and electricity suppliers in the State to construct, acquire, or lease and operate their own generating facilities and related transmission facilities.

Easton Utilities supports a diverse mixture of fuels/sources to address Maryland's current and future base-load energy demands, while being mindful of long-term reliability, resiliency, and sustainability. To ensure high reliability, we utilize a diverse portfolio of energy sources, including solar, ultra-low-sulfur diesel, and clean, affordable natural gas. This enhances energy security and helps insulate our customers from energy disruptions.

Uniquely, we are a vertically-integrated electric company, capable of generating enough electricity to serve our customers and act as a micro-grid, were ever the need to arise. This means we can keep our customers' lights on and serve as a staging area for first responders and disaster relief/recovery for the entire Delmarva Peninsula in a time of widespread grid disruption.

However, though modernized and upgraded over the years, our fleet of generators are aging (our oldest were put into service in the 1950's) and increased demand for electricity meant that during the recent cold snap in January, consumption briefly exceeded the amount of electricity we are capable of producing.

Investing in new natural gas generation would allow Easton Utilities to maintain its ability to serve as a micro-grid, enhancing the Eastern Shore's and the State's resiliency, while at the same time helping to increase in-State generation and alleviate some of the very real concerns about resource capacity currently facing the State in the near and long term.

For these reasons, Easton Utilities supports SB643 and respectfully urges a Favorable Report.

Please contact Kurt Fuchs with any questions at kfuchs@eucmail.com or 443-786-0855.

Written Testimony SB 643 Patti Hankins 3-4-2025.pd Uploaded by: Patti Hankins

Position: FAV

MD SB 643 2025 Public Utilities – **Energy Generation** Hearing – March 6, 2025 Written Comments of Patti Hankins

> Patti Hankins 229 St Mary's Rd Pylesville, MD 21132 Patti.Hankins@gmail.com

Chairman Wilson and Members of the Committee Written Testimony SB 643
March 6, 2025

Maryland needs to become energy independent from other states for its electricity generation. My comments outline the current state of Maryland's dependency on imported electricity.

PJM's regional expansion of high voltage transmission projects does not take into consideration the costs to impacted landowners and communities tasked with hosting these extension cords. Taxpayers are also impacted when agricultural preservation easements are targeted which is often the case. It is easy to site transmission projects on rural land because it is the least expensive option. Maryland elected officials are pretending that imported electricity is from nuclear only resources, which is not factual.

Projects 1, 2 and 3 outlined below will utilize electricity from Pennsylvania that comes from the substations at Bottom Atomic Plant. The electricity is generated from both nuclear resources and fossil fuel resources, specifically from the Calphine York Energy Center and the York Energy Center II which are natural gas fueled. Other PA resources from the north in the flow from these substations is also from fossil fuel generation.

In total there are 4 high voltage projects that PJM approved in 2023 that will significantly increase the percentage of imported electricity into Maryland. The details are shown in the following pages:

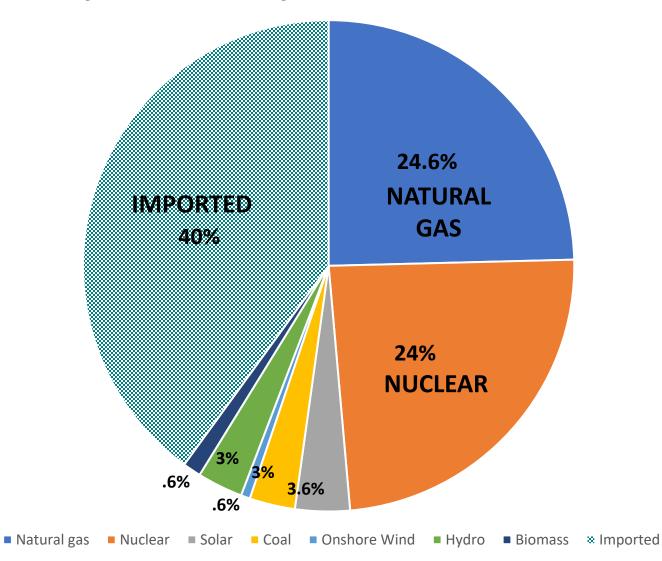
- 1. Brandon Shores Retirement Mitigation Project
- 2. PSEG Maryland Piedmont Reliability Project
- 3. BGE/PEPCO Tri-County Transmission Project
- 4. First Energy Hunterstown to Carroll Upgrade Project

