



Maryland Energy Administration

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

FROM: MEA

SUBJECT: SB 706 - Renewable Energy Portfolio Standard - Alterations

DATE: February 26, 2026

MEA Position: Letter of Concern

The Maryland Energy Administration (MEA) respectfully submits this Letter of Concern regarding Senate Bill 706.

SB 706 would significantly reduce the State's Tier 1 Renewable Energy Portfolio Standard (RPS) requirements beginning in compliance year 2027 and continuing thereafter. Specifically, the bill lowers the Tier 1 requirement from 41.5% to 26% in 2027 and reduces the long-term 2030 and beyond requirement from 50% to 34.5%, while maintaining certain carve-outs for solar, offshore wind, and geothermal resources.

Maryland's RPS serves as a foundational policy mechanism for driving renewable energy deployment, providing long-term market certainty, and supporting private investment in clean energy infrastructure. The current trajectory toward 50% Tier 1 renewable energy was adopted through deliberate legislative action and reflects the State's broader climate commitments, economic development strategy, and grid modernization planning.

Reducing the Tier 1 requirement would materially alter market demand for renewable energy credits (RECs), which could affect financing assumptions for existing and planned renewable energy projects. While the bill includes language preserving existing contractual obligations, future project development, workforce investments, and supply chain growth rely heavily on predictable compliance targets.

The RPS also supports Maryland's long-term greenhouse gas reduction goals. Lowering Tier 1 requirements may require the State to identify alternative pathways to achieve statutory climate targets, potentially shifting compliance pressure to other sectors or programs.

In addition, the RPS has been a driver of in-State solar development, offshore wind procurement, and emerging geothermal deployment. Market stability remains an important consideration as these sectors continue to scale and integrate into Maryland's energy portfolio.

MEA recognizes the importance of evaluating ratepayer impacts and maintaining affordability. At the same time, adjustments to core compliance targets warrant careful review given their implications for investment certainty, climate policy alignment, and long-term system planning.

For these reasons, MEA respectfully submits this Letter of Concern for the Committee's consideration.

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.