In addition, the PJM Board of Managers approved **Project #5** on February 26, 2025, the 2024 Window 1 project which will bring extra high voltage 765kV transmission to Frederick County via a 261-mile extension cord from West Virginia coal-fired plants.

Will Maryland imports be 85%, 90% or higher when all of the above projects are completed between 2027-2030? At what cost to Maryland ratepayers? At what cost to Maryland landowners? The approximate costs of all 5 of these projects is \$11.6 BILLION and the generation will be from fossil-fuel plants in Pennsylvania and West Virginia. Building Maryland 24/7 available natural gas generators will provide stability to electricity consumer rates.

MD Electric Generation Percentage 24.6 Natural gas Nuclear 24 3.6 Solar Coal **Onshore Wind** 0.6 Hydro 0.6 **Biomass Imported** 40

Maryland Electricity Generation Sources 2025





PJM Approved Projects to **IMPORT MORE** Electricity into Maryland Approved in 2023



BGE/PECO Brandon Shores
Retirement Mitigation Project
2 new substations, new 500kV
line from PA to Graceton
substation, new double circuit
230kV transmission lines with
bundled conductors on existing
ROW approved 7-2023

NOTE: This map is only intended to illustrate the general electrical connectivity of the projects, and should <u>not</u> be relied upon for exact geographical substation locations or line routes.

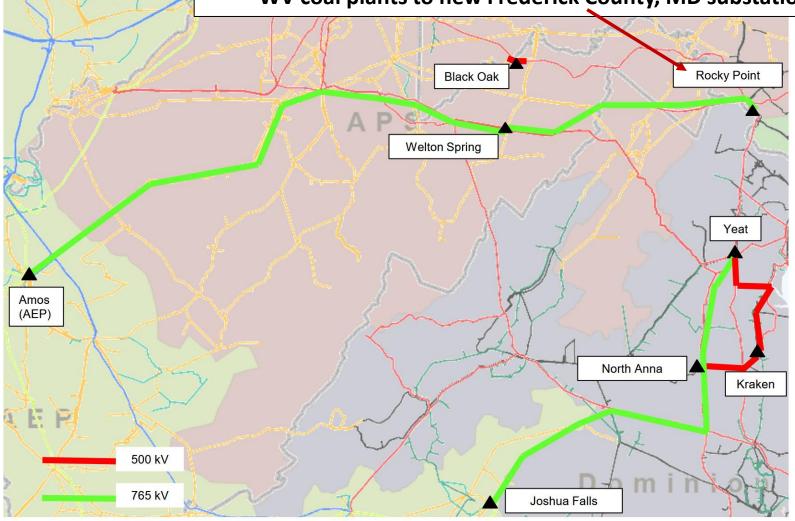
www.pjm.com 51 PJM©2023

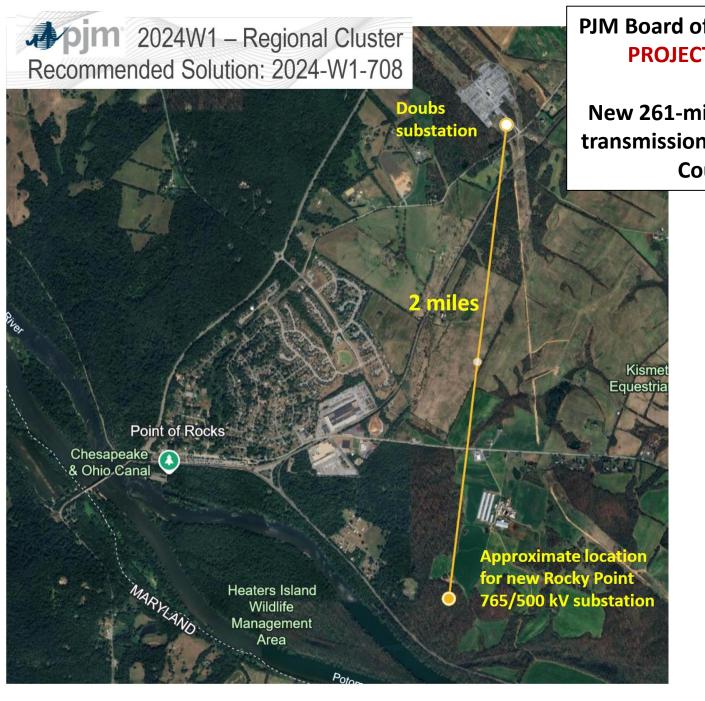


PJM Board of Managers Approved on February 26, 2025

PROJECT TO IMPORT MORE ELECTRICITY INTO MARYLAND

New 261-mile greenfield EXTRA HIGH VOLTAGE 765kV transmission line from WV coal plants to new Frederick County, MD substation Rocky Point.





PJM Board of Managers Approved on February 26, 2025
PROJECT TO IMPORT MORE ELECTRICITY INTO
MARYLAND

New 261-mile greenfield EXTRA HIGH VOLTAGE 765kV transmission line from WV coal plants to new Frederick County, MD substation Rocky Point.

- PJM states that this project supports future load growth in Eastern PJM
- Expansion of 765kV into Eastern PM beyond Frederick County is possible
- 765kV is equal to 3 500kV transmission lines
- 765kV requires a 200' ROW
- Agricultural activities are limited under 765kV transmission towers

EXTRA HIGH VOLTAGE – EHV 765kV TRANSMISSION TOWERS

- A single-circuit 765-kV line can carry as much power as three singlecircuit 500-kV lines
- 765-kV projects use a typical right-of-way width of 200 feet.
- Typical 765-kV lines have a tower height of approximately 130-140 feet
- Highest voltage available in the United States



Figure 3 shows a 765-kV deviation tower located less than 50 yards from a new two-story home.

The illustration provides a good indication of the size of these towers. The footprint for towers along straight segments is smaller because the balanced conductor load reduces the bending moment that must be supported at the foundations.

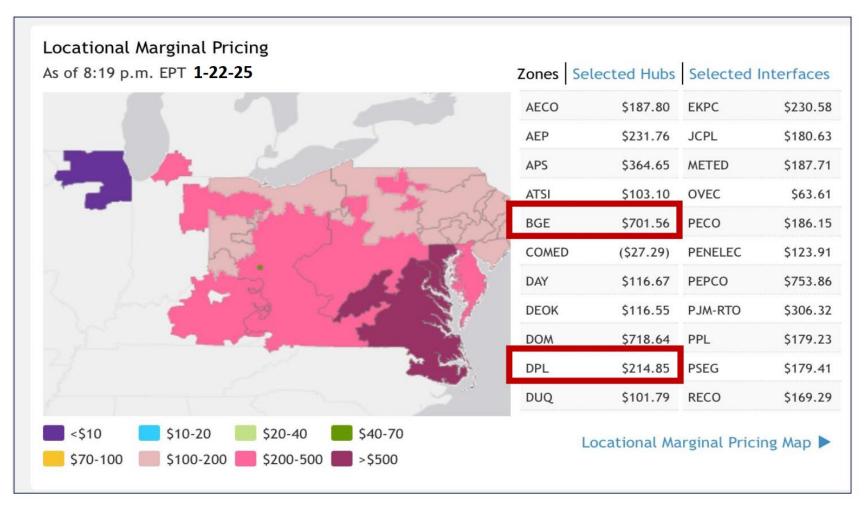


Figure 3 – Deviation Tower in a Residential Neighborhood

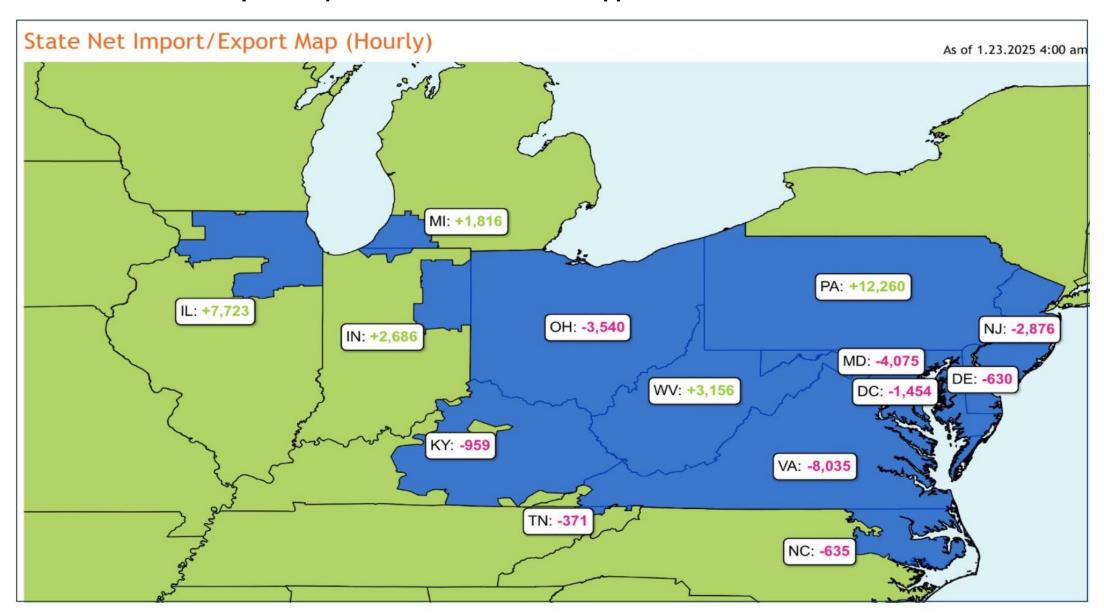
Locational Marginal Pricing - LMP is the price of delivering the next megawatt (MW) of electricity to a specific location or zone on the grid, like the BGE Zone or the Delmarva Zone

Constrained local MD supply and high electricity demand on January 22, 2025, led to the LMP price of \$701.56 for the next MW in the BGE zone.

Increasing MD supply by allowing natural gas generation will prevent this type of escalating pricing



Maryland currently imports 40% - between 3,000 MWs to 5,000+ MWs hourly from other states - mostly Pennsylvania. How much will Maryland import when all 5 of the PJM approved transmission extension cords are built?



Maryland currently imports 40% - between 3,000 MWs to 5,000+ MWs hourly from other states - mostly Pennsylvania. How much will Maryland import when all 5 of the PJM approved transmission extension cords are built?



MARYLAND NEEDS TO BE ENERGY INDEPENDENT

- Increased supply lowers electricity prices
- MD needs 24-7 thermal generation
- Prevents volatility in electricity prices
- Supports manufacturing growth
- Reduces vulnerability of transmission from weather events
- Supports data center growth
- Reduces burden on ratepayers

SUPPORT MARYLAND SB 643 WITH A FAVORABLE REPORT

Patti Hankins 229 St Mary's Rd Pylesville, MD 21132 Patti.Hankins@gmail.com

SB643. HB1329 Pavlak FWA.v1 - Energy generation.pd Uploaded by: Alex Pavlak

Position: FWA

SB643 (HB1329) Pavlak FWA

Energy generation

ADD THE FOLLOWING AMMENDMENT:

7-218.SECTION 2.(3)

PSC shall evaluate market distortions created by the Regional Greenhouse Gas Initiative (RGGI) and propose solutions.

- RGGI is the root cause of Maryland's reliability and stability challenges.
 - RGGI is effectively a carbon tax. In-State fossil fuel companies are required to purchase carbon allowances
- RGGI allowance prices have relentlessly increased over the past 20 years.
 - In FY 2024 RGGI allowances delivered \$218 million to Maryland SEIF
- The industry is not big, gross revenue roughly \$600 \$1,000/y
- New England RGGI appears to be is a sound policy
 - All States in the market are RGGI States
 - o Facilitates an orderly transition from coal to natural gas to clean.
- Maryland RGGI is a bad policy
 - Neighboring states are not RGGI States
 - o Maryland fossil fuel cannot compete with cheap imports
 - Shuts down Maryland baseload without functional replacement
- Options
 - o Tariffs on imported electricity
 - Limited RGGI exemptions



BGE_EEE_FWA_SB643 - Public Utilities - Energy Gene Uploaded by: Dytonia Reed

Position: FWA

Position Statement



Favorable with Amendments Education, Energy and Environment 3/6/2025

Senate Bill 643 - Public Utilities - Energy Generation and Transmission

Baltimore Gas and Electric Company (BGE) supports with amendments Senate Bill 643 – Public Utilities – Energy Generation and Transmission. Senate Bill 643 allows an investor owned electric company to construct, acquire, or lease, and operate, its own generating facilities or construct, acquire, or lease, and operate, transmission facilities. The bill states the General Assembly's support for developing additional nuclear energy in the State and encourages PJM, the Regional Transmission Organization (RTO) of which Maryland is a member, to expedite the interconnection process for new thermal generation and transmission in the State.

Resource adequacy is a pressing issue nation-wide and is of particular concern in Maryland. The retirement of electricity generation facilities in Maryland is causing significant resource adequacy issues, which has increased pricing in the capacity market and has prompted multiple large-scale transmission projects to be constructed to import more energy into the State. 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. Maryland currently imports 40% of its electricity from out-of-state electricity generators to meet the energy demands of residents and businesses. Ensuring that we have a reliable, resilient, and affordable electric grid is paramount for the well-being of our communities and the continued economic growth of our state.

Senate Bill 643 aims to address Maryland's energy resource constraint by supporting the construction and operation of new generating facilities, which BGE strongly supports. It also states that the Public Service Commission may require an investor-owned electric company to construct, acquire, or lease, and operate generation facilities, transmission facilities, or a combination of both facilities. BGE respectfully requests an amendment for an investor-owned electric company to obtain a credit rating assessment by a premier credit rating agency to ensure the terms of the order are unlikely 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 requests your support for inclusion of the proposed amendments and a favorable report for Senate Bill 643 to help increase Maryland's energy independence. Recognizing the importance of addressing the lack of electricity generation facilities will safeguard the reliability of our electric grid and ensure that Maryland remains well-prepared to meet future energy demands.

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.

SB 643 - Public Utilities – Energy Generation and Uploaded by: Poetri Deal

Position: FWA

Support with Amendments – Senate Bill 643 – Public Utilities – Energy Generation and Transmission

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support with amendments **Senate Bill 643 - Public Utilities – Energy Generation and Transmission.** Senate Bill 643 authorizes the construction, permitting, and operation of energy generating systems that produce energy from natural gas within the State. The legislation also permits investor-owned electric companies and electricity suppliers to construct, acquire, lease, and operate their own generating and certain transmission facilities. Additionally, the bill expresses the General Assembly's support for the development of additional nuclear energy in the State.

Resource adequacy is a pressing issue nationwide and is of particular concern in Maryland. Given the limited local generation and pending retirements of 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 contributions from Maryland, PJM Interconnection, and Maryland utilities. More resources are needed as soon as possible—power plants (renewable and natural gas), energy storage, and demand-side capabilities.

Ensuring a reliable electricity supply is a significant concern in Maryland. The state currently relies heavily on 40% imported power. The recent PJM Interconnection capacity auction highlighted these challenges, clearing at historically high prices and indicating a shortfall in resources to meet grid demands. Additionally, the planned retirement of the Brandon Shores will further strain Maryland's energy capacity. With its closure, the state will lose a significant portion of its dispatchable generation, exacerbating its power deficit and increasing reliance on imported electricity. This highlights the urgent need to bolster local generation resources to maintain grid reliability.

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 support with amendments Senate Bill 643 and are committed to collaborating with stakeholders to develop strategies that ensure a dependable electricity supply, maintain affordability, and align with the state's climate objectives.

SB 643 - CBF - UNF.pdf Uploaded by: Matt Stegman Position: UNF



CHESAPEAKE BAY FOUNDATION

Environmental Protection and Restoration
Environmental Education

Senate Bill 643 Public Utilities - Energy Generation and Transmission

Date: March 6, 2025 Position: **UNFAVORABLE** To: Education, Energy, and the Environment Committee From: Gussie Maguire

MD Staff Scientist

Chesapeake Bay Foundation (CBF) **OPPOSES** Senate Bill 643, which allows for the construction and operation of new natural gas-burning energy generation systems. 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. 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 SB 643.

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

 $^{1}\,\underline{https://www.chesapeakebay.net/issues/threats-to-the-bay/air-pollution}$

² https://www.epa.gov/sites/default/files/2015-02/documents/appendix 1 atmos n deposition allocations final.pdf

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

SB 643_HB 1329_Oppose.pdfUploaded by: Maurice Simpson, Jr.

Position: UNF



March 6, 2025

Chairman Brian J. Feldman
Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, MD 21401

Chairman C.T. Wilson House Economic Matters Committee 231 Taylor House Office Building Annapolis, Maryland 21401

RE: SB 643/HB 1329 – Public Utilities – Energy Generation

SB 951 amends the Public Utility Article and authorizes investor-owned electric companies in the State to construct, acquire, or lease, and operate, their own generating facilities and construct, acquire, or lease, and operate, certain transmission facilities.

Utility generation has historically proven to be the costliest to consumers, and commandeering monopoly utilities to invest in generating capacity will undermine competition from merchant developers and market-based investments. Utilities have not been involved in generation development for over two decades and have no internal resources, experience, or supply chains to support a build-out of new power plants.

We encourage the Maryland General Assembly to pursue resource adequacy solutions that ensure that competitive generators continue to bear the risk of new generation investment, protecting consumers across the state. At a time when utility infrastructure costs and customer bills are skyrocketing, there should be no consideration of utilities re-entering the generation business to put even more costs on the backs of ratepayers.

Constellation respectfully requests an unfavorable vote on SB 951. Please contact Maurice Simpson, Senior Manager of Government Affairs, at Maurice.Simpson@constellation.com with any questions.

SB 643 - Energy and Transmission_ MDLCV OppositionUploaded by: Rebecca Rehr

Position: UNF



Kim Coble Executive Director

2025 Board of Directors

Patrick Miller, Chair The Hon. Nancy Kopp, Treasurer Kimberly Armstrong Caroline Baker Joe Gill Lynn Heller Charles Hernick The Hon. Steve Lafferty Bonnie L. Norman March 6, 2025

OPPOSE: SB 643 - Public Utilities - Energy Generation and Transmission

Chair Feldman and Members of the Committee:

Maryland LCV opposes SB 643 - Energy Generation and Transmission, particularly its provisions that permit in-state construction and operation of energy generating systems that produce energy from natural gas. Maryland LCV strongly 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 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.

SB0643 (HB1329) - LOI - Public Utilities - Energy Uploaded by: Landon Fahrig

Position: INFO



TO: Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the

Environment Committee

FROM: MEA

SUBJECT: SB 643 - Public Utilities - Energy Generation and Transmission

DATE: March 6, 2025

MEA Position: LETTER OF INFORMATION

Senate Bill 643 seeks to affirm the authority to construct, permit, and operate energy-generating systems fueled by natural gas in the State.

Maryland has no law preventing the construction of natural gas facilities or any type of energy generation. Given that Maryland's regulatory structure already provides a pathway for this development, this bill is unnecessary.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy manager, at megan.outten@maryland.gov or 443.842.1780.